FitchRatings

Banks
Retail & Consumer Banks
Paraguay

Ueno Bank SA

Ratings

Foreign Currency

Long-Term IDR	BB
Short-Term IDR	B

Local Currency

Long-Term IDR	BB
Short-Term IDR	B
Viability Rating	bb
Government Support Rating	b+

Sovereign Risk (Paraguay)

Long-Term Foreign-Currency IDR	BB+
Long-Term Local-Currency IDR	BB+
Country Ceiling	BBB–

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

Analysts

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Key Rating Drivers

DRs and VR

IDRs Driven by Intrinsic Creditworthiness: Ueno's 'bb' VR drives its IDRs. Paraguay's stable operating environment and Ueno's strong capitalization metrics post-merger relative to similarly rated international peers (universal/commercial banks rated in the 'bb' category) and the system are relevant to the bank's ratings. In addition, the VR considers the bank's moderate franchise in Paraguay, sound asset quality, strong profitability, and its stable and moderately concentrated funding.

Moderate Market Position: Fitch considers Ueno's business model in a consolidation process after the merger with Vision Bank. The focus of Ueno is on the retail banking sector, primarily SMEs, using a fully digital onboarding process to drive growth and scale its business model. Ueno's VR reflects a strengthened franchise post-merger with Vision, resulting in a 6.3% market share of total assets, 6.9% in deposits, and 4.2% in loans as of March 2025. The bank now serves nearly two million clients, the largest in the banking system. The merger multiplied Ueno's balance sheet by 4.5x at YE2024, establishing it as a mid-tier institution in Paraguay.

Strong Capitalization: Fitch considers Ueno's capitalization a key financial strength. Post-merger, the bank had a strong Fitch core capital (FCC) to risk-weighted asset (RWA) ratio at 19.3%. Fitch anticipates Ueno's capitalization will remain robust due to earnings retention and high transaction and credit lending volumes. The FCC ratio is expected to stay within 19%-21% in 2025, as Ueno benefits from higher net income despite increased RWAs from loan growth.

Good Asset Quality: Ueno's asset quality is sound, with NPLs at 0.71% (impaired loans over gross loans) in December 2024, down from the 2020-2024 average of 2% and 1.5% in 2023. Fitch attributes this trend to Ueno's strong underwriting standards and risk controls, supported by strong investments in systems and technology. A high loan loss reserve over impaired loans at 7.9x in 2024 reflects provisions transferred from former Vision bank to Ueno's balance sheet and separate accounting for legacy NPLs. Fitch believes Ueno's good risk profile and robust technology will help it maintain sound asset quality despite post-merger risks.

Improved Profitability: Ueno reached a strong 7.3% operating profit/RWA in 2024 post-merger, driven by a solid net interest margin and strong credit card-related fees. The latter relies on the AI scoring model that boosted active credit cards. The bank's efficiency (non-interest expense/gross revenues) improved to 54.2% at 2024, better than the four-year average of 60.1%, due to cost-efficient non-banking branches. Fitch expects that Ueno's profitability will stay robust, supported by its improved franchise, stable Paraguayan operating environment, higher NIM by its focus on SMEs and retail lending, credit card fees, and lower funding costs, despite increased RWA and higher credit costs.

Stable Funding: The bank relies predominantly on customer deposits, which make up 83% of its funding in December 2024. This reliance allows the entity to maintain an adequate funding cost. The bank's funding is complemented by senior unsecured debt, subordinated debt, and approved credit lines with six local financial institutions. The loan-to-deposit ratio was 75.4% and has remained relatively stable compared to peers.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

VR and IDRs

- A sustained deterioration in Ueno's FCC ratio to a level below 13% or a decline in the bank's operating profit to RWA ratio below 2% could be negative for creditworthiness;
- The GSR could be downgraded if Fitch believes that the government's propensity to support the bank has declined due to a material loss in the market share of customer deposits.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

VR and IDRs

- A consolidation of the business model and risk structure post-merger that leads to an improvement in the bank's overall financial profile;
- An upgrade of the GSR is limited and could only occur over time with a material gain in the bank's systemic importance.

