

**First Supplement dated 30 January 2024
to the Base Prospectus dated 12 October 2023**

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.
(incorporated with limited liability in the Czech Republic)

**€10,000,000,000
Mortgage Covered Bond Programme**

*This document constitutes a supplement (the **First Supplement**) for the purpose of Article 23 (1) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (as amended, the **Prospectus Regulation**) and is supplemental to and should be read in conjunction with, the base prospectus dated 12 October 2023 (the **Original Base Prospectus**) of UniCredit Bank Czech Republic and Slovakia, a.s. (the **Issuer**) prepared in relation to the Issuer's €10,000,000,000 Mortgage Covered Bond Programme. With effect from the date of this First Supplement, the Original Base Prospectus shall be amended and supplemented in the manner described in this First Supplement and each reference in the Original Base Prospectus to "Base Prospectus" shall be read and construed as a reference to the Original Base Prospectus as amended and supplemented by this First Supplement. The Original Base Prospectus in the form as supplemented by this First Supplement is hereinafter referred to as the **Base Prospectus**.*

Terms defined in the Original Base Prospectus have the same meaning when used in this First Supplement. To the extent that there is any inconsistency between (a) any statement in this First Supplement and (b) any other statement in the Original Base Prospectus prior to the date of this First Supplement, the statements in (a) will prevail.

This First Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) and will be published together with any documents incorporated by reference in electronic form on the website of the Luxembourg Stock Exchange www.luxse.com and on the website of the Issuer www.unicreditbank.cz, section "Debt Investor Relations", sub-section "UniCredit Bank Czech Republic and Slovakia, a.s. International €10 bln Covered Bond Programme". The Original Base Prospectus is published together with any documents incorporated by reference in electronic form on the website of the Luxembourg Stock Exchange www.luxse.com and on the website of the Issuer www.unicreditbank.cz, section "Debt Investor Relations", sub-section "UniCredit Bank Czech Republic and Slovakia, a.s. International €10 bln Covered Bond Programme".

The CSSF only approves this First Supplement as 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 that is the subject of this First Supplement.

By approving this First Supplement, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer pursuant to Article 6 (4) of the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*, the **Luxembourg Prospectus Law**).

The Issuer with its registered office at Prague 4 - Michle, Želetavská 1525/1, Postal Code 14092, Czech Republic, accepts responsibility for the information contained in this First Supplement. The Issuer hereby declares that, to the best of its knowledge, the information contained in this First Supplement is in accordance with the facts and that this First Supplement makes no omission likely to affect its import.

Save as disclosed in this First Supplement, there has been no significant new factor, material mistake or material inaccuracy relating to information included in the Original Base Prospectus since the publication of the Original Base Prospectus.

In accordance with Article 23 (2a) of the Prospectus Regulation, where the Original Base Prospectus to which this First Supplement applies relates to an offer of debt securities to the public, investors who have already agreed to purchase or subscribe for any debt securities before this First Supplement is published have the right, exercisable within two working days after the publication of this First Supplement, i.e. until and including 1 February 2024, to withdraw their acceptances, provided that a significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. Investors may contact the relevant financial intermediary if they wish to exercise their right of withdrawal.

PURPOSE OF THE SUPPLEMENT

The purpose of this Supplement is to: (a) reflect a change of legal form of UniCredit Bank AG to UniCredit Bank GmbH in the Original Base Prospectus; (b) amend the “Risk Factors” section in the Original Base Prospectus; (c) incorporate by reference the Issuer’s interim consolidated financial statements for the nine months ended 30 September 2023; (d) amend the “Selected Financial Information” section in the Original Base Prospectus; (e) amend the “Description of the Issuer” section in the Original Base Prospectus; (f) amend the “Risk Management” section in the Original Base Prospectus; and (g) amend the “General Information” section in the Original Base Prospectus in order to implement certain financial information as of and for the nine months ended 30 September 2023.

NOTICE

This First Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any debt securities the Issuer may issue. No person has been authorised by the Issuer to give any information or to make any representation other than those contained in this First Supplement or the Base Prospectus. If given or made, any such information or representation should not be relied upon as having been authorised by the Issuer.

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SUPPLEMENTAL INFORMATION

Part A – Change of legal form of UniCredit Bank AG to UniCredit Bank GmbH

- 1) With effect from 15 December 2023, UniCredit Bank AG (acting as the Arranger and the Dealer under the Programme) changed its legal form from AG to GmbH and its company name to UniCredit Bank GmbH. Therefore, any reference to “UniCredit Bank AG” in the Original Base Prospectus is hereby replaced with “UniCredit Bank GmbH”.

