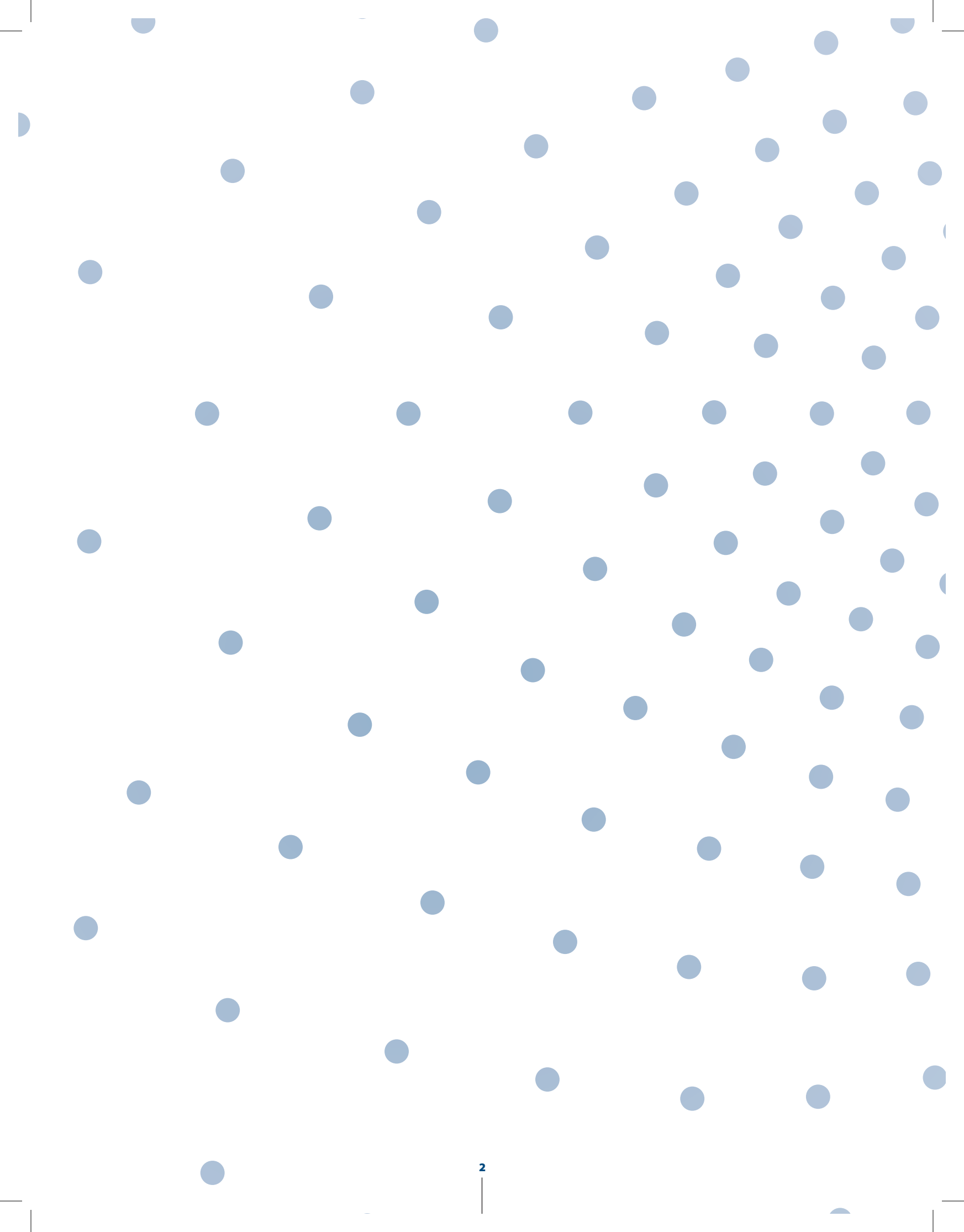




Edition: 31.12. 2008





## ● contents

<b>4</b>	<b>BASIC INFORMATION</b>
<b>5</b>	<b>FINANCIAL STATEMENTS OF SID BANK, Inc., LJUBLJANA</b>
5	Key figures of SID Bank, Inc., Ljubljana
6	Balance sheet of SID Bank, Inc., Ljubljana
7	Income statement of SID Bank, Inc., Ljubljana
<b>8</b>	<b>FINANCIAL STATEMENTS OF SID BANK GROUP</b>
8	Key figures of SID Bank Group
9	Balance sheet of SID Bank Group
10	Income statement of SID Bank Group
<b>11</b>	<b>BUSINESS TRANSACTIONS ON BEHALF AND FOR THE ACCOUNT OF THE REPUBLIC OF SLOVENIA</b>

# BASIC INFORMATION

SID - Slovenska izvozna in razvojna banka d.d., Ljubljana (hereinafter: SID Bank) with registered office at Ulica Josipine Turnograjske 6, 1000 Ljubljana, Slovenia.

SID Bank's share capital stood at EUR 140,000 thousand, divided into 1,456,808 ordinary registered no-par value shares issued in several issues. In 2008 the Republic of Slovenia became the sole shareholder of the bank.

Financial services performed by SID Bank for own account pursuant to the acquired authorisation, are mainly:

- granting of loans, financing of business transactions,
- issuing of bonds and other guarantees,
- dealing for its own account or for the account of clients with foreign currencies, including exchange transactions, futures contracts and options, currency and interest financial instruments, transferable securities,
- dealing for its own account with money market instruments,
- credit rating services: collection, analysis and provision of information on credit status of legal entities.

In accordance with Slovene Export and Development Bank Act (ZSIRB) SID Bank uses the indicated services and financial instruments for the promotion of economic, structural, social and other policies in the areas defined in the 1st item of Article 11 of this act; for example:

- international business transactions and international business cooperation,
- business incentives with a special emphasis on small and medium enterprises, entrepreneurship and risk capital,