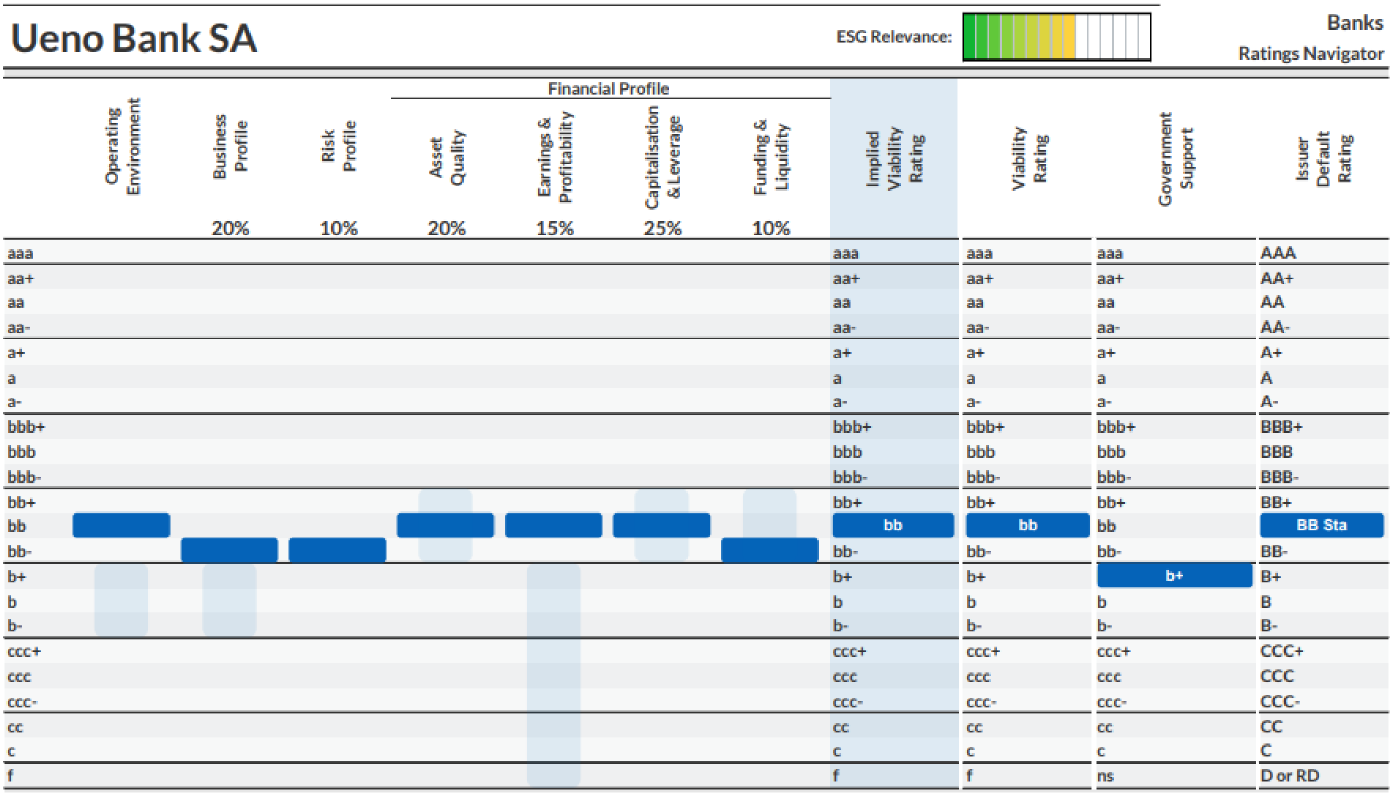
Other Debt and Issuer Ratings

No data is available for this exhibit.

Government Support Rating

UENO’s GSR of ‘b+’ reflects Fitch’s opinion that a default of the bank could result in contagion risks for the rest of the system. This is because it is considered a domestic systemically important bank (D-SIB) by the Central Bank of Paraguay (BCP) and has the largest position in terms of the number of clients within the banking system. However, the GSR also reflects that there is limited probability of support being forthcoming because of significant uncertainties about the ability or propensity of the government to do so.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

- The Operating Environment score of 'bb' has been assigned above the 'b' category implied score due to the following adjustment reasons: Sovereign Rating (positive).
- The Business Profile score of 'bb-' has been assigned above the 'b' category implied score due to the following adjustment reasons: Business Model (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Paraguayan banks are influenced by a stable OE. Fitch's OE assessment is based on two key metrics: Fitch Operational Risk Index (ORI) and GDP per capita. The agency believes these metrics have the greatest explanatory power in determining the financial institution's ability to generate business volumes with acceptable risk levels. As of April 2025, Paraguay's GDP per capita was USD7,100 and Fitch's ORI percentile rank was 25.9%. The OE assessment is benefited by a positive deviation factor of the country's sovereign rating at 'BB+'/Stable.

On October 22, 2024, Fitch affirmed Paraguay's Long-Term Foreign -Currency IDR at 'BB+'/Stable. Paraguay's ratings reflect its track record of broadly prudent and consistent macroeconomic policies, low government debt relative to rating peers despite an increase in recent years, and robust external liquidity. Its ratings are mainly constrained by weak governance indicators, a shallow local capital market that narrows fiscal financing flexibility, and vulnerability to adverse climactic shocks reflected in high GDP volatility. The administration of President Santiago Peña took office in August 2024, signalling broad economic policy continuity under the Colorado Party, which also won majorities in both houses of congress.

