



**INTERIM FINANCIAL REPORT OF
SID BANK AND SID BANK GROUP
JANUARY 1st - JUNE 30th, 2015**

Edition: August 31st, 2015



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STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Management Board hereby confirms its responsibility for the preparation of the financial statements of SID Bank and SID Bank Group for the first six months, ended June 30th, 2015.

The Management Board is responsible for the preparation and presentation of these interim financial report in accordance with the IAS 34 "Interim Financial Reporting".

The management's responsibilities are:

- to employ relevant accounting policies, and to ensure that they are consistently applied,
- to make use of reasonable and prudent accounting estimates and judgements,
- to appropriately disclose and clarify any material deviations from the accounting standards applied, to ensure that the financial statements are compiled on a going-concern basis for SID Bank and the SID Bank Group and the IAS 34 "Interim Financial Reporting".

Management board of SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana


Jožef Bradeško
Member


Sibil Svilan M.Sc.
President



1 BASIC INFORMATION

Company ID

Company name	SID - Slovenska izvozna in razvojna banka, d. d., Ljubljana
Address	Ulica Josipine Turnograjske 6, 1000 Ljubljana
ID Number	5665493
Tax Number	82155135
VAT Identification Number	SI82155135
Account number	0100 0000 3800 058
BIC (SWIFT)	SIDRSI22
Telephone	+386 1 200 75 00
Telefax	+386 1 200 75 75
E-mail	info@sid.si
Website	http://www.sid.si

SID Bank Group

SID Bank Group is consisted of the following companies:

	Relationship	Ownership share of SID Bank in percent
SID banka, d. d., Ljubljana	Parent company	-
SID – Prva kreditna zavarovalnica, d.d., Ljubljana	Subsidiary company	100
Pro Kolekt, družba za izterjavo, d. o. o., Ljubljana	Subsidiary company	100
Prvi Faktor, faktoring družba, d. o. o., Ljubljana	Joint venture	50
Centre for International Cooperation and Development, Ljubljana	Co-foundation	

2 FINANCIAL HIGHLIGHTS AND PERFORMANCE INDICATORS

Statement of Financial Position Summary

(in EUR thousand)	SID Bank		SID Bank Group	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Total assets	2,884,760	3,577,036	2,936,301	3,631,383
Loans to banks	1,483,434	2,180,886	1,487,329	2,186,274
Loans to non-bank customers	579,130	637,327	579,130	637,327
Financial liabilities	2,499,909	3,178,962	2,500,415	3,179,560
Total equity	350,627	355,275	368,633	372,666

Income Statement Summary

(in EUR thousand)	SID Bank		SID Bank Group	
	1-6/2015	1-6/2014	1-6/2015	1-6/2014
Net interest income	12,826	22,763	13,019	23,023
Net non-interest income	3,594	4,570	5,551	6,974
Operating costs	(5,448)	(5,025)	(7,461)	(6,931)
Impairment and Provisions	(6,772)	(18,112)	(5,990)	(19,053)
Profit on ordinary activities	4,200	4,196	5,119	4,013
Net profit for the financial period	3,486	3,483	4,200	3,223

Selected indicators¹

(in percent)	SID Bank			SID Bank Group		
	1-6/2015	1-12/2014	1-6/2014	1-6/2015	1-12/2014	1-6/2014
Profitability						
Interest margin	0.78	1.17	1.21	0.75	1.17	1.19
Financial intermediation margin ²	1.00	1.52	1.45	1.06	1.45	1.55
Return on assets before tax	0.26	0.12	0.22	0.29	0.12	0.21
Return on equity before tax	2.33	3.42	2.37	2.74	3.29	2.20
Return on equity after tax	1.93	1.28	1.96	2.24	1.18	1.77
Operating cost						
Operating costs/ average assets	0.33	0.28	0.27	0.43	0.39	0.36
Operating costs/net income	33.18	18.56	18.38	40.18	23.71	23.11
Capital						
Capital adequacy ratio ³	30.8	26.1	27.2	30.1	25.8	25.4
Quality assets of the statement of financial position and contingent liabilities						
Impairments of financial assets measured at amortised cost and provisions for contingent liabilities/classified on-balance-sheet items and classified off-balance-sheet items ³	9.87	8.51	7.22	11.53	9.15	7.72

¹ The selected indicators relating to the quarterly period are converted on annual level.

² The computations of financial intermediation margin for SID Bank Group do not consider income from PKZ insurance business.

³ The computations of capital adequacy and the ratio of impairments and classified items for SID Bank Group considered the assets of SID Bank and 50 percent of assets of the Prvi Faktor Group (banking group of SID Bank).