- research and development,
- education and employment,
- environmental protection and energy efficiency,
- regional development,
- commercial and public infrastructure.

Pursuant to a statutory authorisation (Slovene Export and Development Bank Act - ZSIRB), SID Bank has a status of authorised institution in accordance with Act Governing Insurance and Financing of International Commercial Transactions (ZZFMGP). For the account of the Republic of Slovenia SID Bank carries out the following activities:

- short-term export credit insurance and reinsurance against non-commercial and other non-marketable risks,

- investment insurance against non-commercial risks,
- medium-term export credit insurance against commercial and/or non-commercial risks,
- Interest Rate Equalization Programme (IREP).

## **SID Bank Group is constituted by:**

### **1. Parent company:**

- SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana (SID Bank, Inc., Ljubljana).

### **2. Subsidiary companies:**

- SID – Prva kreditna zavarovalnica d.d., Ljubljana, Slovenia (SID – First Credit Insurance Company Inc., Ljubljana), in which SID Bank holds 100% ownership share.
- PRO KOLEKT, družba za izterjavo, d.o.o. Ljubljana, Slovenia, a debt-collection company in which SID Bank holds a 100% ownership share and which has six affiliated companies:
  - PRO KOLEKT d.o.o. Zagreb, Croatia,
  - PRO KOLEKT d.o.o. Skopje, Macedonia,
  - PRO KOLEKT d.o.o. Belgrade, Serbia,
  - PRO KOLEKT CMSB S.R.L., Bucharest, Romania,
  - PRO KOLEKT SOFIA EOOD, Sofia, Bulgaria,
  - PRO KOLEKT d.o.o., Sarajevo, Bosnia and Herzegovina.

### **3. Joint ventures:**

- PRVI FAKTOR, faktoring družba, d.o.o., Ljubljana, Slovenia, a factoring company in which SID Bank holds a 50% ownership share and which has four affiliated companies:
  - PRVI FAKTOR d.o.o., Zagreb, Croatia,
  - PRVI FAKTOR d.o.o., Belgrade, Serbia,
  - PRVI FAKTOR d.o.o., Sarajevo, Bosnia and Herzegovina,
  - PRVI FAKTOR d.o.o., Skopje, Macedonia.

