

# Visión Banco S.A.E.C.A.

## Perfil

Visión Banco S.A.E.C.A. (Visión) is an open capital commercial bank, whose target market is retail banking and entrepreneurs, mainly from the MIPYMES segment, as well as individuals. Founded in 1992 by eleven local investors, Visión is nowadays a medium-sized bank, with a wide and diversified distribution network of products and services and a relevant development of transactional digital banking.

## Key Drivers

**Limited operating profitability.** Vision average operating profitability for the last four years amounts to 0,7% of average assets volume, which is considered to be adjusted for the business profile and the market segment to which its operations are oriented. Although the bank has a good sight funding structure that provides it with a low funding cost that benefits its financial margin, its operating costs structure (59% of income) and provisions linked to the portfolio credit risk absorb a large part of the bank's income generation flow, in addition to the drop in the loan portfolio in the last fiscal year. The bank presents margins for improving its operating efficiency and diversifying its customer segment, central aspects of its strategy on which it has been working. FIX considers that given the context of high interest rates and a still volatile international context, it will continue to be a challenge for Visión to improve operating performance and efficiency indicators that will allow it to increase its internal capital generation.

**Reasonable capitalization for its business model.** Visión has historically maintained a reasonable capital position, supported by its good access to the capital market both for the placement of equity and subordinated debt, as well as by its results' generation, which allowed it to fuel its business' expansion although it should be noted that it is adjusted compared to its rating segment (tangible capital represents 8.6% of tangible assets as of Mar'23). FIX estimates that the entity's capitalization will continue to be at similar levels to those observed, although the challenges are linked to the internal generation of capital mentioned above.

**Consolidated franchise as a provider of financial services to middle and low-income segments, with presence throughout the country.** Visión has an extensive physical network and alternative channels that allow it to cover the entire country and provide comprehensive solutions to various businesses segments. With a deep understanding of the local market and the opportunities provided by the banking penetration gap, the Bank seeks to contribute to digital financial inclusion, and competitively integrates the different customer service channels in order to maintain customer proximity, as well as to deepen and streamline its business. As of February 2023, it is the 9th largest bank in terms of financing volume and 8th in terms of deposits, with a market share of 4.3% and 4.6%, respectively.

**Well-diversified and low-cost funding structure.** The main source of funds comes from deposits, which are mostly in local currency, with a high participation of sight deposits (64%), which provide Visión with a low funding cost and a low concentration per creditor due to its significant client base. Additionally, it has a wide availability of credit lines from local and foreign institutional organizations as well as local banks and a very good access to the capital markets, which cover in excess its financing needs.

**Low liquidity risk, favored by the high granularity of deposits.** Visión manages its illiquidity risk in a prudent manner with adequate liquidity coverage limits that minimize the costs linked to a

## Credit Update

## Ratings

Long Term National Apy

Trend Stable

## Financial Summary

Visión Banco S.A.E.C.A.		
Million Gs	03/31/23	03/31/22
Assets (USD)*	1.079	1.135
Assets (Gs)	7.763.372	7.863.989
Net Equity (Gs)	848.525	802.663
Net Income (Gs)	11.185	15.854
ROAA (%)	0,6	0,8
ROAE (%)	5,4	8,1
Equity/Assets (%)	8,6	7,4

\* Central Bank Exchange rate (USD/Gs). 03/31/23: 7.195,4 and 03/31/22: 6.930,1

## Applicable Criteria

[Financial Entities Rating Methodology, registered before the Securities National Commission, March 2020](#)

## Related Research

[Paraguayan Banking System, Recent Evolution and Prospects, FIX SCR S.A., March 29, 2023](#)

[Full Rating Report Visión Banco, March 17, 2023](#)

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potential deposit outflow. As of March 23, liquid assets coverage amounted to 33.7% of deposits. Furthermore, the high granularity of deposits reduces liquidity risk.