	SID Bank			SID Bank Group		
	30.6.2015	31.12.2014	30.6.2014	30.6.2015	31.12.2014	30.6.2014
Number of employees	154	147	140	359	356	369

	SID Bank		
	30.6.2015	31.12.2014	30.6.2014
International credit rating			
Standard & Poor's	A-	A-	A-
Moody's	Baa3	Baa3	Ba1
Shares			
Number of shareholders	1	1	1
Number of shares	3,121,741	3,121,741	3,121,741
Nominal value per share (in EUR)	96.10	96.10	96.10
Book value per share (in EUR)	112.99	114.48	113.88

Operations Reflected in the Statement of Financial Position

At the end of the first half of 2015 SID Bank's total assets amounted to EUR 2,884.8 million which represents 80.6% of the total assets compared with 2014. Decrease in total assets is due to the payment of issued bonds in the amount of totalled EUR 498 million, which had due in April 2015 and have not been replaced by new edition. On the Banks total asset the most visible decrease is in loans to banks.

Loans to banks accounted for a majority share among all investments in the Bank's total assets in the first half of 2015. Loans to banks includes loans and deposits at banks and were valued at the end of the period at EUR 1,483.4 million. That is 32% less compared with the end of 2014. Loans to non-banking clients decreased by 9.1% in 2015 and totalled EUR 579.1 million as at the end of June 2015. Investments in securities totalled EUR 704.7 million. Their share in the Bank's total assets increased from 21.1% to 24.4%.

Deposits and borrowings from banks accounted for a majority of liabilities at the end of the first half of 2015, including the liabilities to the central bank. This share amounted to 58%. Liabilities to banks and the central bank totalled EUR 1,676 million, which is EUR 189.7 million less compared to the end of 2014. Liabilities to non-banking clients stood at EUR 398.9 million and compared to the previous year have not changed significantly. Liabilities from issued securities have changed because of the payment and fall for 54.7 %. The SID Bank total equity decreased for EUR 4.6 million, in other words for 1.1%, compared to the end of 2014 and totalled EUR 351 million as at the end of the period. The decrease results from a lower balance of accumulated other comprehensive income in relation to available-for-sale financial assets amounted to EUR 8.1 million as a result of the reduction in securities rates. The negative impact reduces the net profit for the financial period for EUR 3.5 million.

Considering SID Bank's predominant influence in the SID Bank Group, the specific nature of the Group and mutual relationships in the Group, the total assets of the SID Bank Group were only 1.8% higher than the total assets of SID Bank and at the end of first half of 2015 amounted to EUR 2,936.3 million, thus the structure of the Group's assets and liabilities is very similar to those of the Bank.



Operations Reflected in the Income Statement

SID Bank recorded a pre-tax profit of EUR 4.2 million in the first half of 2015, which is the same as in the first half of 2014 and net profit in the amount EUR 3.5 million.

Net interest income amounted to EUR 12.8 million and was lower for 43.7% compared with the first half of 2014, due to a lower assets and liabilities as well as downturn of interest rates. Measured to the average assets, the interest margin was 0.78%. Net interest income represents 78% of the total net income.

Net non-interest income amounted to EUR 3.6 million in the first half of 2015.

Operating costs amounted to EUR 5.4 million, in structure administrative expenses stood at EUR 5 million, and amortisation / depreciation totalled EUR 0.4 million.

Net impairment and provisioning costs amounted to EUR 6.8 million in the first half of 2015, while in the first half of 2014 expenses for impairments and provisions amounted to EUR 18.1 million. In the first half of 2015 account receivables have been written down for EUR 27.5 million on the basis of company restructuring. Write-downs did not affect the income statement because revaluation was already made.

The SID Bank Group recorded a pre-tax profit of EUR 5.1 million in the first half of 2015, what is EUR 1.1 million more than in the first half of 2014. Net profit amounted to EUR 4.2 million.

3 SIGNIFICANT EVENTS

In January 2015 SID Bank obtained a credit rating by Standard & Poor's Rating Services, which remains a long-term credit rating of A- with a stable future outlook, while the short-term credit rating is A-2. The credit rating of SID Bank is on the same level as the credit rating of the Republic of Slovenia.

At the end of January 2015 Moody's credit rating agency increased the credit rating of SID Bank from Ba1 to Baa3, with the outlook remaining stable. The increase in ratings from speculative to investment level is the result of the better rating of the Republic of Slovenia, due to progress in fiscal consolidation and stabilization of the banking sector. The achieved stabilization of the banking sector reduces future risks for any additional pressures on public finances.

In the first quarter of 2015 due long-term refinancing operations of the European Central Bank, which already in 2014 partially replaced the targeted long-term refinancing operations. SID Bank has paid off all liabilities to the European Central Bank from a 3-year long term refinancing operations (LTROs) principal and interests amounted to EUR 95 million.