Real GDP growth remained strong at 4.3% in 2024, above the 'BB' median of 3.7%. Fitch expects strong growth to continue, averaging 4% in 2025-2026, with potential upside from the start of large investment projects, such as the Paracel pulp mill and the construction of a green fertilizer plant in Villeta. Inflation remains low and stable, averaging 3.8% in 2024, slightly below last year's target of 4%. The central bank lowered the inflation target this year to 3.5%. Inflation reached 4% in April 2025, and 12-month inflation expectations remain anchored at 3.7%. The central bank has held policy rates at 6% since March 2024, down from a peak of 8.5% in July 2023.

Uncertainty in US tariff policy has introduced risks to global growth and trade. Paraguay faces the global minimum 10% tariff on its minimal exports to the US, primarily meat, for which it may be able to find alternative markets.

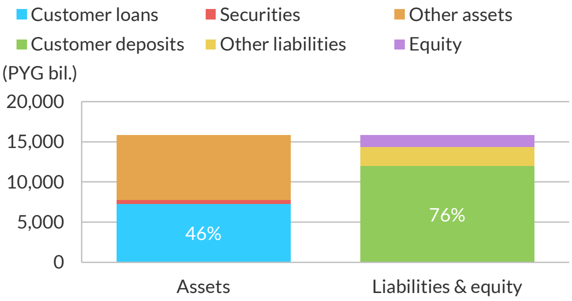
Concentrated Banking System

Paraguay's banking system is relatively concentrated, with the four largest banks holding nearly 59% of total assets, 61% of total loans, 57% of total deposits, as of December 2024. The system has seen a historically strong growth over the past five years, following the economic growth of the country. The financial system is comprised of 18 financial institutions, including Banco Nacional de Fomento, which is owned by the government. At the same date, Banco Continental was the largest bank with a 17.7% market share in terms of total assets, followed by Banco Sudameris (16.4%) and Banco Itau Paraguay (14.8%).

The banking system operates mostly on short- to medium-term credit in both local and foreign currency. Overall, the banking sector is profitable and well capitalized. Trade finance is an important service provided by the banks. Soybeans and corn are relevant exports, in addition to beef and other animal products. Deposits from banks and financial companies are guaranteed up to 75x the minimum monthly wage, which amounts to approximately USD30,000.

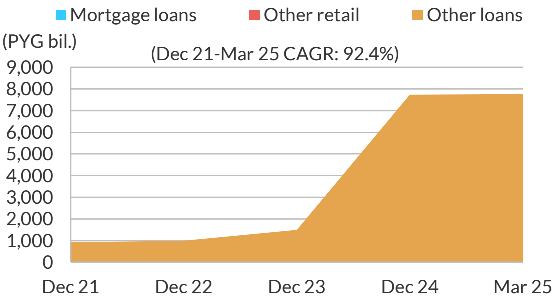
Balance Sheet

(Ended Mar. 2025)



Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Loan Book Breakdown



CAGR: compound annual growth rate
Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Business Profile

Fitch's 'b' assessment of Ueno's implied business profile is based on the bank's four-year average total operating income (TOI) of USD54 million, which is below the USD300 million level that aligns with a current OE assessment of 'bb'. In a forward-looking opinion, the post-merger bank would probably reach a TOI around USD150 million. Fitch positively considered the Business Model as a deviation factor, in accordance with its relevant criteria, to arrive at the 'bb-' score.

Franchise

Ueno Bank (UENO) is currently a medium-sized bank in the Paraguayan financial system, after the merger with Vision. Ueno became the fifth largest private bank in terms of assets (6.3% market share), loans (4.2%) and deposits (6.9%) as of March 2025. Originally known as Financiera El Comercio S.A.E.C.A., the institution has been operating since 1976, focusing on SMEs, personal loans, microcredits, housing and consumer loans, savings accounts, and both personal and corporate cards and checks. In 2021, after Grupo Vázquez S.A.E. acquired the majority of shares, it was renamed Financiera Ueno S.A.E.C.A. Ueno was officially established on December 20, 2021, marking a new chapter in the 45-year history of Financiera El Comercio. Ueno received its banking license on November 22, 2023, as Ueno Bank S.A., emphasizing a simple, fully digital onboarding process that provides immediate access to retail and corporate banking solutions, bypassing the need for traditional branches and using cost-efficient non-banking branches as productive units for its digital business.

Key business products include the following.

- Ueno Personas offers savings accounts, a Mastercard duo card, 24/7 bank transfers, payment solutions, digital loan management in PYG or USD, quick insurance quotes, and retail banking services.
- Ueno Empresas provides corporate and SME banking, fee-free corporate savings accounts, payroll solutions, wire transfers, service payments, corporate loans, factoring, trade finance, and other financing options, along with access to UENO's full range of services such as investments, insurance and fiduciary solutions.

On June 28, 2024, Ueno merged with Vision through absorption, with Vision as the absorbed entity. Vision, with over 30 years of experience, was a medium-sized bank with around 4% to 4.5% market share in loans and deposits, mainly targeting the SME sector through 68 branches and serving over one million clients. Ueno became the legal successor in June 2024. All Vision branches were replaced by Ueno's efficient, lightweight locations by July 2024. This transition leveraged a branchless banking model to enhance inclusivity via digital channels. Despite differing core banking systems, Ueno's remains in place, which has been progressively strengthened over the years.