Part B – Amendments to the section RISK FACTORS

- 2) On page 25 of the Original Base Prospectus, the risk factor “**The Issuer is exposed to the risk of defaults by counterparties**” shall be replaced in its entirety by the following:

“The Issuer is exposed to the risk of defaults by counterparties

The Issuer is exposed to the risk that borrowers or other counterparties may not be able to meet their obligations owed to the Issuer. Counterparties include, among others, brokers and dealers, commercial banks, investment banks and other institutional as well as retail customers. Exposures can arise through trading, lending, deposit taking, clearance and settlement and other financing activities and relationships.

The Issuer considers the following to be the most substantial sources of its credit risk:

- portfolio concentration, both at the level of individual borrowers or economically connected groups, as well as at sector level, particularly in the area of commercial real estate financing;
- risk of external shocks on the residential real estate market; and
- risk of other than expected macroeconomic developments affecting the creditworthiness of corporate clients and available household income.

With regards to the structure of the receivables from clients, the Issuer’s loan portfolio as of 30 September 2023 and 31 December 2022 may be characterized as follows:

- 68.2 per cent. of the portfolio as of 30 September 2023 and 67.7 per cent. of the portfolio as of 31 December 2022 was comprised of receivables from corporate clients and the remainder, 31.8 per cent. as of 30 September 2023 and 32.3 per cent. as of 31 December 2022, of receivables from retail clients;
- the level of exposure to default was 1.6 per cent. as of 30 September 2023 and at 1.9 per cent. as of 31 December 2022 for the entire portfolio, and was lower for retail receivables as opposed to corporate receivables;
- the most frequently represented client sectors in the Issuer’s loan portfolio were real estate financing, financial services, energy, wholesale, services, government, transport and chemical (on an individual basis);
- 87.6 per cent. as of 30 September 2023 and 87.8 per cent. as of 31 December 2022 of the Issuer’s credit exposure vis-à-vis retail clients was comprised of receivables from mortgage loans provided to non-business individuals;
- the rate of defaulted exposures differed across the individual sectors (the highest rate being in manufacturing industry (4.51 per cent. as of 30 September 2023, 4.66 per cent. as of 31 December 2022, and 3.89 per cent. as of 31 December 2021), followed by the agriculture, forestry (3.46 per cent. as of 30 September 2023, 4.49 per cent. as of 31 December 2022 and 6.94 per cent. as of 31 December 2021) and transport (2.06 per cent. as of 30 September 2023, 6.17 per cent. as of 31 December 2022 and 9.12 per cent. as of 31 December 2021) and the lowest rate being public sector (0.0 per cent. as of 30 September 2023, 0.0 per cent. as of 31 December 2022 and 0.0 per cent. as of 31 December 2021)). 66 per cent. of the Issuer’s loan portfolio comprised receivables from clients with the risk of default below 0.49 per cent. as of 30 September 2023 (on an individual basis).

As of 30 September 2023, the average exposure-weighted probability of default on receivables from performing clients was 1.44 per cent. (1.51 per cent. as of 31 December 2022 and 1.63 per cent. as of 31 December 2021). However, changes in economic conditions caused by the COVID-19 outbreak gave rise to number of the Issuer’s defaulting clients. As regards the quality of the loan portfolio, a higher increase

in non-performing loans was identified during 2020 with a culmination in the first quarter of 2021. Subsequently, the share of non-performing loans decreased slightly towards the end of 2021. The current share of non-performing loans is at a better level than before the outbreak of the COVID-19 pandemic but there is a risk that the number of non-performing loans will increase in the future due to, among others, inflation level and high interest rates.

As of 30 September 2023, the total gross amount of non-performing exposures amounted to CZK 9.52 billion (CZK 11.30 billion as of 30 September 2022) and the coverage ratio on gross non-performing exposures reached 65.6 per cent. (66.7 per cent. as of 30 September 2022). The table below shows the historical share of non-performing loans at a consolidated level (always on the last day of the respective month):

	December 2021	September 2022	December 2022	September 2023
Development of share of non-performing loans to customers	2.5 per cent.	2.0 per cent.	1.9 per cent.	1.6 per cent.

The Issuer may incur losses if its counterparties default on their obligations. If losses arising from a counterparty’s default significantly exceed the amounts of the Issuer’s provisions, this could have a material adverse effect on the Issuer’s business, results of operations, financial condition, liquidity, capital base or prospects. This risk may be exacerbated if the collateral held by the Issuer cannot be realised or can only be liquidated at prices below the level necessary to recover the full amount of the loan, derivative or other contractual exposures.”