The ECB in March launched a quantitative release, named the Public Sector Purchase Programme (PSPP) or government bonds buying, targeting border European inflation at 2%. In April SID Bank's bonds become appropriate for purchases by ECB, which is a success.

In 2010 SID Bank published bond with the symbol »SEDABI 3 04/21/15«, with nominal amount of EUR 498 million which ended in April 2015.

In early May, the Ministry of Economic Development and Technology signed an appendix to the agreement on the financing and implementation of financial engineering measures for promoting technology - development projects and to promote the development of small and medium-sized enterprises, which have been extended deadlines and have expired in



February 2015, and less strict criteria for granting loans for certain funding programs for small and medium-sized enterprises.

On 2 July 2015 the Government of the Republic of Slovenia appointed Boris Škapin, M.Sc. for the new member of the Supervisory Board of SID Bank for a term of 5 years. He replaced Martin Jakše.

Due to the change of the future outlook of credit rating of the Republic of Slovenia from stable to positive the credit rating agency Standard & Poor's Rating Services on 14 July 2015 changed the future outlook of credit rating of the SID bank from stable to positive. The credit rating of the Republic of Slovenia and the SID Bank remained unchanged, the long-term credit rating is A-, short-term credit rating is A-2.



4 NOTES TO SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

Separate and consolidated financial statements for the period from January to June 2015 are unaudited.

Statement of Compliance

The financial statements of SID Bank (separate statements) and SID Bank Group (consolidated statements) are compiled in accordance with the International Standards of Financial Reporting and their notes, as adopted by the European Union, also taking into account the Companies Act and the regulations of the Bank of Slovenia.

Interim financial statements are prepared in a condensed form and include significant notes as requested in accordance with IAS 34 "Interim Financial Reporting". They need to be read in context with Annual Report of SID Bank and SID Bank Group for 2014.

Accounting Policies

The accounting policies applied are presented in detail in the Annual Report of SID Bank and SID Bank Group for 2014.

The most important accounting policies, which serve as the measurement basis used for the compilation of financial statements of SID Bank and SID Bank Group and are relevant to the understanding of separate and consolidated financial statements have been consistently applied in both reporting periods.

Not yet effective and unused but already issued/accepted standards and interpretations:

- IFRS 9 – Financial Instruments. IFRS 9 are effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- IFRS 14 (new standard) – Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016).
- IFRS 15 (new standard) – Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation is effective for annual periods beginning on or after 1 January 2016.
- Amendments to IFRS 11 – Joint Arrangements – Accounting for Acquisition of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).

Consolidation

Consolidated financial statements include the following companies:

- By the method of full consolidation SID Bank and SID – Prva kreditna zavarovalnica
- By the equity method Prvi Faktor Group.

Due to immateriality for the true and fair representation of financial statements of SID Bank Group SID Bank excluded from consolidation Pro Kolekt Group and Centre for International Cooperation and Development.

5 STATEMENT OF FINANCIAL POSITION

In EUR thousand	SID Bank		SID Bank Group	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Cash on hand, balances with the central banks and demand deposits with bank	83,150	3,051	89,981	7,554
Available-for-sale financial assets	704,734	710,983	725,670	733,053
Loans	2,063,411	2,818,627	2,067,298	2,824,019
Loans to banks	1,483,434	2,180,886	1,487,329	2,186,274
Loans clients other than banks	579,130	637,327	579,130	637,327
Other financial assets	847	414	839	418
Derivatives held for hedging	13,814	28,394	13,814	28,394
Property, plant and equipment	5,922	6,190	8,832	9,229
Intangible assets	735	713	1,340	1,318
Long-term interests in subsidiaries, associates and joint ventures	8,831	8,831	418	419
Corporate income tax assets	3,651	0	3,651	427
Current tax assets	2,544	0	2,544	427
Deferred tax assets	1,107	0	1,107	0
Other assets	512	247	25,297	26,970
TOTAL ASSETS	2,884,760	3,577,036	2,936,301	3,631,383
Financial liabilities held for trading	0	3	0	3
Financial liabilities measured at amortised cost	2,499,909	3,178,959	2,500,415	3,179,557
Bank deposits	14,011	23,827	14,011	23,827
Deposits of clients other than banks	6	6	6	6
Loans from banks and central banks	1,661,607	1,841,494	1,661,607	1,841,494
Loans from clients other than banks	398,916	381,461	398,916	381,461
Debt securities	421,639	930,353	421,639	930,353
Other financial liabilities	3,730	1,818	4,236	2,416
Provisions	34,042	35,468	63,828	67,435
Corporate income tax liabilities	0	7,025	171	7,103
Current tax liabilities	0	6,466	113	6,465
Deferred tax liabilities	0	559	58	638
Other liabilities	182	306	3,254	4,619
TOTAL LIABILITIES	2,534,133	3,221,761	2,567,668	3,258,717
Share capital	300,000	300,000	300,000	300,000
Share premium account	1,139	1,139	1,139	1,139
Accumulated other comprehensive income	(1,490)	6,644	(1,100)	7,132
Profit reserves	46,658	46,658	63,748	63,749
Treasury shares	(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the reporting period)	5,644	2,158	6,170	1,970
EQUITY	350,627	355,275	368,633	372,666
TOTAL LIABILITIES AND EQUITY	2,884,760	3,577,036	2,936,301	3,631,383

