

# Vision Banco S.A.E.C.A.

## Perfil

Vision Banco S.A.E.C.A. (Vision) is an open capital commercial bank focusing in retail banking with a leadership in micro enterprises. Vision is a medium-sized entity, with a consolidated franchise as a provider of financial services to the middle and low income segments. At August'22 it is the 10th bank by volume of financing and 8th by deposits, with a market share of 3.9% and 4.8%, respectively, and 3rd in assistance to the retail trade sector (13.8% market share).

## Key Drivers

**Low-cost, well diversified funding structure.** The main funding source comes from deposits (79.0% of total assets as of September 22) mainly originated in the non- financial private sector (93,7%). Deposits are largely denominated in domestic currency (80.5%), with a high share of sight deposits (62.2%), which provide Vision with a low cost of funding and a low concentration by creditor owing to its large customer base. Additionally, Vision holds a large availability of credit lines from both domestic and foreign institutional organisms as well as domestic banks, and wide access to capital markets providing ample coverage of its funding requirements.

**Adjusted Capitalization levels for the business model** Historically, Vision has maintained a reasonable capital position based on its good access to the capital market and consistent generation of results, although it is highlighted that it is adjusted with respect to its rating segment (tangible capital/tangible assets: 7.5% as of September 22). To this purpose, Vision is under a capitalization program to increase Tier I Capital and to reduce subordinated debt. FIX foresees Vision to keep its capitalization levels within reasonable range according with its capital efficiency assessment.

**Reasonable performance.** Vision's profitability is supported by its sustained and good intermediation margin, derived from its business model focused on retail banking (ample margins, high atomization and higher cost of provisions) and the large share of SME banking (and currently in the medium-sized business segment), as well as its capacity to generate revenues from its large customer base. As of September 2022, the profitability ratios were reasonable (ROE: 5.4% and ROA: 0,6%). FIX foresees that the capitalization of the Financial Entity will continue to remain at reasonable levels in accordance with its evaluation of capital efficiency.

**Adequate assets quality according to its business model.** As of September 22 past due loans reached 8.6% of gross loans, this ratio has historically remained above the average of the banking system and private banks, although consistent with the segment to which its costumers belong. Meanwhile, Vision shows a high portfolio included in the exceptional COVID measures (27.3% as of September 22) because it included in this category all the loans benefited from installment deferral. Considering this portfolio, the RRR loans and the overdue portfolio, the loans with some stress degree would reach 47.9% of gross loans. However, it should be noted that 84.3% of the RRR portfolio are renewed loans.

**Reasonable liquidity risk favoured by the high granularity of its deposits.** Vision liquidity risk management is sound, having adequate liquidity coverage limits to cover a potential drop in deposits. As of September 22, liquid assets coverage ratio reached 30.9% of deposits, considered reasonable and partially mitigated by the high granularity of deposits. The first 10 clients concentrate 4.1% of deposits as of September 22.

## Credit Update

### Ratings

Long Term A+py

Trend Stable

### Financial Summary

Vision Banco S.A.E.C.A.		
Millions Gs	09/30/2022	09/30/2021
Assets (USD)*	1.066	1.197
Assets (Gs)	7.566.145	8.173.040
Net Equity (Gs)	7.562.544	8.277.235
Net Income (Gs)	803.662	760.027
ROAA (%)	0,6	0,8
ROAE (%)	5,4	9,0
Equity/Assets (%)	10,6	9,2

\* Central Bank Exchange Rate.(USD/Gs. 09/30/2022): 7.091 and 09/30/2021: 6.913

### Applicable Criteria

[Rating Methodology for Financial Entities, registered with the CNV Paraguay, March 2020](#)

### Related Research

[Paraguay's Financial System, FIX SCR S.A., September 30, 2021](#)

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## Rating Sensitivities

**Business scale and improvement in efficiency.** A significant and sustained growth in its business scale, jointly with the cost reduction being carried on by Vision through digital transactional banking services and the availability of alternative channels to cut down the branch network might trigger an upgrade in IDR.