**Reasonable asset quality for its business model.** Visión's credit risk is consistent with its client segments. As of March 23, non-performing loans reached 5.7% of total portfolio, while considering the refinanced and restructured credits, the ratio reached 7.8%, historically higher than the system average, due to the higher weight of retail and consumer loans within the Bank's portfolio, compared to the banking system's portfolio profile. FIX expects the Bank's non-performing loans to remain within acceptable levels and in line with Vision's risk appetite, although the challenges are focused on portfolio's growth though maintaining healthy quality in a challenging context.

## **Rating Sensitivities**

**Business scale, operating performance improvement and efficiency.** A significant and sustained increase in the scale of its business, together with a sustained improvement of operating profitability that allows it to cover its structure and credit costs, as well as a continued process of improving efficiency, could lead to an upward revision of the entity's rating.

**Deterioration of its performance that impacts on its solvency as well as limitations to finance growth.** A strong and sustained deterioration in its performance that negatively affects its solvency, as well as limitations to fund the expansion of operations, could put downward pressure on the rating.

**Income Statement Visión Banco S.A.E.C.A.**

	31 mar 2022		31 dec 2021		31 mar 2021		31 dec 2021		31 dec 2020	
	3 month	As % of	Annual	As % of	3 month	As % of	Annual	As % of	Annual	As % of
	Gs mill	Earnings	Gs mill	Earnings	Gs mill	Earnings	Gs mill	Earnings	Gs mill	Earnings
	Original	Assets	Original	Assets	Original	Assets	Original	Assets	Original	Assets
1. Interest Income on Loans	177.418,8	11,94	719.137,3	12,46	185.403,4	12,33	805.454,5	12,92	806.187,7	12,75
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>177.418,8</b>	<b>11,94</b>	<b>719.137,3</b>	<b>12,46</b>	<b>185.403,4</b>	<b>12,33</b>	<b>805.454,5</b>	<b>12,92</b>	<b>806.187,7</b>	<b>12,75</b>
5. Interest Expense on Customer Deposits	51.139,0	3,44	204.507,7	3,54	55.501,8	3,69	265.092,1	4,25	312.891,9	4,95
6. Other Interest Expense	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>7. Total Interest Expense</b>	<b>51.139,0</b>	<b>3,44</b>	<b>204.507,7</b>	<b>3,54</b>	<b>55.501,8</b>	<b>3,69</b>	<b>265.092,1</b>	<b>4,25</b>	<b>312.891,9</b>	<b>4,95</b>
<b>8. Net interest Income</b>	<b>126.279,8</b>	<b>8,50</b>	<b>514.629,6</b>	<b>8,92</b>	<b>129.901,6</b>	<b>8,64</b>	<b>540.362,4</b>	<b>8,67</b>	<b>493.295,7</b>	<b>7,80</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	18.391,6	1,24	54.513,4	0,94	10.391,9	0,69	41.940,5	0,67	35.702,8	0,56