6 STATEMENT OF PROFIT OR LOSS

In EUR thousand	SID Bank		SID Bank Group	
	1-6/2015	1-6/2014	1-6/2015	1-6/2014
Interest income	31,518	51,391	31,711	51,659
Interest expenses	(18,692)	(28,628)	(18,692)	(28,636)
Net interest	12,826	22,763	13,019	23,023
Fee and commission income	1,800	2,172	1,800	2,172
Fee and commission expenses	(503)	(293)	(510)	(299)
Net fee and commission	1,297	1,879	1,290	1,873
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	1,012	(1,285)	1,012	(1,285)
Net gain on financial assets and liabilities held for trading	3	8	3	8
Gains on financial assets and liabilities measured at fair value through profit or loss	752	3,424	752	3,424
Changes in fair value in hedge accounting	(91)	(267)	(91)	(267)
Net exchange differences loss	(73)	(4)	(73)	(3)
Other net operating gains	694	815	2,658	3,781
Administrative costs	(5,054)	(4,719)	(6,887)	(6,442)
Depreciation and amortisation	(394)	(306)	(574)	(489)
Provisions	1,436	(5,345)	2,435	(6,092)
Impairment	(8,208)	(12,767)	(8,425)	(12,961)
Share of losses of associates and joint ventures accounted for using the equity method	0	0	0	(557)
Profit from ordinary operations	4,200	4,196	5,119	4,013
Corporate income tax on ordinary operations	(714)	(713)	(919)	(790)
Net profit for the financial period	3,486	3,483	4,200	3,223
Basic earnings per share (in EUR)⁴	1.12	1.12	1.35	1.04

⁴ Basic earnings per share are equal to the revised earnings per share because the SID Bank has no dilutive instruments.

7 INCOME STATEMENT – BY QUARTERS

7.1 Income statement of SID Bank – by quarters

In EUR thousand	SID Bank			
	2015		2014	
	Q2	Q1	Q2	Q1
Interest income	13,699	17,819	25,849	25,542
Interest expenses	(7,550)	(11,142)	(14,173)	(14,455)
Net interest	6,149	6,677	11,676	11,087
Fee and commission income	790	1,010	1,455	717
Fee and commission expenses	(326)	(177)	(159)	(134)
Net fee and commission	464	833	1,296	583
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	665	347	(1,598)	313
Net gain on financial assets and liabilities held for trading	1	2	4	4
Gains and losses on financial assets and liabilities measured at fair value through profit or loss	1,871	(1,119)	316	3,108
Changes in fair value in hedge accounting	(252)	161	(192)	(75)
Net exchange differences losses and gains	(70)	(3)	1	(5)
Other net operating gains	337	357	367	448
Administrative costs	(2,675)	(2,379)	(2,011)	(2,708)
Depreciation and amortisation	(203)	(191)	(153)	(153)
Provisions	1,027	409	5,343	(10,688)
Impairment	(8,866)	658	(16,108)	3,341
Loss/profit from ordinary operations	(1,553)	5,753	(1,059)	5,255
Corporate income tax on ordinary operations	264	(978)	180	(893)
Net loss/profit for the financial period	(1,289)	4,775	(879)	4,362

7.2 Income statement of SID Bank Group – by quarters

In EUR thousand	SID Bank Group			
	2015		2014	
	Q2	Q1	Q2	Q1
Interest income	13,792	17,919	25,969	25,690
Interest expenses	(7,549)	(11,143)	(14,177)	(14,459)
Net interest	6,243	6,776	11,792	11,231
Fee and commission income	790	1,010	1,455	717
Fee and commission expenses	(330)	(180)	(162)	(137)
Net fee and commission	460	830	1,293	580
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	665	347	(1,598)	313
Net gain on financial assets and liabilities held for trading	1	2	4	4
Gains and losses on financial assets and liabilities measured at fair value through profit or loss	1,871	(1,119)	315	3,109
Changes in fair value in hedge accounting	(252)	161	(192)	(75)
Net exchange differences losses and gains	(70)	(3)	2	(5)
Other net operating gains	866	1,792	2,307	1,474
Administrative costs	(3,640)	(3,247)	(2,878)	(3,564)
Depreciation and amortisation	(289)	(285)	(245)	(244)
Provisions	2,218	217	4,428	(10,520)
Impairment	(8,907)	482	(16,273)	3,312
Share of losses of associates and joint ventures accounted for using the equity method	0	0	(380)	(177)
Loss/profit from ordinary operations	(834)	5,953	(1,425)	5,438
Corporate income tax on ordinary operations	104	(1,023)	177	(967)
Net loss/profit for the financial period	(730)	4,930	(1,248)	4,471