**Business performance deterioration impacting on solvency ratios as well as limitations to fund business' growth.** A strong and sustained deterioration impacting negatively on solvency ratios as well as limitations on funding to push up growth in business operations might trigger a downgrade of the credit rating.

Income Statement – Vision Banco S.A.E.C.A.

	Sept, 30 <sup>th</sup> 2022		Dec, 31 <sup>st</sup> 2021		Sept, 30 <sup>th</sup> 2021		Dec, 31 <sup>st</sup> 2020		Dec, 31 <sup>st</sup> 2019	
	9 months	As % of	Annual	As % of	9 months	As % of	Annual	As % of	Annual	As % of
	Gs mill	Earnings	Gs mill	Earnings	Gs mil	Earnings	Gs mill	Earnings	Gs mill	Earnings
	Original	Assets	Original	Assets	Original	Assets	Original	Assets	Original	Assets
1. Interest Income on Loans	533.326,0	12,42	805.454,5	12,92	602.035,3	13,28	806.187,7	12,75	812.210,2	13,60
2. Other Interest Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Dividend Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>4. Gross Interest and Dividend Income</b>	<b>533.326,0</b>	<b>12,42</b>	<b>805.454,5</b>	<b>12,92</b>	<b>602.035,3</b>	<b>13,28</b>	<b>806.187,7</b>	<b>12,75</b>	<b>812.210,2</b>	<b>13,60</b>
5. Interest Expense on Customer Deposits	156.177,9	3,64	265.092,1	4,25	204.443,1	4,51	312.891,9	4,95	304.446,2	5,10
6. Other Interest Expense	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>7. Total Interest Expense</b>	<b>156.177,9</b>	<b>3,64</b>	<b>265.092,1</b>	<b>4,25</b>	<b>204.443,1</b>	<b>4,51</b>	<b>312.891,9</b>	<b>4,95</b>	<b>304.446,2</b>	<b>5,10</b>
<b>8. Net interest Income</b>	<b>377.148,1</b>	<b>8,78</b>	<b>540.362,4</b>	<b>8,67</b>	<b>397.592,3</b>	<b>8,77</b>	<b>493.295,7</b>	<b>7,80</b>	<b>507.764,0</b>	<b>8,50</b>
9. Net Gains (losses) on Trading and Derivatives	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (losses) on Other Securities	34.770,3	0,81	41.940,5	0,67	29.702,5	0,66	35.702,8	0,56	36.805,6	0,62
11. Net Gains on Assets at FV through Income Statement	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	106.821,4	2,49	152.244,0	2,44	114.056,7	2,52	156.952,2	2,48	189.928,9	3,18
14. Other Operating Income	107.697,7	2,51	101.230,0	1,62	77.359,6	1,71	84.361,7	1,33	94.854,7	1,59
<b>15. Total Non-Interest Operating Income</b>	<b>249.289,5</b>	<b>5,81</b>	<b>295.414,5</b>	<b>4,74</b>	<b>221.118,7</b>	<b>4,88</b>	<b>277.016,6</b>	<b>4,38</b>	<b>321.589,2</b>	<b>5,38</b>
16. Personnel Expenses	161.872,5	3,77	208.799,8	3,35	155.395,8	3,43	206.446,9	3,27	235.213,9	3,94
17. Other Operating Expenses	209.747,3	4,89	265.328,8	4,26	190.551,7	4,20	228.754,8	3,62	224.478,0	3,76
<b>18. Total Non-Interest Expenses</b>	<b>371.619,8</b>	<b>8,66</b>	<b>474.128,6</b>	<b>7,61</b>	<b>345.947,5</b>	<b>7,63</b>	<b>435.201,7</b>	<b>6,88</b>	<b>459.691,9</b>	<b>7,70</b>
19. -EquOperating	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>20. Pre-Impairment Operating Profit</b>	<b>254.817,8</b>	<b>5,94</b>	<b>361.648,3</b>	<b>5,80</b>	<b>272.763,5</b>	<b>6,02</b>	<b>335.110,6</b>	<b>5,30</b>	<b>369.661,2</b>	<b>6,19</b>
21. Loan Impairment Charge	276.008,8	6,43	276.575,6	4,44	215.428,7	4,75	294.990,8	4,67	329.399,4	5,52
22. Securities and Other Credit Impairment Charges	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>23. Operating Profit</b>	<b>(21.191,0)</b>	<b>(0,49)</b>	<b>85.072,7</b>	<b>1,37</b>	<b>57.334,9</b>	<b>1,26</b>	<b>40.119,8</b>	<b>0,63</b>	<b>40.261,8</b>	<b>0,67</b>
24. Equity-accounted Profit/Loss – Non-Operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-Recurring Income	72.422,1	1,69	1.403,6	0,02	1.190,1	0,03	533,8	0,01	2.434,6	0,04
26. Non-Recurring Expenses	5.424,3	0,13	2.801,9	0,04	1.547,9	0,03	2.767,7	0,04	1.581,8	0,03
27. Changes inf Fair Value of Own Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-Operating Income and Expenses	-3.120,9	-0,07	-1.645,4	-0,03	-1.645,0	-0,04	-12,7	0,00	-809,8	-0,01
<b>29. Pre-Tax Profit</b>	<b>42.685,9</b>	<b>0,99</b>	<b>82.028,9</b>	<b>1,32</b>	<b>55.332,1</b>	<b>1,22</b>	<b>37.873,3</b>	<b>0,60</b>	<b>40.304,9</b>	<b>0,67</b>
30. Tax Expense	10.306,9	0,24	11.669,4	0,19	8.390,3	0,19	6.629,2	0,10	9.083,3	0,15
31. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>32. Net Income</b>	<b>32.379,0</b>	<b>0,75</b>	<b>70.359,6</b>	<b>1,13</b>	<b>46.941,8</b>	<b>1,04</b>	<b>31.244,1</b>	<b>0,49</b>	<b>31.221,6</b>	<b>0,52</b>
33. Changes in Value of AFS Investments	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains (losses)	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>37. FIX SCR Comprehensive Income</b>	<b>32.379,0</b>	<b>0,75</b>	<b>70.359,6</b>	<b>1,13</b>	<b>46.941,8</b>	<b>1,04</b>	<b>31.244,1</b>	<b>0,49</b>	<b>31.221,6</b>	<b>0,52</b>
38. Memo: Profit Allocation to Non-Controlling Interest	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interest	32.379,0	0,75	70.359,6	1,13	46.941,8	1,04	31.244,1	0,49	31.221,6	0,52
40. Memo: Common Dividends Relating to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