Organizational Structure

Grupo Vázquez S.A.E., the majority shareholder of Ueno (84.3%), is a business group that originated in 1945. With nearly 80 years of experience in Paraguay, Grupo Vázquez is a leading economic conglomerate group in Paraguay, focused on providing disruptive solutions to its clients, using technology as the main driver. Grupo Vázquez has four business segments: financial services, technology, agriculture and livestock, and entertainment. The remaining stake belongs to Oikocredit (4.37%), a worldwide cooperative and social investor that provides funding to sustainable investments; Triodos Bank (1.51%), a Netherland-based entity and one of the world's leading sustainable banks; and other local investors (9.82%).

Management Quality and Corporate Governance

According to Fitch, Ueno possesses a senior management team that is experienced and credible. The executive leaders have extensive professional backgrounds and numerous years in banking and the financial sector. Prior to becoming a bank in 2023, Ueno had a 45-year history in the financial industry, providing commercial and consumer loans. Ueno adheres to current regulations and best practices, boasting a comprehensive risk management area, a risk committee, an assets and liabilities committee (ALCO), and a technologically driven risk management system. These committees recommend actions for risk mitigation and oversee mechanisms to maintain a risk profile aligned with the business strategy. The bank publishes audited financial statements annually. The Internal Audit Committee oversees compliance using internal accounting controls and following an annual plan. Internal audit and control are responsible for mapping processes, suggesting, designing, and implementing efficient key controls, verifying their effectiveness, and ensuring regulatory compliance. The Compliance Committee ensures adherence to banking laws, regulations, and anti-money laundering laws. Fitch believes the bank has established adequate and effective corporate governance, following industry best practices. Its management and control bodies include a board of directors, which is the highest authority and consists of five regular directors and two alternate directors, all with a solid track record in the financial system.

Strategy Objectives and Execution

The management's strategy centers on significant investment in technological assets, enabling the bank to manage large-scale operations with reduced credit costs and the financial flexibility to support growth and high transaction volumes. In addition, Ueno has developed its ESG strategy over the years, aligning with the United Nations Sustainable Development Goals that directly relate to its business operations. Ueno expects to maintain this commitment post-merger.

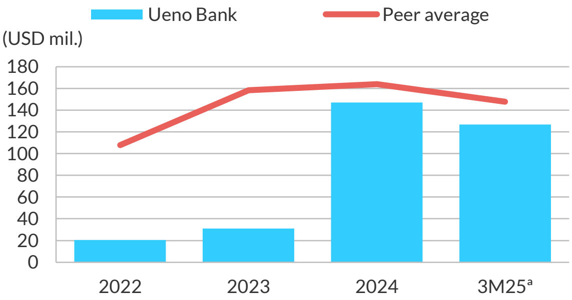
The strategy also facilitates a smooth post-merger integration of systems, employees, digital channels, budgeting, and related synergies and cost efficiencies. The merged bank offers a value proposition that integrates Ueno's strong digital services and technological focus in the corporate sector with Vision's strategy, physical presence across the country, local talent, and substantial SME client base. The focus is on simplifying processes through innovation and technology, including consumer apps, process automation and AI. The merged bank aims to reach the unbanked population and promote financial inclusion in the country.

Merger Rationale

The main rationale for the merger considered the following:

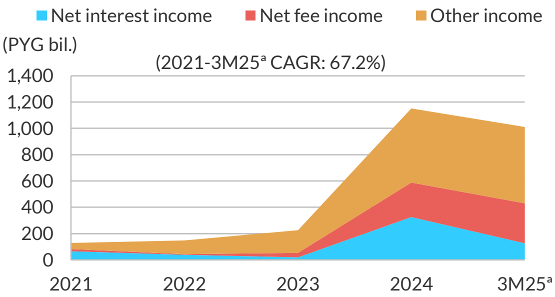
- adding the largest share of the consumer and SME clients (which Vision had), with one million clients and 68 branches, boasting the largest SME loan portfolio in Paraguay, pushing commercial loans to about 71%, mainly in SMEs.
- expanded footprint and growth in payments network given Vision's large number of non-bank correspondents ("CNBs");
- economies of scale, reduced funding costs, increased credit card presence and, therefore, improvement on financial and service margins; and
- additional business opportunities to other complementary business units within Ueno's self-reinforcing ecosystem. The merger enhances nationwide coverage with a network of intelligent ATMs, duo card vending machines, nonbanking correspondents and innovative experience centers in major cities for 24/7 service, promoting self-management and personalized assistance options.