Part C – Amendments to the section DOCUMENTS INCORPORATED BY REFERENCE

3) On page 56 of the Original Base Prospectus, the following clause “(g)” shall be added:

“(g) the unaudited interim consolidated financial statements of the Issuer as of and for the nine months ended 30 September 2023 including the information set out at the following pages:

Consolidated Statement of Financial Position Page 1

Consolidated Statement of Comprehensive Income Page 2

(available at: <https://www.unicreditbank.cz/content/dam/cee2020-pws-cz/cz-dokumenty/obance/international-covered-bond-programme/UCB-Notes-Conso-30092023.pdf>)”

Part D – Amendments to the section SELECTED FINANCIAL INFORMATION

- 4) On page 295 of the Original Base Prospectus, the item “Consolidated statement of comprehensive income” shall be modified as follows:

Consolidated statement of comprehensive income

	Nine months ended 30 September		Year ended 31 December	
	2023	2022	2022	2021
	<i>(in CZK millions)</i>			
Interest income of which:	26,624	17,528	24,090	15,305
–interest income calculated using the effective interest method	32,110	21,518	30,403	12,722
Interest expenses	(15,107)	(6,470)	(9,506)	(2,324)
Net interest income	11,517	11,058	14,584	12,981
Fee and commission income	4,104	3,990	5,402	5,009
Fee and commission expenses	(1,429)	(1,105)	(1,600)	(1,414)
Net fee and commission income	2,675	2,885	3,802	3,595
Dividend income	7	7	8	4
Net income/(loss) from trading	2,051	1,663	2,032	2,111
Net income/(loss) from hedging against risk of changes in fair value	-	(2)	(2)	(1)
Net income/(loss) from the sale or repurchase of	171	88	342	435
Financial assets at amortised cost	131	34	107	357
Financial assets at fair value through other comprehensive income	39	46	46	94
Financial liabilities	1	8	(189)	(16)
Net income/(loss) from financial assets/liabilities at fair value through profit or loss, of which	88	(106)	(4)	(12)
Mandatorily at fair value	88	(106)	(4)	(12)
Operating income	16,509	15,593	20,762	19,113
Impairment losses on:	(5)	(1,001)	(1,600)	(2,044)
Financial assets at amortised cost	(7)	(1,001)	(1,595)	(2,045)
Financial assets at fair value through other comprehensive income	2	-	(5)	1
Administrative expenses	(5,826)	(5,664)	(7,577)	(7,288)
Net provisions for risks and charges	(15)	192	62	41
Loan commitments and financial guarantees given	(73)	205	65	18
Other net provisions	58	(13)	(3)	23
Depreciation and impairment of property, equipment and right of use assets	(705)	(711)	(951)	(1,064)
Amortisation and impairment of intangible assets	(543)	(516)	(688)	(676)
Other operating income and expenses	540	524	1,102	665
Operating expenses	(6,549)	(6,175)	(8,052)	(8,322)
Net income/(loss) on property and investment property measured at fair value	-	-	-	2
Profit/(loss) from equity investments	38	40	54	61
Profit/(loss) from the sale of non-financial assets	(1)	(4)	(2)	30
Profit before income tax	9,992	8,453	11,162	8,840

Income tax	(1,725)	(1,619)	(2,034)	(1,859)
Profit after tax	8,267	6,834	9,128	6,981
Net profit attributable to the Group's shareholders.....	8,267	6,834	9,128	6,981
Items that cannot be subsequently reclassified to profit or loss				
Reserve from revaluation of financial assets at fair value through other comprehensive income, of which:	0	(5)	(6)	-
Change in fair value.....	-	(6)	(7)	-
Deferred tax	-	1	1	-
Reserve from revaluation of property used in business measured at fair value, of which:	5	7	4	(53)
Change in fair value.....	13	17	15	(51)
Transfers to other net equity items	(7)	(8)	(10)	(15)
Deferred tax	(1)	(2)	(1)	13
Items that can be subsequently reclassified to profit or loss				
Reserve from revaluation of hedging instruments in cash flow hedges, of which:	1,125	(3,435)	(2,007)	(6,565)
Change in fair value.....	1,381	(4,268)	(1,207)	(8,643)
Revaluation reclassified to profit or loss.....	-	-	(1,299)	532
Deferred tax	(256)	833	499	1,546
Reserve from revaluation of financial assets at fair value through other comprehensive income, of which:.....	(89)	(566)	(522)	29
Change in fair value.....	(115)	(631)	(577)	89
Revaluation reclassified to profit or loss.....	6	(68)	(68)	(53)
Deferred tax	20	133	123	(7)
Foreign exchange rate gains from the consolidation of a foreign branch	121	(87)	(332)	(709)
Other comprehensive income, net of tax	1,162	(4,086)	(2,863)	(7,298)
Other comprehensive income, net of tax, attributable to the Group's shareholders.....	1,162	(4,086)	(2,863)	(7,298)
Total comprehensive income, net of tax.....	9,429	2,748	6,265	(317)
Total comprehensive income, net of tax, attributable to the Group's shareholders.....	9,429	2,748	6,265	(317)