**Balance Sheet Vision Banco S.A.E.C.A.**

	Sept, 30 <sup>th</sup> 2022		Dec, 31 <sup>st</sup> 2021		Sept, 30 <sup>th</sup> 2021		Dec, 31 <sup>st</sup> 2020		Dec, 31 <sup>st</sup> 2019	
	9 months		Annual		9 months		Annual		Annual	
	Gs mill	% of	Gs mill	% of	Gs mill	% of	Gs mill	% of	Gs mill	% of
	Original	Assets	Original	Assets	Original	Assets	Original	Assets	Original	Assets
<b>Assets</b>										
<b>A. Loans</b>										
1. Residential Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/Retail Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	5,309,764.2	70.21	5,847,434.1	71.08	10,225,924.9	123.54	5,771,156.4	71.52	5,483,605.6	73.60
6. Less: Reserves for Impaired Loans /NPLs	491,778.3	6.50	444,999.3	5.41	5,036,484.3	60.85	229,996.3	2.85	204,137.9	2.74
7. Net Loans	4,817,985.9	63.71	5,402,434.9	65.67	5,189,440.6	62.70	5,541,160.1	68.67	5,279,467.7	70.86
8. Gross Loans	5,309,764.2	70.21	5,847,434.1	71.08	10,225,924.9	123.54	5,771,156.4	71.52	5,483,605.6	73.60
9. Memo: Impaired Loans included Above	465,723.1	6.16	253,425.2	3.08	609,790.7	7.37	196,401.8	2.43	195,893.6	2.63
10. Memo: Loans at Fair Value	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>										
1. Loans and Advances to Banks	60,787.0	0.80	42,594.2	0.52	40,451.4	0.49	36,282.7	0.45	102,044.5	1.37
2. Reverse Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities at Fair Value through Income	634,707.5	8.39	731,654.6	8.89	739,557.9	8.93	696,073.3	8.63	541,303.7	7.27
4. Derivatives (*)	86,528.3	1.14	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Available for Sale Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Cost plus yield booked securities T	124,618.0	1.65	55,360.6	0.67	74,768.5	0.90	47,769.4	0.59	49,224.3	0.66
6. Held to Maturity Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	845,853.9	11.18	787,015.1	9.57	814,326.5	9.84	743,842.7	9.22	590,528.0	7.93
9. Memo: Government Securities Included Above	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Memo: Total Securities Pledged	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Investments in Property	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Insurance Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Earning Assets	5,724,626.8	75.70	6,232,044.3	75.76	6,044,218.5	73.02	6,321,285.5	78.33	5,972,040.2	80.16
<b>C. Non-Earning Assets</b>										
1. Cash and Due from Banks	1,210,706.1	16.01	1,417,518.1	17.23	1,625,786.1	19.64	1,325,598.8	16.43	1,097,430.0	14.73
2. Memo: Mandatory Reserves included Above	n.a.	-	665,362.0	8.09	625,974.0	7.56	311,037.5	3.85	550,327.7	7.39
3. Foreclosed Real Estate	116,418.5	1.54	61,743.4	0.75	61,491.3	0.74	59,196.7	0.73	48,653.5	0.65
4. Fixed Assets	44,194.6	0.58	119,587.3	1.45	115,047.2	1.39	103,428.8	1.28	98,243.6	1.32
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	255,336.3	3.38	221,647.8	2.69	214,411.4	2.59	96,394.1	1.19	45,029.4	0.60
7. Current Tax Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	211,261.9	2.79	173,745.2	2.11	216,280.3	2.61	163,789.7	2.03	188,893.5	2.54