Total Operating Income



ª Annualized
Source: Fitch Ratings, Fitch Solutions, banks

Revenue Breakdown



CAGR: compound annual growth rateª Annualized
Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Risk Profile

Risk Profile Underwriting Standards

The board of directors is responsible for the credit, market and operational risk policies of the bank. According to Fitch, there is a good level of commitment of the board of directors in audit and risk related matters. Ueno, in compliance with current regulations and best practices, has a comprehensive risk management department, a risk committee, an assets and liabilities committee (ALCO) and a risk management system. These will recommend actions for risk mitigation, transfer or avoidance, as well as monitoring mechanisms to maintain a risk profile consistent with the business strategy. The risk management department is independent from the risk-taking areas and has its own activities and attributions. The structure of the audit department and committee separates internal audit and internal control to ensure the achievement of objectives by segregating the work teams. On one hand, there are those responsible for mapping processes and suggesting the design and implementation of more efficient key controls. On the other hand, there is the area responsible for verifying that the controls work and determining their operational effectiveness along with applicable regulatory compliance.

The credit risk management process relies on the risk department and its specialized areas, such as admission risk, control risk management, and market and liquidity risks control. In the corporate banking, credit risk is individually assessed using expert tools together with risk analysts' expert judgement. Overall, the bank's risk management is primarily based on compliance with local regulations. Ueno uses tools, controls and reporting systems to ensure adherence to regulatory and institutional norms, whether they are general, global, individual or temporary.

Portfolio Provisions

The Superintendence Bank in Paraguay classifies as impaired all loans with interest and payments that are overdue by 60 days or more. Required reserves depend on the risk categories, and minimum levels vary depending on the type of loan. The commercial portfolio provisions are determined according to the six regulatory categories based on the assessment of the client payment capacity or a group of debtors composed of related entities, within all of its obligations. A BCP standard of the amending Resolution No. 1/2007 requires that the first one (category 1) is divided into three sub-categories for the purpose of provisions inputs. The bank has experienced significant growth recently due to its business model and risk appetite for inorganic growth through the merger with Vision. Given the merger with Vision in June 2024, the bank's loan portfolio grew significantly (417%) and above the industry.

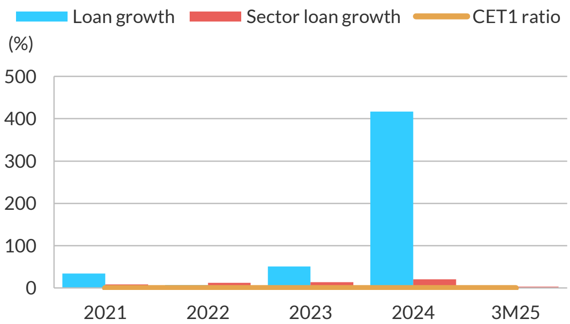
Market Risk

The entity's appetite for market risk is consistent with its conservative strategy. The market and liquidity risk control unit is responsible for measuring, monitoring and controlling the policies and limits of market risk, structural interest rate risk and liquidity risk. The exposure and deviations are reported to the ALCO. The limits control is handled independently by the financial and market risk department, which uses value at risk (VaR), economic value sensibility (PV01) and back-testing tools as main risk measurements. In addition, the bank performs scenarios analysis, using liquidity stress testing and a liquidity contingency plan, among other tools. The internal interest rate risk model is based on the GAP, which affect interest rate sensitivities in the financial margin and equity (in local currency and foreign exchange). This is monitored frequently.

Foreign Exchange Risks

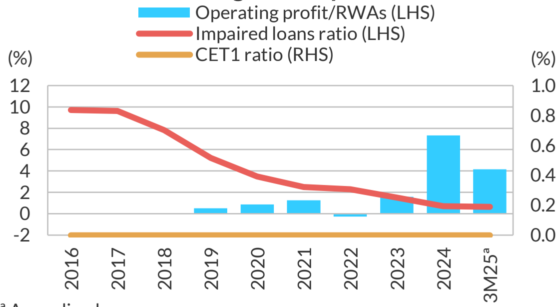
The internal exchange risk management model used is a VaR model with a 99% confidence level, with an exponentially weighted moving average approach and a one-day position settlement period with a USD100,000 maximum daily exposure. This is reported weekly to the relevant departments. Stress testing calculation is carried out on a monthly basis.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Performance Through the Cycle



[a] Annualized
Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Financial Profile

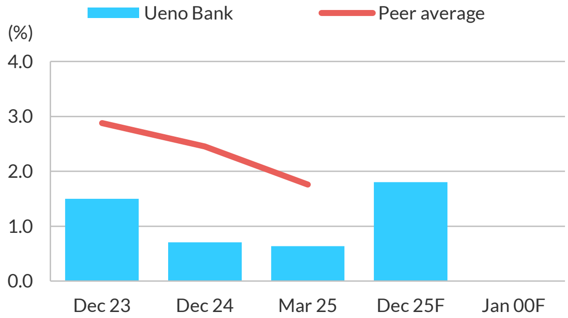
Asset Quality

Ueno's asset quality has remained sound, showing a decreasing trend on its NPLs ratio and strong LLR after the merger. The four-year average NPLs (2.0%) is affected by the first years (2020-2019), as the bank has been improving its credit risk admission and collection tools enhanced by IT systems. From 2022 onwards the NPLs showed a better trend, reaching below 1%, and LLR/impaired loans had a strong increase at 7.9x. Accordingly, aiming to facilitate the merger process and guarantee financial stability, the BCP offered several flexibilities to former Vision's overdue loans to soften the impact on Ueno's financial profile.