8 STATEMENT OF COMPREHENSIVE INCOME

In EUR thousand	SID Bank		SID Bank Group	
	1-6/2015	1-6/2014	1-6/2015	1-6/2014
Net profit for the financial period after tax	3,486	3,483	4,200	3,223
Other comprehensive income after tax	(8,134)	4,125	(8,232)	4,482
Items which may be subsequently reclassified to profit or loss	(8,134)	4,125	(8,232)	4,482
Gains (losses) in connection to available-for-sale financial assets	(9,800)	4,970	(9,918)	5,400
Valuation gains (losses) taken to equity	(8,961)	5,711	(9,079)	6,141
Transfer of gains or losses into profit or loss	(839)	(741)	(839)	(741)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	1,666	(845)	1,686	(918)
Total comprehensive income for the financial period after taxation	(4,648)	7,608	(4,032)	7,705

9 STATEMENT OF COMPREHENSIVE INCOME – BY QUARTERS

9.1 Statement of comprehensive income of SID Bank – by quarters

In EUR thousand	SID Bank			
	2015		2014	
	Q2	Q1	Q2	Q1
Net loss and profit for the financial period after tax	(1,289)	4,775	(879)	4,362
Other comprehensive income after tax	(13,046)	4,912	264	3,861
Items which may be subsequently reclassified to profit or loss	(13,046)	4,912	264	3,861
Gains (losses) in connection to available-for-sale financial assets	(15,718)	5,918	318	4,652
Valuation gains (losses) taken to equity	(15,226)	6,265	746	4,965
Transfer of gains or losses into profit or loss	(492)	(347)	(428)	(313)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	2,672	(1,006)	(54)	(791)
Total comprehensive income for the financial period after taxation	(14,335)	9,687	(615)	8,223

9.2 Statement of comprehensive income of SID Bank Group – by quarters

In EUR thousand	SID Bank Group			
	2015		2014	
	Q2	Q1	Q2	Q1
Net loss and profit for the financial period after tax	(730)	4,930	(1,248)	4,471
Other comprehensive income after tax	(13,352)	5,120	380	4,102
Items which may be subsequently reclassified to profit or loss	(13,352)	5,120	380	4,102
Gains (losses) in connection to available-for-sale financial assets	(16,086)	6,168	458	4,942
Valuation gains (losses) taken to equity	(15,594)	6,515	886	5,255
Transfer of gains or losses into profit or loss	(492)	(347)	(428)	(313)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	2,734	(1,048)	(78)	(840)
Total comprehensive income for the financial period after taxation	(14,082)	10,050	(868)	8,573

10 STATEMENT OF CHANGES IN EQUITY

10.1 Statement of Changes in Equity of SID Bank

For the period January 1st, 2015 to June 30th, 2015

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the period)	Treasury shares	Total equity
OPENING BALANCE IN ACCOUNTING PERIOD (before adjustment) 1 JAN 2015	300,000	1,139	6,644	46,658	2,158	(1,324)	355,275
OPENING BALANCE IN ACCOUNTING PERIOD 1 JAN 2015	300,000	1,139	6,644	46,658	2,158	(1,324)	355,275
Total comprehensive income for the financial period after taxation	0	0	(8,134)	0	3,486	0	(4,648)
CLOSING BALANCE IN ACCOUNTING PERIOD 30 JUNE 2015	300,000	1,139	(1,490)	46,658	5,644	(1,324)	350,627

For the period January 1st, 2014 to June 30th, 2014

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the period)	Treasury shares	Total equity
OPENING BALANCE IN ACCOUNTING PERIOD (before adjustment) 1 JAN 2014	300,000	1,139	1,706	41,961	2,311	(1,324)	345,793
OPENING BALANCE IN ACCOUNTING PERIOD 1 JAN 2014	300,000	1,139	1,706	41,961	2,311	(1,324)	345,793
Total comprehensive income for the financial period after taxation	0	0	4,125	0	3,482	0	7,607
CLOSING BALANCE IN ACCOUNTING PERIOD 30 JUNE 2014	300,000	1,139	5,831	41,961	5,793	(1,324)	353,400