11. Total Assets	7,562,544.1	100.00	8,226,286.1	100.00	8,277,234.8	100.00	8,069,693.6	100.00	7,450,290.2	100.00
<b>Liabilities and Equity</b>										
<b>D. Interest-Bearing Liabilities</b>										
1. Customer Deposits - Current	1,473,459.0	19.48	1,587,512.0	19.30	1,500,873.5	18.13	1,442,771.0	17.88	1,197,007.6	16.07
2. Customer Deposits - Savings	2,241,962.1	29.65	2,422,445.1	29.45	2,293,573.4	27.71	2,031,910.9	25.18	1,655,741.3	22.22
3. Customer Deposits - Term	2,258,115.9	29.86	2,694,689.4	32.76	2,771,547.4	33.48	3,057,366.2	37.89	3,058,490.5	41.05
4. Total Customer Deposits	5,973,537.0	78.99	6,704,646.5	81.50	6,565,994.2	79.33	6,532,048.2	80.95	5,911,239.3	79.34
5. Deposits from Banks	76,350.2	1.01	78,766.6	0.95	59,165.2	0.71	7,634.3	0.09	6,868.9	0.09
6. Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	308,077.6	4.07	397,848.4	4.84	464,114.4	5.61	535,208.9	6.63	484,431.1	6.50
8. Total Deposits, Money Market and Short-term Funding	6,357,964.8	84.07	7,110,371.5	86.43	7,089,273.8	85.65	7,074,891.4	87.67	6,402,539.4	85.94
9. Senior Debt Maturing after 1 year	192,645.0	2.55	188,944.2	2.30	216,736.8	2.62	230,802.5	2.86	245,745.7	3.30
10. Subordinated Borrowing	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	192,645.0	2.55	188,944.2	2.30	216,736.8	2.62	230,802.5	2.86	245,745.7	3.30
12. Derivatives (*)	82,914.6	1.10	n.a.	-	n.a.	-	n.a.	-	61,311.3	0.82
14. Trading Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	6,633,524.4	87.72	7,299,315.7	88.73	7,306,010.6	88.27	7,305,693.9	90.53	6,709,596.3	90.06
<b>E. Non-Interest Bearing Liabilities</b>										
1. Fair Value Portion of Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit Impairment reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserve for Pensions and Other	19,118.8	0.25	9,526.9	0.12	19,539.4	0.24	10,819.2	0.13	15,530.9	0.21
4. Current Tax Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	106,239.1	1.40	130,816.4	1.59	191,657.9	2.32	97,781.7	1.21	105,674.2	1.42
10. Total Liabilities	6,758,882.3	89.37	7,439,659.0	90.44	7,517,207.8	90.82	7,414,294.8	91.88	6,830,801.4	91.69
<b>G. Equity</b>										
1. Common Equity	803,661.8	10.63	741,845.2	9.02	760,027.0	9.18	655,398.8	8.12	619,488.8	8.31
2. Non-controlling Interest	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserve	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Assets revaluation and Other Accumulated OCI	n.a.	-	44,781.9	0.54	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	803,661.8	10.63	786,627.1	9.56	760,027.0	9.18	655,398.8	8.12	619,488.8	8.31
7. Total Liabilities and Equity	7,562,544.1	100.00	8,226,286.1	100.00	8,277,234.8	100.00	8,069,693.6	100.00	7,450,290.2	100.00
8. Memo: FIX SCR Core Capital	548,325.5	7.25	564,979.3	6.87	545,615.6	6.59	559,004.7	6.93	574,459.4	7.71
9. Memo: FIX SCR Eligible Capital	548,325.5	7.25	564,979.3	6.87	545,615.6	6.59	559,004.7	6.93	574,459.4	7.71