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	38.176,4	2,57	150.038,0	2,60	33.114,7	2,20	152.244,0	2,44	156.952,2	2,48
14. Other Operating Income	25.237,0	1,70	197.252,6	3,42	25.910,4	1,72	101.230,0	1,62	84.361,7	1,33
<b>15. Total Non-Interest Operating Income</b>	<b>81.805,0</b>	<b>5,51</b>	<b>401.804,0</b>	<b>6,96</b>	<b>69.416,9</b>	<b>4,62</b>	<b>295.414,5</b>	<b>4,74</b>	<b>277.016,6</b>	<b>4,38</b>
16. Personnel Expenses	34.329,1	2,31	223.936,6	3,88	53.461,7	3,55	208.799,8	3,35	206.446,9	3,27
17. Other Operating Expenses	93.293,1	6,28	293.856,4	5,09	81.156,2	5,40	265.328,8	4,26	228.754,8	3,62
<b>18. Total Non-Interest Expenses</b>	<b>127.622,2</b>	<b>8,59</b>	<b>517.793,0</b>	<b>8,97</b>	<b>134.617,8</b>	<b>8,95</b>	<b>474.128,6</b>	<b>7,61</b>	<b>435.201,7</b>	<b>6,88</b>
19. -Equity-accounted - Operating	7.229,3	0,49	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>20. Pre-Impairment Operating Profit</b>	<b>87.691,9</b>	<b>5,90</b>	<b>398.640,7</b>	<b>6,91</b>	<b>64.700,8</b>	<b>4,30</b>	<b>361.648,3</b>	<b>5,80</b>	<b>335.110,6</b>	<b>5,30</b>
21. Loan Impairment Charge	71.543,1	4,82	331.571,3	5,75	42.984,4	2,86	276.575,6	4,44	294.990,8	4,67
22. Securities and Other Credit Impairment Charges	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>23. Operating Profit</b>	<b>16.148,8</b>	<b>1,09</b>	<b>67.069,4</b>	<b>1,16</b>	<b>21.716,3</b>	<b>1,44</b>	<b>85.072,7</b>	<b>1,37</b>	<b>40.119,8</b>	<b>0,63</b>
24. Equity-accounted Profit/Loss - Non-Operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-Recurring Income	300,0	0,02	8.068,3	0,14	242,0	0,02	1.403,6	0,02	533,8	0,01
26. Non-Recurring Expenses	1.341,4	0,09	6.486,1	0,11	1.018,0	0,07	2.801,9	0,04	2.767,7	0,04
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	-1.791,9	-0,12	-3.594,7	-0,06	-1.789,4	-0,12	-1.645,4	-0,03	-12,7	0,00
<b>29. Pre-Tax Profit</b>	<b>13.315,5</b>	<b>0,90</b>	<b>65.056,9</b>	<b>1,13</b>	<b>19.150,9</b>	<b>1,27</b>	<b>82.028,9</b>	<b>1,32</b>	<b>37.873,3</b>	<b>0,60</b>
30. Tax Expense	2.130,2	0,14	6.810,2	0,12	3.297,0	0,22	11.669,4	0,19	6.629,2	0,10
31. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>32. Net Income</b>	<b>11.185,3</b>	<b>0,75</b>	<b>58.246,7</b>	<b>1,01</b>	<b>15.853,9</b>	<b>1,05</b>	<b>70.359,6</b>	<b>1,13</b>	<b>31.244,1</b>	<b>0,49</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>11.185,3</b>	<b>0,75</b>	<b>58.246,7</b>	<b>1,01</b>	<b>15.853,9</b>	<b>1,05</b>	<b>70.359,6</b>	<b>1,13</b>	<b>31.244,1</b>	<b>0,49</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	11.185,3	0,75	58.246,7	1,01	15.853,9	1,05	70.359,6	1,13	31.244,1	0,49
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.	-	17.780,1	0,29	22.104,8	0,35