Ueno has also experienced strong growth in fiduciary rights, reaching PYG2.5 trillion (about USD320 million). This growth is supported by a trust established for merger-related expenses and investments, which has a long amortization period. The commercial loan portfolio is diversified, reducing risk exposure to any single industry. Major sectors include retail commerce (15%), agriculture (15%), personal services (9%) and wholesale commerce (9%). Portfolio concentration is moderate, with the top 20 debtors representing 20% of total loans and 1.0x of FCC.

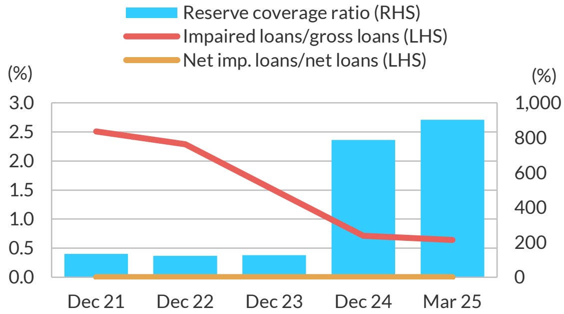
In Fitch's opinion, Ueno's good risk profile supported by robust technology has been successful in providing enhanced risk controls to a relatively higher risk portfolio compared to larger peers (with higher corporate lending exposure), and enables the bank to maintain sound asset quality throughout the credit cycle. Nevertheless, post-merger risks in managing a higher volume of the loan portfolio will be challenging for the bank in order to preserve stable and good asset quality.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Asset Quality Summary



Source: Fitch Ratings, Fitch Solutions, Ueno Bank

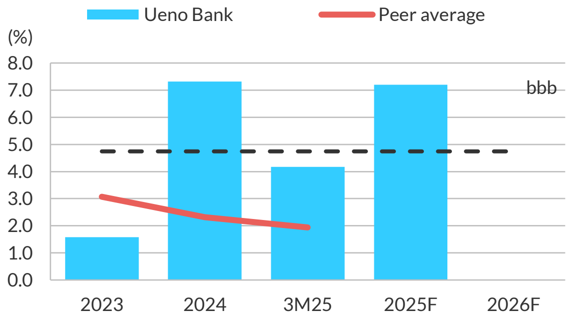
Earnings and Profitability

Ueno's operating profit/RWA reached a strong 7.3% at December 2024 anchored by a solid net interest margin and a strong volume of credit card-related fees from Vision. In addition, four-year average Fitch core ratio increased at 2.37%, reflecting the flat and volatile profitability of the bank before the merger, although increased strongly from 2023 due to higher operating income. Higher fees are expected from the credit card business, as Ueno has become the largest bank in Paraguay with more than 400 thousands credit cards.

Loans increased strongly during the last year (417%) compared to the system due to the merger and to the bank's strategy of increasing market share in the SME business. Efficiency levels have remained good, being a strategic goal of the bank, as the branchless scheme would benefit the bank saving costs and increase business volumes.

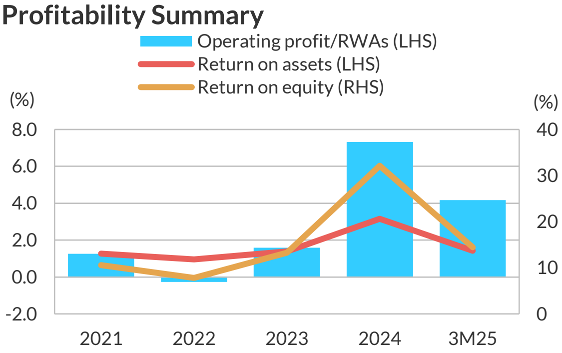
Fitch believes that the bank's profitability will continue to deliver good results, driven by its improved franchise and stable operating environment in Paraguay. Fitch expects the operating profit/RWA ratio to remain high between 6-6.5% for the upcoming years due to higher NIM, credit card fees, and relatively lower cost of funds, despite higher RWA from loan growth.