(\*) Credit or Debit accountable for Premium on Derivatives Transactions

**Summary Analytics – Vision Banco S.A.E.C.A.**

	Sept 30 <sup>th</sup> 2022	Dec 31 <sup>st</sup> 2021	Sept 30 <sup>th</sup> 2021	Dec 31 <sup>st</sup> 2020	Dec 31 <sup>st</sup> 2019
	9 months	Annual	9 months	Annual	Annual
<b>A. – Interest Ratios</b>					
1. Interest Income on Loans/Average Gross Loans	12,86	12,22	11,84	14,32	15,34
2. Interest Expense on Customer Deposits/Average Customer Deposits	3,33	4,04	4,19	5,08	5,46
3. Interest Income/Average Earning Assets	12,03	13,13	13,17	13,10	14,07
4. Interest Expense/Average Interest-Bearing Liabilities	3,04	3,64	3,75	4,48	4,73
5. Net Interest Income/Average Earnings Assets	8,51	8,81	8,70	8,02	8,79
6. Net Int. Income Less Loan Impairment Charges/Av. Earning Assets	2,28	4,30	3,98	3,22	3,09
7. Net Interest Income Less Preferred Stock Dividend/Average Earning Assets	8,51	8,81	8,70	8,02	8,79
<b>B. Other Operating Profitability Ratios</b>					
1. Non-Interest Income/Gross Revenue	39,79	35,35	35,74	35,96	38,78
2. Non-Interest Expense/Gross Revenue	59,32	56,73	55,91	56,50	55,43
3. Non-Interest Expense/Average Assets	6,37	5,82	5,69	5,62	6,44
4. Pre-Impairment Op. Profit /Average Equity	42,70	50,73	52,52	52,90	62,17
5. Pre-Impairment Op. Profit/Average Total Assets	4,37	4,44	4,48	4,33	5,18
6. Loans and Securities impairment charges/Pre-Impairment Op. Profit	108,32	76,48	78,98	88,03	89,11
7. Operating Profit /Average Equity	(3,55)	11,93	11,04	6,33	6,77
8. Operating Profit / Average Total Assets	(0,36)	1,04	0,94	0,52	0,56
9. Taxes/Pre-tax Profit	24,15	14,23	15,16	17,50	22,54
10. Pre-Impairment Operating Profit/Risk Weighted Assets	7,02	7,30	7,52	7,05	6,71
11. Operating Profit/Risk Weighted Assets	(0,58)	1,72	1,58	0,84	0,73
<b>C. Other Profitability Ratios</b>					
1. Net Income/Average Total Equity	5,43	9,87	9,04	4,93	5,25
2. Net Income/Average Total Assets	0,55	0,86	0,77	0,40	0,44
3. FIX SCR Comprehensive Incomer/Average Total Equity	5,43	9,87	9,04	4,93	5,25
4. FIX SCR Comprehensive Incomer/Average Total Assets	0,55	0,86	0,77	0,40	0,44
5. Net Income/Average Total Assets Plus Average Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.	n.a.
6. Net Income/Risk Weighted Assets	0,89	1,42	1,29	0,66	0,57
7. FIX SCR Comprehensive Income/Risk Weighted Assets	0,89	1,42	1,29	0,66	0,57
<b>D. Capitalization</b>					
1. FIX SCR Core Capital /Weighted Assets	11,30	11,40	11,26	11,77	10,43
3. Tangible Common Equity/ Tangible Assets	7,50	7,06	6,77	7,01	7,76
4. Tier 1 Regulatory Capital Ratio	14,95	13,50	13,73	12,17	9,85
5. Total Regulatory Capital Ratio (*)	14,18	13,68	14,07	15,39	13,88
6. Basic Equity / Weighted Risks	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/Total Assets	10,63	9,56	9,18	8,12	8,31
8. Cash Dividends Paid&Declared/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid&Declared/FIX SCR Comprehensive Income	n.a.	n.a.	n.a.	n.a.	n.a.