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

	31 mar 2022		31 dec 2021		31 mar 2021		31 dec 2021		31 dec 2020	
	3 month	As % of	Annual	As % of	3 month	3 month	As % of	Annual	As % of	3 month
	Gs mill	Earnings	Gs mill	Earnings	Gs mill	Gs mill	Earnings	Gs mill	Earnings	Gs mill
	Original	Assets	Original	Assets	Original	Original	Assets	Original	Assets	Original
<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	5.359.785,5	69,04	5.428.033,9	71,29	5.638.164,0	71,70	5.847.434,1	71,08	5.771.156,4	71,52
6. Less: Reserves for Impaired Loans /NPLs	448.712,1	5,78	519.876,9	6,83	490.403,3	6,24	444.999,3	5,41	229.996,3	2,85
7. Net Loans	4.911.073,5	63,26	4.908.157,0	64,46	5.147.760,7	65,46	5.402.434,9	65,67	5.541.160,1	68,67
8. Gross Loans	5.359.785,5	69,04	5.428.033,9	71,29	5.638.164,0	71,70	5.847.434,1	71,08	5.771.156,4	71,52
9. Memo: Impaired Loans included Above	310.454,9	4,00	316.640,4	4,16	359.609,3	4,57	253.425,2	3,08	196.401,8	2,43
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	113.553,4	1,46	44.778,0	0,59	47.736,1	0,61	42.594,2	0,52	36.282,7	0,45
2. Reverse Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities at Fair Value through Income	578.172,4	7,45	641.574,5	8,43	627.861,2	7,98	731.654,6	8,89	696.073,3	8,63
4. Derivatives (*)	114.142,1	1,47	72.202,8	0,95	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	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	47.770,3	0,62	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	178.530,4	2,30	104.728,0	1,38	192.428,0	2,45	55.360,6	0,67	47.769,4	0,59
8. Total Securities	918.615,2	11,83	818.505,3	10,75	820.289,1	10,43	787.015,1	9,57	743.842,7	9,22
13. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Earning Assets	5.943.242,1	76,55	5.771.440,3	75,80	6.015.785,9	76,50	6.232.044,3	75,76	6.321.285,5	78,33
<b>C. Non-Earning Assets</b>										
1. Cash and Due from Banks	1.234.171,5	15,90	1.208.730,1	15,88	1.172.731,1	14,91	1.417.518,1	17,23	1.325.598,8	16,43
2. Memo: Mandatory Reserves included Above	n.a.	-	711.100,3	9,34	n.a.	-	665.362,0	8,09	311.037,5	3,85
3. Foreclosed Real Estate	128.262,0	1,65	128.417,8	1,69	70.414,9	0,90	61.743,4	0,75	59.196,7	0,73
4. Fixed Assets	48.087,9	0,62	45.250,2	0,59	116.338,5	1,48	119.587,3	1,45	103.428,8	1,28
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	196.808,3	2,54	264.482,9	3,47	241.923,7	3,08	221.647,8	2,69	96.394,1	1,19
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	212.800,0	2,74	195.713,7	2,57	246.795,0	3,14	173.745,2	2,11	163.789,7	2,03
11. Total Assets	7.763.371,8	100,00	7.614.035,1	100,00	7.863.989,0	100,00	8.226.286,1	100,00	8.069.693,6	100,00
<b>Liabilities and Equity</b>										
<b>D. Interest-Bearing Liabilities</b>										
1. Customer Deposits - Current	1.701.083,9	21,91	1.670.371,2	21,94	1.737.659,8	22,10	1.967.894,3	23,92	1.624.912,7	20,14
2. Customer Deposits - Savings	1.981.418,6	25,52	2.003.931,6	26,32	1.947.277,0	24,76	1.813.439,7	22,04	1.603.448,5	19,87
3. Customer Deposits - Term	2.040.243,6	26,28	2.042.892,6	26,83	2.157.845,0	27,44	2.333.873,5	28,37	2.558.959,5	31,71
4. Total Customer Deposits	5.722.746,0	73,71	5.717.195,4	75,09	5.842.781,7	74,30	6.115.207,4	74,34	5.787.320,7	71,72
5. Deposits from Banks	753.897,0	9,71	664.454,2	8,73	855.814,5	10,88	972.997,6	11,83	1.262.210,9	15,64
6. Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	33.895,8	0,44	34.986,2	0,46	68.918,5	0,88	46.231,3	0,56	50.684,4	0,63
8. Total Deposits, Money Market and Short-term Funding	6.510.538,8	83,86	6.416.635,8	84,27	6.767.514,8	86,06	7.134.436,4	86,73	7.100.215,9	87,99
9. Senior Debt Maturing after 1 year	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Subordinated Borrowing	228.746,6	2,95	223.143,2	2,93	189.740,9	2,41	188.944,2	2,30	230.802,5	2,86
11. Other funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	228.746,6	2,95	223.143,2	2,93	189.740,9	2,41	188.944,2	2,30	230.802,5	2,86
12. Derivatives (*)	101.225,8	1,30	68.589,1	0,90	n.a.	-	n.a.	-	n.a.	-
14. Trading Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	6.840.511,3	88,11	6.708.368,0	88,11	6.957.255,7	88,47	7.323.380,6	89,02	7.331.018,4	90,85
<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	10.669,8	0,14	13.185,2	0,17	11.226,7	0,14	9.526,9	0,12	10.819,2	0,13
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.	-
9. Other Liabilities	63.665,5	0,82	55.184,9	0,72	92.843,5	1,18	106.751,4	1,30	72.457,2	0,90
10. Total Liabilities	6.914.846,6	89,07	6.776.738,2	89,00	7.061.325,9	89,79	7.439.659,0	90,44	7.414.294,8	91,88
<b>F. Hybrid Capital</b>										
1. Preferred Shares and Hybrid Capital accounted for as Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Preferred Shares and Hybrid Capital accounted for as Equity	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>G. Equity</b>										
1. Common Equity	848.525,2	10,93	837.296,9	11,00	757.881,2	9,64	741.845,2	9,02	655.398,8	8,12
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	848.525,2	10,93	837.296,9	11,00	802.663,1	10,21	786.627,1	9,56	655.398,8	8,12
7. Total Liabilities and Equity	7.763.371,8	100,00	7.614.035,1	100,00	7.863.989,0	100,00	8.226.286,1	100,00	8.069.693,6	100,00
8. Memo: FIX SCR Core Capital	651.716,9	8,39	572.814,0	7,52	560.739,4	7,13	564.979,3	6,87	559.004,7	6,93
9. Memo: FIX SCR Eligible Capital	651.716,9	8,39	572.814,0	7,52	560.739,4	7,13	564.979,3	6,87	559.004,7	6,93