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Profitability Summary



Source: Fitch Ratings, Fitch Solutions, Ueno Bank

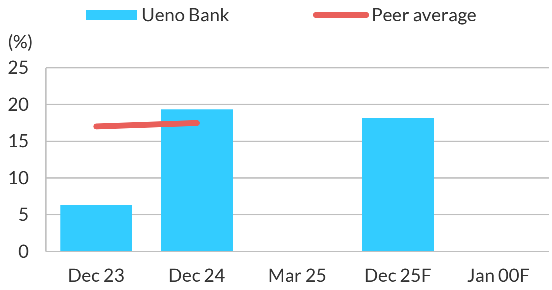
Capitalisation and Leverage

Ueno`s capitalization reached a high FCC at 19.3% in 2024 due to the merger. Ueno's FCC before the merger was a low 6.3% as during 2023 the loan portfolio increased strongly (50%). Fitch believes Ueno's capitalization will remain strong due to earnings retention, high volumes of transactions and credit lending, and since 100% of the bank's net income should be reinvested into the bank. Ueno is not allowed to pay dividends while regulatory measures are in place for the non-performing loans of Vision.

Ueno's shareholders (Grupo Vazquez) have shown good commitment by injecting capital. Currently, Paraguayan banks should comply with a minimum total regulatory capital above 12% for Tier1+Tier2 capital. In Fitch's opinion, Ueno has enough capital buffers to comply with this requirement, and is well above regulatory capital.

Fitch expects the FCC ratio to be within the range of 18-19% in 2025 as Ueno benefits from higher net income following the merger, despite higher RWAs from increased loan growth (35%).

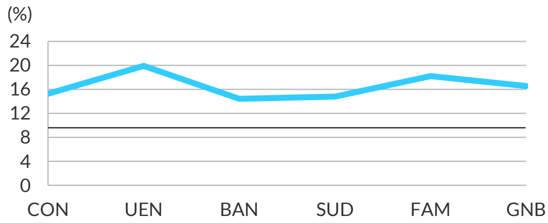
FCC Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Regulatory Capital

(Marzo 2025)



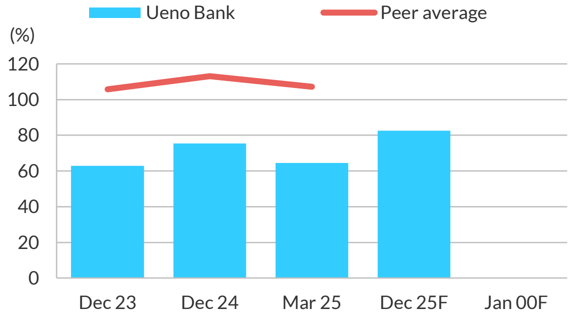
Regulatory capital: CET1+T2. Min.regulatory capital:12%
CON - Banco Continental. SUD - Banco Sudameris. GNB - Banco GNB. FAM - Banco Familiar. UEN - Ueno Bank
Source: Banco Central de Paraguay

Funding and Liquidity

Uenos' funding comes primarily from domestic customer depositors, which represents 73% of total funding, with a good asset and liabilities matching. Deposits are largely in local currency (27% in US Dollars; 73% in Guaraníes), and have an average duration of 15 months, with a high renewal rate. Credit lines and loans from national banks include a maximum exposure in Banco Basa (Gs 86.000 million) and Banco Nacional de Fomento (Gs 189.000 million). Nevertheless, the banks still have no access to international markets.

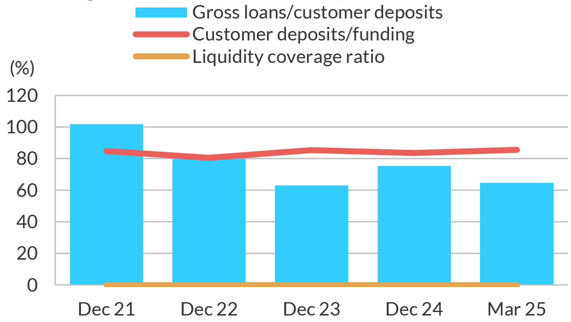
Accordingly, Ueno's goal is to continue to diversify its funding sources. However, the bank has not yet accessed international markets issuances. Ueno aims to continue diversifying its funding sources, searching for potential foreign opportunities for funding when possible. Ueno has a mildly concentrated deposit base, with its top 10 depositors representing 14% of total deposits as of 3Q24. In addition, the bank has a well-matched asset and liabilities structure. Deposits are mainly in local currency, with 27% in USD and 73% in PYG.