10.2 Statement of Changes in Equity of SID Bank Group

For the period January 1st, 2015 to June 30th, 2015

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the period)	Treasury shares	Total equity
OPENING BALANCE IN ACCOUNTING PERIOD (before adjustment) 1 JAN 2015	300,000	1,139	7,132	63,750	1,970	(1,324)	372,667
OPENING BALANCE IN ACCOUNTING PERIOD 1 JAN 2015	300,000	1,139	7,132	63,750	1,970	(1,324)	372,667
Total comprehensive income for the financial period after taxation	0	0	(8,232)	0	4,200	0	(4,032)
CLOSING BALANCE IN ACCOUNTING PERIOD 30 JUNE 2015	300,000	1,139	(1,100)	63,750	6,170	(1,324)	368,635

For the period January 1st, 2014 to June 30th, 2014

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the period)	Treasury shares	Total equity
OPENING BALANCE IN ACCOUNTING PERIOD (before adjustment) 1 JAN 2014	300,000	1,139	1,648	58,621	2,706	(1,324)	362,790
OPENING BALANCE IN ACCOUNTING PERIOD 1 JAN 2014	300,000	1,139	1,648	58,621	2,706	(1,324)	362,790
Total comprehensive income for the financial period after taxation	0	0	4,482	0	3,223	0	7,705
Transfer of net profit to reserves from profit	0	0	0	(515)	515	0	0
Other	0	0	0	0	1,834	0	1,834
CLOSING BALANCE IN ACCOUNTING PERIOD 30 JUNE 2014	300,000	1,139	6,130	58,106	8,278	(1,324)	372,329

11 STATEMENT OF CASH FLOWS

In EUR thousand	SID Bank		SID Bank Group	
	1-6/2015	1-6/2014	1-6/2015	1-6/2014
A. CASH FLOWS FROM OPERATING ACTIVITIES				
a) Net profit before tax	4,200	4,196	5,119	4,013
Depreciation and amortisation	394	306	574	489
Reversal of impairment of available-for-sale financial assets	0	(40)	0	(40)
Loan impairment	8,208	12,807	8,208	12,807
Impairments of property, plant and equipment, investment property, intangible assets and other assets	0	0	217	194
Loss from interests in associates and joint ventures calculated by the equity method	0	0	0	557
Net exchange differences loss	73	4	73	3
Other adjustments in pre-tax net profit or loss	(1,348)	5,602	(2,348)	6,351
Cash flows from operating activities before changes in operating assets and liabilities	11,527	22,875	11,843	24,374
b) (Increase) / decrease in operating assets	761,147	(43,640)	762,105	(42,031)
Net (increase)/decrease in available-for-sale financial assets	(1,849)	(76,175)	(813)	(74,327)
Net (increase)/decrease in loans	754,581	22,520	752,781	21,722
Net (increase)/decrease in assets held for hedging	8,680	11,198	8,680	11,198
Net (increase)/decrease in other assets	(265)	(1,183)	1,457	(624)
c) Increase / (decrease) in operating liabilities	(676,065)	(131,230)	(678,580)	(131,311)
Net increase /(decrease) in deposits and loans measured at amortised cost	(173,033)	(72,281)	(173,125)	(72,598)
Net increase /(decrease) in debt securities measured at amortised cost	(502,905)	(58,801)	(502,905)	(58,801)
Net increase / (decrease) in derivative financial liabilities held for hedging	0	(129)	0	(129)
Net increase/(decrease) in other liabilities	(127)	(19)	(2,550)	217
d) Cash flows from operating activities (a+b+c)	96,609	(151,995)	95,368	(148,968)
e) (Paid)/refunded corporate income tax	(11,390)	(526)	(11,075)	(977)
f) Net cash flows from operating activities (d+e)	85,219	(152,521)	84,293	(149,945)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
a) Inflows from investing activities	0	0	0	0
b) Outflows from investing activities	(148)	(171)	(199)	(227)
c) Net cash flows from investing activities (a+b)	(148)	(171)	(199)	(227)
D. Effect of exchange rate difference on cash and cash equivalents	9	1	9	1
E. Net increase/(decrease) in cash assets and cash equivalents (Af+Bc)	85,071	(152,692)	84,094	(150,172)
F. Opening balance of cash and cash equivalents	3,051	206,842	12,942	218,654
G. Closing balance of cash and cash equivalents (D+E+F)	88,131	54,151	97,045	68,483

12 OTHER DISCLOSURES

12.1 Related Party Disclosures

Significant relations of SID Bank with subsidiaries and joint ventures:

	30.6.2015			31.12.2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Receivables						
Loans	55	92,428	92,483	36	94,122	94,158
Other financial assets	10	0	10	13	0	13
Gross exposure	65	92,428	92,493	49	94,122	94,171
Value adjustments	(2)	(15,712)	(15,715)	(2)	(12,174)	(12,176)
Net exposure	63	76,716	76,779	47	81,948	81,995
Other financial liabilities	0	114	114	8	125	133
Provisions	1	31,625	31,626	2	31,625	31,627
Total tax liabilities	1	31,739	31,740	10	31,750	31,760