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

**Summary Analytics - Visión Banco S.A.E.C.A.**

	31 mar 2023	31 dec 2022	31 mar 2022	31 dec 2021	31 dec 2020
	3 month	Annual	3 month	Annual	Annual
<b>A. Interest Ratios</b>					
1. Interest Income on Loans/Average Gross Loans	13,16	13,05	12,91	12,22	14,32
2. Interest Expense on Customer Deposits/Average Customer Deposits	3,63	3,44	3,76	4,21	5,21
3. Interest Income/Average Earning Assets	12,28	12,20	12,28	13,13	13,10
4. Interest Expense/Average Interest-Bearing Liabilities	3,06	2,98	3,15	3,63	4,48
5. Net Interest Income/Average Earnings Assets	8,74	8,73	8,60	8,81	8,02
6. Net Int. Income Less Loan Impairment Charges/Av. Earning Assets	3,79	3,11	5,76	4,30	3,22
7. Net Interest Income Less Preferred Stock Dividend/Average Earning Assets	8,74	8,73	8,60	8,52	7,66
<b>B. Other Operating Profitability Ratios</b>					
1. Non-Interest Income/Gross Revenue	39,31	43,84	34,83	35,35	35,96
2. Non-Interest Expense/Gross Revenue	61,33	56,50	67,54	56,73	56,50
3. Non-Interest Expense/Average Assets	6,73	6,67	6,79	5,82	5,62
4. Pre-Impairment Op. Profit /Average Equity	42,19	49,47	33,02	50,73	52,90
5. Pre-Impairment Op. Profit/Average Total Assets	4,63	5,13	3,26	4,44	4,33
6. Loans and Securities impairment charges/Pre-Impairment Op. Profit	81,58	83,18	66,44	76,48	88,03
7. Operating Profit /Average Equity	7,77	8,32	11,08	11,93	6,33
8. Operating Profit / Average Total Assets	0,85	0,86	1,09	1,04	0,52
9. Taxes/Pre-tax Profit	16,00	10,47	17,22	14,23	17,50
10. Pre-Impairment Operating Profit/Risk Weighted Assets	6,88	8,01	5,21	7,30	7,05
11. Operating Profit/Risk Weighted Assets	1,27	1,35	1,75	1,72	0,84
<b>C. Other Profitability Ratios</b>					
1. Net Income/Average Total Equity	5,38	7,23	8,09	9,87	4,93
2. Net Income/Average Total Assets	0,59	0,75	0,80	0,86	0,40
3. FIX SCR Comprehensive Incomer/Average Total Equity	5,38	7,23	8,09	9,87	4,93
4. FIX SCR Comprehensive Incomer/Average Total Assets	0,59	0,75	0,80	0,86	0,40
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	0,88	1,17	1,28	1,42	0,66
7. FIX SCR Comprehensive Income/Risk Weighted Assets	0,88	1,17	1,28	1,42	0,66
<b>D. Capitalization</b>					
1. FIX SCR Core Capital /Weighted Assets	12,61	11,51	11,14	11,40	11,77
3. Tangible Common Equity/ Tangible Assets	8,61	7,79	7,36	7,06	7,01
4. Tier 1 Regulatory Capital Ratio	14,45	14,74	13,62	13,50	12,17
5. Total Regulatory Capital Ratio (*)	16,01	14,56	14,27	13,68	15,39
6. Basic Equity / Weighted Risks	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/Total Assets	10,93	11,00	10,21	9,56	8,12
8. Cash Dividends Paid&Declared/Net Income	n.a.	n.a.	n.a.	25,3	70,7
9. Cash Dividend Paid&Declared/FIX SCR Comprehensive Income	n.a.	n.a.	n.a.	25,3	70,7
10. Cash Dividend& Share Repurchase/Net Income	n.a.	n.a.	n.a.	25,3	70,7
11. Net Income-Cash Dividend/Total Equity	5,35	6,96	8,01	6,68	1,39
<b>E. Asset Quality Ratios</b>					
1. Growths of Total Assets	1,96	(7,44)	(4,40)	1,94	8,31
2. Growth of Gross Loans	(1,26)	(7,17)	(3,58)	1,32	5,24
3. Impaired Loans (NPLs)/Gross Loans	5,79	5,83	6,38	4,33	3,40
4. Reserves for Impaired Loans/Gross Loans	8,37	9,58	8,70	7,61	3,99
5. Reserves for Impaired Loans/Impaired Loans	144,53	164,19	136,37	175,59	117,10
6. Impaired Loans Less Reserves for Impaired Loans / Equity	(16,29)	(24,27)	(16,30)	(24,35)	(5,13)
7. Loan Impairment Charges/Average Gross Loans	5,38	6,02	3,04	4,20	5,24
8. Net Charge-Offs/Average Gross Loans	n.a.	2,91	n.a.	3,84	n.a.
9. Impaired Loans + Foreclosed Assets/Gross Loans+Foreclosed Assets	7,46	8,27	7,19	5,29	4,51
<b>F. Funding</b>					
1. Loans/Customer Deposits	93,66	94,94	96,50	95,62	99,72
2. Interbank Assets/Interbank Liabilities	15,06	6,74	5,58	4,38	2,87
3. Customer Deposits/total Funding Excl. Derivatives	84,92	86,11	83,98	83,50	78,94