### **4. Co-foundation:**

- Centre for International Cooperation and Development, Ljubljana, public institute for business and entrepreneurial consulting.

# FINANCIAL STATEMENTS OF SID BANK, INC., LJUBLJANA

Financial statements of SID Bank have been compiled in accordance with International Financial Reporting Standards. The financial statements of 2008 and 2007 were subject to audit.

As at 31 December 2008, total assets of SID Bank stood at EUR 2,087 million, showing an increase of 67 % compared to the end of year 2007.

Pre-tax profit of SID Bank in the year 2008 stood at EUR 3.0 million. In the year 2007 it stood at EUR 4.1 million.

Net interest of SID Bank in the year 2008 stood at EUR 14.3 million. In the year 2007 it stood at EUR 8.7 million.

Net non-interest income of SID Bank in the year 2008 stood at EUR 5.4 million. In the year 2007 it stood at EUR 3.8 million.

Interest margin stood at 0.93 %.

Financial intermediation margin stood at 1.29 %.

## Key figures of SID Bank, Inc., Ljubljana

	December 31, 2008	December 31, 2007
<b>Shares</b>		
- Number of shareholders	1	85
- Number of shares	1,456,808	932,354
- Nominal value per share (in EUR)	96.10	96.10
- Book value of a share (in EUR)	111.76	117.69
<b>Selected indicators</b>		
Quality assets of on-balance sheet and contingent liabilities:		
- Impairments of financial assets measured at amortised cost, and provisions for contingent liabilities/classified on-balance sheet assets and classified off-balance-sheet items	1.22%	1.36%
Profitability:		
- Interest margin	0.93%	0.93%
- Financial intermediation margin	1.29%	1.34%
- Return on assets before taxation	0.20%	0.44%
- Return on equity before taxation	2.48%	4.21%
- Return on equity after taxation	2.28%	3.72%
Operating costs:		
- Operating costs / average assets	0.38%	0.62%
Value of concluded loan agreements (in million EUR)	1,077.3	706.4
Number of employees	76	69

## Balance sheet of SID Bank, Inc., Ljubljana

In thousands of EUR	December 31, 2008	December 31, 2007
Cash and balances with the central bank	87	298
Financial assets held for trading	125	129
Available-for-sale financial assets	61,332	40,728
Loans	2,012,564	1,192,496
- Loans to banks	1,512,381	915,674
- Loans to clients other than banks	500,183	276,822
Property, plant and equipment	4,749	5,091
Intangible assets	568	600
Long-term investments in equity of subsidiaries, associates and joint ventures	7,712	7,712
Corporate income tax assets	328	1,373
- Tax assets	0	1,229
- Non-current deferred tax assets	328	144
Other assets	252	290
<b>TOTAL ASSETS</b>	<b>2,087,717</b>	<b>1,248,717</b>
Financial liabilities held for trading	172	186
Financial liabilities measured at amortised cost	1,921,672	1,137,069
- Bank deposits	15,216	26,205
- Deposits of clients other than banks	22,376	32,880
- Loans of banks	1,633,867	1,069,125
- Debt securities	250,213	8,859
Provision	2,289	883
Corporate income tax liabilities	1,939	2,190
- Tax liabilities	1,904	2,163
- Non-current deferred tax liabilities	35	27
Other liabilities	888	835
<b>TOTAL LIABILITIES</b>	<b>1,926,960</b>	<b>1,141,163</b>
Share capital	140,000	89,600
Capital reserves	1,139	1,139
Revaluation surplus	(295)	(331)
Reserves from profit (including retained profit)	19,923	17,566
Treasury shares	(1,324)	(1,324)
Net profit for the period	1,314	904
<b>EQUITY</b>	<b>160,757</b>	<b>107,554</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,087,717</b>	<b>1,248,717</b>
<b>CONTINGENCY RESERVES</b>	<b>113,186</b>	<b>107,278</b>
<b>INTEREST RATE EQUALIZATION PROGRAMME</b>	<b>6,709</b>	<b>5,395</b>