10. Cash Dividend& Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Net Income-Cash Dividend/Total Equity	5,39	8,94	8,26	4,77	5,04
<b>E. Asset Quality Ratios</b>					
1. Growths of Total Assets	(8,07)	1,94	2,57	8,31	9,08
2. Growth of Gross Loans	(9,19)	1,32	77,19	5,24	7,46
3. Impaired Loans (NPLs)/Gross Loans	8,77	4,33	5,96	3,40	3,57
4. Reserves for Impaired Loans/Gross Loans	9,26	7,61	49,25	3,99	3,72
5. Reserves for Impaired Loans/Impaired Loans	105,59	175,59	825,94	117,10	104,21
6. Impaired Loans Less Reserves for Impaired Loans / Equity	(3,24)	(24,35)	(582,44)	(5,13)	(1,33)
7. Loan Impairment Charges/Average Gross Loans	6,67	4,20	4,25	5,24	6,22
8. Net Charge-Offs/Average Gross Loans	n.a.	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/Gross Loans+Foreclosed Assets	9,98	5,29	11,31	4,51	100,00
<b>F. Funding</b>					
1. Loans/Customer Deposits	88,89	87,21	155,74	88,35	92,77
2. Interbank Assets/Interbank Liabilities	79,62	540,77	68,37	475,26	1.485,60
3. Customer Deposits/total Funding Excl.Derivatives	91,19	91,85	89,87	89,41	88,91

## Annex I – Opinion

**The Rating Committee of FIX SCR Rating Agency met on October 14th, 2022 confirmed Vision Banco S.A.E.C.A. IDR at A+py, Stable Trend National Long Term Rating.**

Category “A” . Corresponds to those entities having risk management policies, good capacity to pay obligations, but this is likely to slightly deteriorate due to possible changes in the entity, in the industry to which it belongs or in the economy.

Signs “+” or “-” may be added to a national rating for the risk categories between AA and B to denote a higher or lower relative status within the relevant rating category and do not alter the definition of the Category to which they are added.

National scale ratings are not comparable across countries, so they are identified by adding a suffix for the country to which they refer, “py” for National ratings in Paraguay.

**Vision S.A.E.C.A.’s IDR is based on its consolidated franchise as a financial services provider to medium and low-income segments with a wide physical network and the implementation of alternative channels ensuring a wide country coverage, its good operational margin, favored by an adequate diversification of its revenue sources, good and low cost funding structure, and prudent liquidity and credit risk management. This rating also considers the incoming challenges Vision faces with regards to efficiency improvement and larger business scope.**

The trend of a rating indicates the possible direction in which a rating could move within a one to two year period. Trends reflex financial or other perspectives that have not yet consolidated to the level of triggering a rating change, but could do so if this behavior continues. The trend can be strong, sensitive or stable. A sensitive or strong trend does not imply that a change in rating is inevitable. In the same way, a rating with a stable trend can be changed before the trend changes to strong or sensitive if there are elements that justify it.