- 5) On page 297 of the Original Base Prospectus, the item “**Consolidated statement of financial position**” shall be modified as follows:

Consolidated statement of financial position

	As of 30 September		As of 31 December	
	2023	2022	2022	2021
	<i>(in CZK millions)</i>			
ASSETS				
Cash and cash balances	6,645	7,554	7,086	5,772
Financial assets at fair value through profit or loss, of which ...	41,324	57,124	53,235	35,190
Held for trading	41,167	56,607	52,695	34,646
Mandatorily at fair value	157	517	540	544
Financial assets at fair value through other comprehensive income, of which:.....	46,242	27,940	28,319	21,802
Financial assets at amortised cost, of which:.....	971,509	911,500	645,469	605,192
Loans and advances to banks.....	389,560	358,287	108,389	121,843
Loans and advances to customers.....	581,949	553,213	537,080	483,349
Positive fair value of hedging derivatives	16,867	22,336	21,431	12,341
Change in fair value of the portfolio of hedged instruments	(2,473)	(3,188)	(3,164)	(366)
Equity investments	336	341	355	365
Property, equipment and right of use assets	6,949	6,462	6,443	6,511
Intangible assets	2,392	2,628	2,712	2,876
Tax receivables, of which:.....	2,658	3,212	3,036	2,553
Current income tax	2	39	10	349
Deferred tax	2,656	3,173	3,026	2,204
Non-current assets held for sale	-	-	-	8
Other assets	2,655	1,521	1,490	1,220
Total assets.....	1,095,104	1,037,430	766,412	693,464
LIABILITIES				
Financial liabilities at fair value through profit or loss, of which:.....	40,517	56,719	52,725	35,135
Held for trading	40,517	56,719	52,725	35,135
Financial liabilities at amortised cost, of which:	939,866	864,178	594,696	550,898
Deposits from banks.....	86,884	81,260	56,910	56,874
Deposits from customers	777,304	759,800	503,374	470,158
Debt securities issued.....	75,678	23,118	34,412	23,866
Negative fair value of hedging derivatives.....	31,720	40,854	39,799	21,755
Changes in fair value of the portfolio of hedged instruments.....	(10,334)	(13,697)	(12,656)	(5,395)
Tax liabilities, of which:	983	991	1,459	998
Current income tax	402	137	808	260
Deferred tax	581	854	651	738
Other liabilities.....	9,122	9,298	7,703	6,827
Provisions for risks and charges	1,289	1,161	1,264	1,365
Total liabilities.....	1,013,163	959,504	684,990	611,583
EQUITY				
Issued capital	8,755	8,755	8,755	8,755
Share premium	3,495	3,495	3,495	3,495
Reserve funds from revaluation.....	(7,829)	10,080	(9,029)	(6,141)
Retained earnings and reserve funds	69,253	68,922	69,073	68,791
Profit for the period.....	8,267	6,834	9,128	6,981
Total shareholder's equity.....	81,941	77,926	81,422	81,881
Total liabilities and shareholder's equity.....	1,095,104	1,037,430	766,412	693,464

Part E – Amendments to the section DESCRIPTION OF THE ISSUER

- 6) On page 301 of the Original Base Prospectus, the following selected parts of the item “**Overview**” shall be modified as follows (whilst the rest of the item remains unchanged), whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

“As of 30 September June 2023, the total assets of the Group were CZK 1,095.1 ~~999.1~~ billion compared to CZK 1,037.4 ~~955.4~~ billion as of 30 September June 2022 (CZK 766.4 billion as of 31 December 2022, an increase of 10.5 per cent. from CZK 693.5 billion as of 31 December 2021), the Issuer had CZK 777.3 ~~706.5~~ billion (CZK 503.4 billion as of 31 December 2022, an increase of 7.1 per cent. from CZK 470.2 billion as of 31 December 2021) of customer deposits and CZK 581.9 ~~564.4~~ billion (CZK 537.1 billion as of 31 December 2022, an increase of 11.1 per cent. from CZK 483.3 billion as of 31 December 2021) of outstanding customer loans. As of 30 September 2023, the direct funding of the Group (being the sum of customer deposits and issued debt securities) amounted to CZK 853 billion.”