# Income statement of SID Bank, Inc., Ljubljana

In thousands of EUR	Jan. – Dec. 2008	Jan. – Dec. 2007
Interest income and similar income	82,491	47,547
Interest expense and similar expense	(68,183)	(38,810)
Net interest	14,308	8,737
Dividend income	2,273	1,031
Fees and commissions received	1,209	566
Fees and commissions paid	(411)	(101)
Net fees and commissions	798	465
Profits/losses from financial assets and liabilities not measured at fair value through profit or loss	(184)	(17)
Net profits/losses from financial assets and liabilities held for trading	(59)	20
Net foreign exchange gains/losses	97	(258)
Net profits/losses from derecognition of assets, excluding non-current assets held for sale	2	0
Other net operating profits/losses	2,501	2,593
Administrative costs	(5,161)	(5,240)
Depreciation, amortisation	(617)	(562)
Provision	(1,526)	709
Impairments	(9,429)	(3,387)
<b>Profit on ordinary activities</b>	<b>3,003</b>	<b>4,091</b>
Corporate income tax on ordinary activities	(424)	(451)
Deferred taxes	188	(24)
<b>Net profit on ordinary activities</b>	<b>2,767</b>	<b>3,616</b>
<b>Net profit for the period</b>	<b>2,767</b>	<b>3,616</b>

# FINANCIAL STATEMENTS OF SID BANK GROUP

Consolidated financial statements of SID Bank Group have been compiled in accordance with International Financial Reporting Standards. The financial statements of 2008 and 2007 were subject to audit.

## Companies included in consolidation

The companies are included in the financial statements using:

- The full consolidation method:
  - the controlling company: SID Bank, Inc., Ljubljana;
  - a subsidiary: SID – First Credit Insurance Company Inc., Ljubljana, in which SID Bank holds a 100% ownership interest.
- The proportionate consolidation method:
  - PRVI FAKTOR Group.

Companies of PRO KOLEKT Group were excluded from consolidation by SID Bank because total assets of the group account for less than 1 % of total assets of SID Bank. In the consolidated financial statements the investment into PRO KOLEKT d.o.o., Ljubljana has been evaluated using the investment method.

Also excluded from consolidation is Centre for International Cooperation and Development, in which SID Bank does not hold an ownership interest, but has the role of the founder of the institute.

As at 31 December 2008, total assets of SID Bank Group stood at EUR 2,302 million, showing an increase of 60 % compared to the end of year 2007.

Pre-tax profit of SID Bank Group in the year 2008 stood at EUR 4.0 million. In the year 2007 it stood at EUR 8.3 million.

Net interest of SID Bank Group in the year 2008 stood at EUR 19.8 million. In the year 2007 it stood at EUR 13.0 million.

Net non-interest income of SID Bank Group in the year 2008 stood at EUR 15.2 million. In the year 2007 it stood at EUR 13.4 million.

Interest margin stood at 1.06 %.

Financial intermediation margin stood at 1.53 %.

## Key figures of SID Bank Group

	December 31, 2008	December 31, 2007
Profitability:		
- Interest margin	1.06%	1.10%
- Financial intermediation margin	1.53%	1.65%
- Return on assets before taxation	0.21%	0.70%
- Return on equity before taxation	2.60%	6.67%
- Return on equity after taxation	1.86%	5.45%
Operating costs:		
- Operating costs/ average assets	0.63%	0.91%
Insurance coverage of the Slovenian export of goods	19.59%	24.03%