The stable trend reflects FIX view that the bank will remain successful to achieve its strategic goals as set for the next years.

FIX analysis of Vision S.A.E.C.A. is based on the financial statements as of 12.31.21 audited by PricewaterhouseCoopers who state the financial statements reasonably present all aspects of Vision Banco S.A.E.C.A. financial standing and the results of operations, cash flows for the year 2021 according to general accounting principles, valuation and risk assessment and regulatory framework as established by Banco Central del Paraguay.

Interim financial statements as of 09.30.2022 supplied by Vision were also part of our analysis.

The supplied information was deemed sufficient and adequate.

This rating was set based on private quantitative and qualitative information provided by the issuer and the following public information:

- Audited financial statements as of 12.31.2021.
- Interim financial statements as of 09.30.2022.
- Statistics of BCP, available in [www.bco.gov.py](http://www.bco.gov.py)

## Annex II

	Oct.21*	Mar.22	Apr.22	Jul.22	Oct.22
	Annual	Annual	Quarterly	Quarterly	Quarterly
<b>Solvency</b>	A+py	A+py	A+py	A+py	A+py
<b>Trend</b>	Stable	Stable	Stable	Stable	Stable

\*Initial Qualification Report

According to Res. N° 2, Act N° 57 of August 17, 2010 of Central Bank of Paraguay the following information states:

- Date of Credit Rating: October 14th, 2022
- Date of publication: in agreement with procedures depicted in Res. N° 2 mentioned above
- Type of Report: Updating Report
- Financial Statement as of 09.30.2022
- Rating Agency: FIX SCR S.A. Rating Agency (an affiliate of Fitch Ratings)
- [www.fixscr.com](http://www.fixscr.com)
- Sarmiento 663 7<sup>th</sup>.floor, Ciudad Autonoma de Buenos Aires.
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- Legal Representative: Dr. Alejandro Piera
- Ricardo Brugada 196 Brasilia and Luis Morales corner, Asunción, Paraguay.
- )+595)21 203 030/ [Alejandro.piera@ghp.com.py](mailto:Alejandro.piera@ghp.com.py)

Entity	Domestic Rating	
Vision Banco S.A.E.C.A.	Solvency	A+py
	Trend	Stable

Note: The IDR does not constitute an advice nor recommendation to either buy, sale, maintain or invest nor a guarantee of an investment and its issuer.

More information on this credit rating in:

- [www.visionbanco.com](http://www.visionbanco.com)
- [www.fixscr.com](http://www.fixscr.com)

### Rating methodology and rating procedure:

The rating methodology for financial institutions is available at: [www.fixscr.com/methodology](http://www.fixscr.com/methodology)

The rating procedure can be found in: [www.fixscr.com/ratings?filter\\_country=126](http://www.fixscr.com/ratings?filter_country=126).

### Nomenclature

Category "A". Corresponds to those entities having risk management policies, good capacity to pay obligations, but this is likely to slightly deteriorate due to possible changes in the entity, in the industry to which it belongs or in the economy.

Signs "+" o "-" may be added to a national rating for the risk categories between AA and B to denote a higher or lower relative status within the relevant rating category and do not alter the definition of the Category to which they are added.

More information on the detailed meaning of all rating categories can be found at: <https://www.fixscr.com/site/definiciones>.

### General Description

FIX analysis was made on the basis of an analysis of public information willingly supplied by the financial institution specifically

- Ownership, administration and Corporate governance
- Profile.
- Performance
- Risk management.
- Loan portfolio evolution
- Internal and external reports
- Funding and Liquidity
- Capital adequacy
- Prospects
- Size and diversification.

Fix held meetings with High management and control and Risk units. It must be mentioned that FIX is not responsible for verification of the information veracity.



The ratings included in this report were solicited by the issuer or on his behalf and, therefore, FIX SCR S.A. Agent Risk Rating (affiliate of Fitch Ratings), hereinafter "FIX SCR S.A." or "FIX", received the fees for the provision of its ratings.

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