	1-6/2015			1-6/2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Interest income	0	1,859	1,860	0	2,154	2,154
Fee and commission income	0	0	0	0	42	42
Income from other services	46	0	46	45	0	45
Fee and commission expense	0	(114)	(114)	0	0	0
Expense for other services	(1)	0	(1)	(10)	0	(10)
Provisions	1	0	1	0	(9,569)	(9,569)
Impairments	(1)	(1,656)	(1,657)	(1)	1,563	1,562
Total	46	89	134	34	(5,810)	(5,776)

12.2 Segment Reporting

Allocation and disclosure by operating segment is carried out on the basis of the attributes of individual business activities at the SID Bank Group. The majority of the SID Bank Group's operations are on the domestic market, for which reason the Group does not disclose additional itemization by geographical segments.

The SID Bank Group business activities can be divided into three operating segments:

- banking,
- credit and investment insurance, and
- factoring.

Each operating segment is organised as a legal entity in the form of an independent undertaking. Within the SID Bank Group banking services are provided by the controlling company SID Bank credit and investment insurance is carried out at PKZ, and factoring is the domain of the Prvi faktor Group. The factoring segment includes 50% proportionate share of the Prvi faktor Group. The individual operating segments include products and services that differ from the other operating segments in terms of risk and return. Transactions between the operating segments are executed at normal commercial terms.

For the period January 1st, 2015 to June 30th, 2015

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	31,519	192	2,245	33,955	(1,017)	32,939
Interest expense	(18,692)	0	(1,858)	(20,550)	899	(19,651)
Net interest	12,827	192	387	13,405	(118)	13,288
Fee and commission income	1,800	0	626	2,426	0	2,426
Fee and commission expenses	(503)	(7)	(97)	(607)	94	(513)
Net fee and commission	1,297	(7)	529	1,819	94	1,913
Gains realised on financial assets and liabilities not measured at fair value through profit or loss	1,012	0	0	1,012	0	1,012
Gains on financial assets and liabilities held for trading	3	0	0	3	0	3
Gains on financial assets and liabilities recognised at fair value through the statement of profit or loss	752	0	0	752	0	752
Changes in fair value in hedge accounting	(91)	0	0	(91)	0	(91)
Net exchange differences gain or loss	(73)	0	524	451	0	451
Net gains from derecognition of assets other than non-current assets held for sale	0	0	2	2	0	2
Other net operating gains or losses	694	1,967	(42)	2,619	(40)	2,579
NET INCOME/EXPENSE	16,420	2,152	1,400	19,972	(64)	19,909
Other information by segments	(12,220)	(1,233)	(1,728)	(15,181)	1,659	(13,523)
Administrative costs	(5,054)	(1,835)	(1,179)	(8,068)	3	(8,066)
Depreciations and amortisation	(394)	(180)	(30)	(604)	0	(604)
Provisions	1,436	999	0	2,435	0	2,435
Impairments	(8,208)	(217)	(519)	(8,944)	1,656	(7,288)
Profit/loss from ordinary operations	4,200	919	(328)	4,791	1,595	6,386
Corporate income tax on ordinary operations	(714)	(205)	(685)	(1,604)	0	(1,604)
Net profit/loss for the financial period	3,486	714	(1,013)	3,187	1,595	4,782
30.6.2015						
ASSETS AND LIABILITIES						
Total assets	2,884,760	59,963	96,674	3,041,397	(66,106)	2,975,291
Long-term interests in subsidiaries, associates and joint ventures	8,831	0	0	8,831	(8,413)	418
Liabilities (other than equity) by segment	2,534,133	33,544	96,712	2,664,389	(77,883)	2,586,506
Total equity	350,627	26,419	(38)	377,008	11,777	388,785
Increase/decrease in property, plant and equipment and intangible assets	(246)	(129)	(15)	(390)	0	(390)