(\*) Solvency Ratio as required by BCP

## Annex I – Opinion

The credit committee of FIX SCR Rating Agency met on April 18, 2023 has decided to confirm to Category Apy with Stable Trend the Long-Term National Rating of Visión Banco S.A.E.C.A.

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.

Visión Banco S.A.E.C.A.'s rating responds to the tight operating profitability levels for its business profile, which limit its maneuvering margins and its capital internal generation in a still challenging scenario. Moreover, the rating also considers the reasonable capitalization and assets quality levels, as well as the good funding structure and low liquidity risk.

The trend of a rating indicates the possible direction in which a rating could move within a one to two year period. Trends reflect 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.

Our analysis of the entity's situation is based on the financial statements as of 12.31.2022, audited by PricewaterhouseCoopers S.R.L., which state that they present fairly, in all its relevant aspects, the net worth and financial position of Visión Banco S.A.E.C.A. and the results of its operations, and its cash flows for the year then ended, in accordance with accounting standards, valuation and risk classification criteria and the presentation standards established by the Central Bank of Paraguay.

In addition, the analysis considers the financial statements corresponding to the first three months, ending on 03.31.2023.

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 12.31.2022.
- Quarterly financial statements (last 03.31.2023).
- Statistics of BCP, available in [www.bco.gov.py](http://www.bco.gov.py)

## Annex II

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

- Date of Credit Rating: April 18, 2023
- Date of publication: in agreement with procedures depicted in Res. N° 2 mentioned above
- Type of Report: Updating Report
- Financial Statement as of 03.31.23
- 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.
- (+5411) 5235 8100/Email: [info@fixscr.com](mailto:info@fixscr.com)
- 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	
Visión Banco S.A.E.C.A.	Solvency	Apy
	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)
- [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](http://www.fixscr.com/ratings)

### 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 adequation
- 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 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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