The Issuer aims to maintain its financial stability through a strong capital base, with its common equity tier 1 (CET1) ratio amounting to 23.06 per cent. and its total capital ratio amounting to 23.1 per cent. (both according to Basel III phase-in rules) as of 31 December 2022. As of 30 September June 2023, the Issuer’s ratio of the common equity tier 1 (CET1) was 22.2 ~~22.0~~ per cent. and its total capital ratio amounted to 22.4 ~~22.1~~ per cent.

As of 30 September June 2023, the LCR of the Issuer stood at 136 ~~140~~ per cent. (~~147~~ ~~144~~ per cent. as of 30 September June 2022) and the NSFR of the Issuer stood at 148 ~~139~~ per cent. (~~154~~ ~~139~~ per cent. as of 30 September June 2022). Cost of risk of the Group stood at -0.01 ~~0.04~~ per cent. as of 30 September June 2023 (0.20 ~~0.29~~ per cent. as of 30 September June 2022) and the total net write-downs on loans reached CZK 51.7 ~~-102.4~~ million as of 30 September June 2023 (CZK -762.7 ~~-711.6~~ million as of 30 September June 2022).

The Group’s return on allocated capital (ROAC) stood at 20.9 ~~19.9~~ per cent. as of 30 September June 2023 (17.5 ~~16.8~~ per cent. as of 30 September June 2022).”

- 7) On page 303 of the Original Base Prospectus, the item “**Credit Rating**” shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

“The Issuer was assigned rating A3 with a stable ~~negative~~ outlook by Moody’s.”

Part F – Amendments to the section RISK MANAGEMENT

- 8) On page 333 of the Original Base Prospectus, the following selected parts of the item “**Capital Management**” shall be modified as follows (whilst the rest of the item remains unchanged), whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

“As of 30 September June 2023, the total regulatory capital of the Group amounted to CZK 79.6 ~~79.3~~ billion (CZK 79.6 ~~79.8~~ billion as of 30 September June 2022), of which CET1 capital amounted to CZK 79.0 ~~78.7~~ billion (CZK 78.8 ~~79.0~~ billion as of 30 September June 2022). The total risk-weighted assets (RWA) of the Group amounted to CZK 355.9 ~~358.8~~ billion as of 30 September June 2023 (CZK 360.4 ~~368.3~~ billion as of 30 September June 2022).”

Part G – Amendments to the section GENERAL INFORMATION

- 9) On page 371 of the Original Base Prospectus, the item “**Documents Available**” shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

“For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London and, in the case of the documents listed under paragraphs (a), (b), (c), (d), ~~(e)~~, ~~(f)~~ and (g) and (h), also on the Issuer’s website www.unicreditbank.cz, where they will remain publicly available in electronic form for at least 10 years after their publication on the relevant websites:

- (a) the Articles of Association (with an English translation thereof) of the Issuer, available at: section “*Debt Investor Relations*”, sub-section “*Articles of Association of the Bank*”;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2022 and 2021 (drawn up in English or with an English translation thereof), in each case together with the audit reports prepared in connection therewith, available at: section “*Debt Investor Relations*”, sub-section “*Annual reports*”;
- (c) the unaudited interim consolidated financial statements of the Issuer for the six months ended 30 June 2023 and 2022;
- (d) the unaudited interim consolidated financial statements of the Issuer for the nine months ended 30 September 2023;
- (e) ~~(d)~~ the Sustainability Bond Framework;
- (f) ~~(e)~~ the Programme Agreement, the Agency Agreement and the Asset Monitor Agreement;
- (g) ~~(f)~~ a copy of this Base Prospectus, available at: section “*Debt Investor Relations*”, sub-section “*UniCredit Bank Czech Republic and Slovakia, a.s. International €10 bln Covered Bond Programme*”; and
- (h) ~~(g)~~ any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference available at: section “*Debt Investor Relations*”, sub-section “*UniCredit Bank Czech Republic and Slovakia, a.s. International €10 bln Covered Bond Programme*”.

- 10) On page 372 of the Original Base Prospectus, the item “**Significant or Material Change**” shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

“There has been no significant change in the financial performance or the financial position of the Issuer or the Group since 30 September ~~June~~ 2023 and there has been no material adverse change in the prospects of the Issuer since 31 December 2022.”