For the period January 1st, 2014 to June 30th, 2014

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	51,391	268	4,294	55,953	(1,086)	54,867
Interest expense	(28,628)	(8)	(2,813)	(31,449)	1,069	(30,380)
Net interest	22,763	260	1,481	24,504	(17)	24,487
Fee and commission income	2,172	0	1,181	3,353	(21)	3,332
Fee and commission expenses	(293)	(6)	(546)	(845)	83	(762)
Net fee and commission	1,879	(6)	635	2,508	62	2,569
Gains/(losses) realised on financial assets and liabilities not measured at fair value through profit or loss	(1,285)	0	300	(986)	0	(986)
Gains/(losses) on financial assets and liabilities held for trading	8	0	(1)	7	0	7
Gains on financial assets and liabilities recognised at fair value through the statement of profit or loss	3,424	0	0	3,424	0	3,424
Changes in fair value in hedge accounting	(267)	0	(693)	(960)	0	(960)
Net exchange differences gain or loss	(4)	1	490	487	0	487
Other net operating gains or losses	815	2,969	(30)	3,754	(65)	3,689
NET INCOME/EXPENSE	27,333	3,224	2,180	32,737	(20)	32,717
Other information by segments	(23,137)	(2,850)	(2,423)	(28,410)	8,009	(20,401)
Administrative costs	(4,719)	(1,726)	(1,398)	(7,843)	3	(7,840)
Depreciations and amortisation	(306)	(183)	(34)	(523)	0	(523)
Provisions	(5,345)	(747)	(7)	(6,099)	9,569	3,471
Impairments	(12,767)	(194)	(985)	(13,946)	(1,563)	(15,509)
Profit/loss from ordinary operations	4,196	374	(243)	4,327	7,989	12,316
Corporate income tax on ordinary operations	(713)	(77)	(314)	(1,104)	0	(1,104)
Net profit/loss for the financial period	3,483	297	(557)	3,223	7,989	11,212
31.12.2014						
ASSETS AND LIABILITIES						
Total assets	3,577,036	62,768	102,116	3,741,920	(52,878)	3,689,042
Long-term interests in subsidiaries, associates and joint ventures	8,831	0	0	8,831	(8,413)	418
Liabilities (other than equity) by segment	3,221,761	36,964	100,366	3,359,091	(78,756)	3,280,335
Total equity	355,275	25,804	1,750	382,829	25,878	408,707
Increase/decrease in property, plant and equipment and intangible assets	2,902	(256)	(26)	2,620	0	2,620

12.3 Fair Values of Financial Assets and Liabilities

Fair values of financial assets and liabilities measured at fair value:

	SID Bank							
	30.6.2015				31.12.2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Available-for-sale financial assets	546,918	132,447	25,369	704,734	531,775	163,221	15,987	710,983
Debt securities	546,918	128,004	25,369	700,291	531,775	157,375	15,987	705,137
Equity securities	0	4,443	0	4,443	0	5,846	0	5,846
Derivatives held for hedging	0	13,814	0	13,814	0	28,394	0	28,394
Total financial assets	546,918	146,261	25,369	718,548	531,775	191,615	15,987	739,377
Financial liabilities measured at fair value								
Financial liabilities held for trading	0	0	0	0	0	3	0	3
Total financial liabilities	0	0	0	0	0	3	0	3

	SID Bank Group							
	30.6.2015				31.12.2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Available-for-sale financial assets	567,417	132,884	25,369	725,670	551,949	165,116	15,987	733,052
Debt securities	567,417	128,441	25,369	721,227	551,949	159,270	15,987	727,206
Equity securities	0	4,443	0	4,443	0	5,846	0	5,846
Derivatives held for hedging	0	13,814	0	13,814	0	28,394	0	28,394
Total financial assets	567,417	146,698	25,369	739,484	551,949	193,510	15,987	761,446
Financial liabilities measured at fair value								
Financial liabilities held for trading	0	0	0	0	0	3	0	3
Total financial liabilities	0	0	0	0	0	3	0	3

Financial instruments, which the SID Bank and the SID Bank Group presents according to fair value in its statement of financial position are financial assets and liabilities intended for trading, available-for-sale financial assets and derivatives used for hedging.

Financial assets and liabilities for trading and derivatives used for hedging, which include interest rate swaps, are valued by acknowledging market interest rates and yield curves.

Fair value of available-for-sale financial assets is determined by prices quoted on active markets for identical assets, by prices quoted for similar assets and by prices quoted for identical or similar assets on inactive markets.



Table of transfers between levels of valuation:

In EUR thousand	SID Bank and SID Bank Group	
	Transfers from level 3 to level 1	
Financial assets measured at fair value		
Available-for-sale financial assets		3,172
Debt securities		3,172

12.4 Contingent and Potential Liabilities

In EUR thousand	SID Bank and SID Bank Group	
	30.6.2015	31.12.2014
Guarantees	58,750	58,384
Liabilities from approved unused loans	35,523	54,786
Total assumed commitments	94,273	113,170
Provisions for off-balance-sheet risks - guarantees	(32,283)	(33,006)
Provisions for off-balance-sheet risks – undrawn loans	(1,372)	(2,150)

SID Bank and SID Bank Group disclose the value of unused loans approved for domestic banks and corporates and the value of guarantees given in the item commitments. The amount of approved loans that had not yet been disbursed as at 30 June 2015 totalled EUR 16 million for corporates, and EUR 19.5 million for banks.

13 EVENT AFTER REPORTING DATE

There were no business events after the reporting date that would have an impact on the separate and consolidated financial statements of SID Bank and SID Bank Group.