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding & Liquidity Summary



Source: Fitch Ratings, Fitch Solutions, Ueno Bank

Financials

Financial Statements

	December 31, 2024		December 31, 2023	December 31, 2022	December 31, 2021
	12 months	12 months	12 months	12 months	12 months
	(USD Mil.)	(PYG Mil.)	(PYG Mil.)	(PYG Mil.)	(PYG Mil.)
	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Summary income statement					
Net interest and dividend income	41	324,560	20,044	39,896	66,809
Net fees and commissions	34	264,266	33,186	4,142	16,358
Other operating income	72	562,576	173,369	105,343	46,032
Total operating income	147	1,151,402	226,599	149,381	129,198
Operating costs	80	624,304	150,070	88,350	79,787
Pre-impairment operating profit	67	527,098	76,529	61,031	49,411
Loan and other impairment charges	-2	-17,654	36,573	65,173	36,840
Operating profit	70	544,752	39,956	-4,141	12,571
Other non-operating items (net)	-28	-219,963	-5,508	21,017	4,134
Tax	4	30,764	3,086	2,246	2,129
Net income	38	294,025	31,361	14,630	14,576
Other comprehensive income	–	–	–	–	–
Fitch comprehensive income	38	294,025	31,361	14,630	14,576
Summary balance sheet					
Assets					
Gross loans	988	7,733,142	1,495,969	990,880	924,899
- Of which impaired	7	55,124	22,473	22,702	23,261
Loan loss allowances	55	434,038	28,572	27,832	31,106
Net loans	932	7,299,105	1,467,397	963,048	893,793
Interbank	11	83,266	81,495	69,290	54,585
Derivatives	–	–	–	–	–
Other securities and earning assets	28	221,653	13,209	43,150	26,194
Total earning assets	971	7,604,024	1,562,101	1,075,488	974,572
Cash and due from banks	248	1,943,250	702,196	123,757	152,838
Other assets	567	4,434,477	857,126	590,456	120,041
Total assets	1,786	13,981,751	3,121,423	1,789,701	1,247,451
Liabilities					
Customer deposits	1,311	10,261,065	2,378,125	1,242,840	909,366
Interbank and other short-term funding	8	61,997	2,308	1,351	0
Other long-term funding	252	1,969,957	407,883	301,368	164,183
Trading liabilities and derivatives	–	–	–	–	–
Total funding and derivatives	1,570	12,293,018	2,788,316	1,545,559	1,073,549
Other liabilities	32	250,696	48,321	25,718	16,960
Preference shares and hybrid capital	–	–	–	–	–
Total equity	184	1,438,037	284,785	218,424	156,942
Total liabilities and equity	1,786	13,981,751	3,121,423	1,789,701	1,247,451
Exchange rate		USD1 = PYG7827.815	USD1 = PYG7278.37	USD1 = PYG7331.26	USD1 = PYG6879.105

Source: Fitch Ratings, Fitch Solutions

Key Ratios

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Ratios (%; annualized as appropriate)				
Profitability				
Operating profit/risk-weighted assets	7.3	1.6	-0.3	1.3
Net interest income/average earning assets	6.4	1.6	3.9	7.8
Non-interest expense/gross revenue	54.2	66.2	59.1	61.8
Net income/average equity	32.1	13.3	7.8	10.6
Asset Quality				
Impaired loans ratio	0.7	1.5	2.3	2.5
Growth in gross loans	416.9	51.0	7.1	34.4
Loan loss allowances/impaired loans	787.4	127.1	122.6	133.7
Loan impairment charges/average gross loans	-0.4	3.2	6.8	4.6
Capitalization				
Common equity Tier 1 ratio	–	–	–	–
Fully loaded common equity Tier 1 ratio	–	–	–	–
Fitch Core Capital ratio	19.3	6.3	10.9	13.8
Tangible common equity/tangible assets	10.3	9.1	12.2	12.6
Basel leverage ratio	–	–	–	–
Net impaired loans/common equity Tier 1	–	–	–	–
Net impaired loans/Fitch Core Capital	-26.4	-3.8	-3.1	-5.7
Funding and Liquidity				
Gross loans/customer deposits	75.4	62.9	79.7	101.7
Gross loans/customer deposits + covered bonds	–	–	–	–
Liquidity coverage ratio	–	–	–	–
Customer deposits/total non-equity funding	83.5	85.3	80.4	84.7
Net stable funding ratio	–	–	–	–

Source: Fitch Ratings, Fitch Solutions

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	bb+ or bb
Actual jurisdiction D-SIB GSR	bb+
Government Support Rating	b+
Government ability to support D-SIBs	
Sovereign Rating	BB+/ Stable
Size of banking system	Neutral
Structure of banking system	Neutral
Sovereign financial flexibility (for rating level)	Positive
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

Government Support Rating (GSR)

UENO's GSR of 'b+' reflects Fitch's opinion that a default of the bank could result in contagion risks for the rest of the system because it is considered a domestic systemically important bank (D-SIB) by the Central Bank of Paraguay (BCP) and has the largest position in terms of the number of clients within the banking system. However, the GSR also reflects that there is limited probability of support being forthcoming because of significant uncertainties about the ability or propensity of the government to do so.

Environmental, Social and Governance Considerations

FitchRatings **Ueno Bank SA**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

				ESG Relevance to Credit Rating
Ueno Bank SA has 5 ESG potential rating drivers Ueno Bank SA has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating. Governance is minimally relevant to the rating and is not currently a driver.	key driver	0	issues	5
	driver	0	issues	4
	potential driver	5	issues	3
	not a rating driver	4	issues	2
		5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.