# Balance sheet of SID Bank Group

In thousands of EUR	December 31, 2008	December 31, 2007
Cash and balances with the central bank	88	299
Financial assets held for trading	126	129
Available-for-sale financial assets	79,449	63,034
Loans	2,191,029	1,346,026
- Loans to banks	1,537,955	922,927
- Loans to clients other than banks	653,074	423,099
Property, plant and equipment	5,230	5,569
Intangible assets	1,306	1,237
Long-term investments in equity of subsidiary companies	419	419
Corporate income tax assets	1,213	2,269
- Tax assets	255	1,491
- Non-current deferred tax assets	958	778
Other assets	22,794	18,052
<b>TOTAL ASSETS</b>	<b>2,301,654</b>	<b>1,437,034</b>
Financial liabilities held for trading	172	186
Financial liabilities measured at amortised cost	2,079,910	1,274,967
- Bank deposits	15,216	22,637
- Deposits of clients other than banks	22,376	32,878
- Loans of banks	1,792,105	1,211,554
- Debt securities	250,213	7,898
Provisions	35,265	26,956
Corporate income tax liabilities	2,321	2,427
- Tax liabilities	2,284	2,400
- Non-current deferred tax liabilities	37	27
Other liabilities	4,058	4,908
<b>TOTAL LIABILITIES</b>	<b>2,121,726</b>	<b>1,309,444</b>
Share capital	140,000	89,600
Capital reserves	1,139	1,139
Revaluation surplus	(838)	(396)
Reserves from profit (including retained profit)	38,095	31,835
Treasury shares	(1,324)	(1,324)
Net profit for the period	2,856	6,736
<b>CAPITAL OF MAJORITY SHAREHOLDERS</b>	<b>179,928</b>	<b>127,590</b>
Capital of minority shareholders	0	0
<b>EQUITY</b>	<b>179,928</b>	<b>127,590</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,301,654</b>	<b>1,437,034</b>
<b>CONTINGENCY RESERVES</b>	<b>113,186</b>	<b>107,278</b>
<b>INTEREST RATE EQUALISATION PROGRAMME</b>	<b>6,709</b>	<b>5,395</b>

# Income statement of SID Bank Group

In thousands of EUR	Jan. – Dec. 2008	Jan. – Dec. 2007
Interest income and similar income	97,238	57,635
Interest expense and similar expense	(77,429)	(44,614)
Net interest	19,809	13,021
Dividend income	0	0
Fees and commissions received	5,398	3,582
Fees and commissions paid	(1,412)	(941)
Net fees and commissions	3,986	2,641
Profits/losses from financial assets and liabilities not measured at fair value through profit or loss	(255)	(78)
Net profits/losses from financial assets and liabilities held for trading	(58)	20
Net foreign exchange gains/losses	2,866	1,487
Net profits/losses from derecognition of assets, excluding non-current assets held for sale	2	0
Other net operating profits/losses	8,629	9,308
Administrative costs	(10,843)	(10,021)
Depreciation, amortisation	(860)	(746)
Provision	(5,088)	(2,818)
Impairments	(14,183)	(4,564)
<b>Profit on ordinary activities</b>	<b>4,005</b>	<b>8,250</b>
Corporate income tax on ordinary activities	(1,463)	(1,485)
Deferred taxes	314	(29)
<b>Net profit on ordinary activities</b>	<b>2,856</b>	<b>6,736</b>
<b>Net profit of the period</b>	<b>2,856</b>	<b>6,736</b>

# BUSINESS TRANSACTIONS OF SID BANK, INC., LJUBLJANA ON BEHALF AND FOR THE ACCOUNT OF THE REPUBLIC OF SLOVENIA

## Insurance against non-marketable risks

Certain commercial and non-commercial or political risks (non-marketable risks) of the nature and level for which private reinsurance market lacks either willingness or capacity to cover, are insured by SID Bank as an authorised institution on behalf and for account of the Republic of Slovenia. According to the EU legislation, non-marketable risks are defined as commercial and political risks of a time horizon exceeding two years in the OECD countries and all risks in countries which are not OECD members.

Services:

- short-term export credit insurance,
- medium-term export credit insurance,
- investment insurance.

In thousands of EUR	Jan. – Dec. 2008	Jan. – Dec. 2007
Business insured	914,270	530,172
Premiums	4,084	3,999
Claims paid	13	349
Contingency reserve at December, 31	109,896	102,965

## Interest rate equalisation programme

In accordance with the Act Governing Insurance and Financing of International Commercial Transactions (hereinafter ZZFMGP) and on behalf and for the account of the Republic of Slovenia, SID Bank implements the Interest Rate Equalization Programme (IREP) for export credits in euros and American dollars falling within the scope of the OECD Arrangements on Officially Supported Export Credits. SID Bank and the Ministry of Finance of RS have concluded an Agreement on Implementation of the Interest Rate Equalization Programme.

In thousands of EUR	December 31, 2008	December 31, 2007
IREP Assets	6,709	5,395

Company name: **SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana / SID Bank, Inc., Ljubljana**  
Address: Ulica Josipine Turnograjske 6, 1000 Ljubljana  
ID Number: 5665493  
VAT Identification Number: SI 82155135  
Telephone: 01/ 200 75 00  
Management Board: 01/ 200 75 53  
Telefax: 01/ 200 75 75  
E-mail: info@sid.si  
Website: http://www.sid.si

## Companies of SID Bank Group

**SID – Prva kreditna zavarovalnica d.d., Ljubljana**  
**SID – First Credit Insurance Company Inc., Ljubljana**

*Ulica Josipine Turnograjske 6, 1000 Ljubljana*  
tel: 01/200 58 00; faks:01/425 84 45  
<http://www.sid-pkz.si>

**PRO KOLEKT, družba za izterjavo, d.o.o.**

*Ulica Josipine Turnograjske 6, 1000 Ljubljana*  
tel: 01/200 75 90, faks: 01/421 06 21  
<http://www.prokolekt.si>

**PRO KOLEKT d.o.o.**

*Rapska 46B, 10000 Zagreb, Hrvaska*  
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<http://www.prokolekt.com>

**PRO KOLEKT d.o.o.**

*Bulevar Mihajla Pupina 10Ž/222, 11070 Novi Beograd, Srbija*  
tel.: +381 11 213 93 81  
<http://www.prokolekt.com>

**S.C. Pro Kolekt Credit Management Services Bucuresti s.r.l.**

*Prof. George Murgoci Str. 2, District 4, 040526 Bucuresti, Romunija*  
tel.: +40 21 335 90 30, faks: +40 21 337 03 43  
<http://www.prokolekt.com>

**Pro Kolekt Sofia EOOD**

*65, Shipchenski prohod Blvd., 1574 Sofia, Bolgarija*  
tel./faks: + 359 2 971 44 63  
<http://www.prokolekt.com>

**Pro Kolekt d.o.o. Sarajevo**

*Ulica Hamdije Čermelića 2, 71000 Sarajevo, Bosna in Hercegovina*  
tel.: +387 61 201 021  
<http://www.prokolekt.com>

**PRVI FAKTOR d.o.o.**

*Slovenska cesta 17, 1000 Ljubljana*  
tel.: 01/200 54 10; faks: 01/200 54 20  
<http://www.prvifaktor.si>

**PRVI FAKTOR, d.o.o., Zagreb**

*Hektorovičeva 2A, 10000 Zagreb, Hrvaska*  
tel. : +385 1 617 78 05; faks: +385 1 617 66 29  
<http://www.prvifaktor.hr>

**PRVI FAKTOR - faktoring d.o.o., Beograd**

*Bulevar Mihajla Pupina 165/v, 11070 Novi Beograd, Srbija*  
tel.: +381 11 2225 400; faks: +381 11 2225 444  
<http://www.prvifaktor.co.yu>

**PRVI FAKTOR d.o.o., Sarajevo**

*Džemala Bijedića bb, 71000 Sarajevo, Bosna in Hercegovina*  
tel.: +387 33 767 210, faks: +387 33 767 211  
<http://www.prvifaktor.ba>

**PRVI FAKTOR, d.o.o.e.l. (The company is not operating yet.)**

*Mito Hađavasiljev – Jasmin 20, 1000 Skopje, Makedonija*

**Center za mednarodno sodelovanje in razvoj**  
**Centre for International Cooperation and Development**

*Kardeljeva ploščad 1, 1000 Ljubljana, Slovenia*  
tel.: 01 568 13 96, fax.: 568 13 72  
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