



**INTERIM FINANCIAL REPORT OF  
SID BANK AND SID BANK GROUP  
JANUARY 1<sup>st</sup> - MARCH 31<sup>st</sup>, 2015**

**Edition: May 29<sup>th</sup>, 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 three months, ended March 31<sup>st</sup>, 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	<a href="http://www.sid.si">http://www.sid.si</a>

### 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	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
Total assets	3,500,496	3,577,036	3,555,353	3,631,383
Loans to banks	2,029,655	2,180,886	2,035,188	2,186,274
Loans to non-bank customers	609,098	637,327	609,098	637,327
Financial liabilities	3,091,071	3,178,962	3,091,610	3,179,560
Total equity	364,962	355,275	382,715	372,666

### Income Statement Summary

(in EUR thousand)	SID Bank		SID Bank Group	
	1-3/2015	1-3/2014	1-3/2015	1-3/2014
Net interest income	6,677	11,087	6,776	11,231
Net non-interest income	578	4,376	2,010	5,223
Operating costs	(2,570)	(2,861)	(3,532)	(3,808)
Impairment and Provisions	1,067	(7,347)	699	(7,208)
Profit on ordinary activities	5,753	5,255	5,953	5,438
Net profit for the financial period	4,775	4,362	4,930	4,471

### Selected indicators<sup>1</sup>

(in percent)	SID Bank			SID Bank Group		
	1-3/2015	1-12/2014	1-3/2014	1-3/2015	1-12/2014	1-3/2014
<b>Profitability</b>						
Interest margin	0.76	1.17	1.16	0.74	1.17	1.12
Financial intermediation margin <sup>2</sup>	0.82	1.52	1.62	0.96	1.45	1.65
Return on assets before tax	0.65	0.12	0.55	0.65	0.12	0.54
Return on equity before tax	6.37	3.42	5.97	6.35	3.29	5.99
Return on equity after tax	5.29	1.28	4.96	5.26	1.18	4.93
<b>Operating cost</b>						
Operating costs/ average assets	0.29	0.28	0.30	0.38	0.39	0.38
Operating costs/net income	35.42	18.56	18.50	40.20	23.71	23.14
<b>Capital</b>						
Capital adequacy ratio <sup>3</sup>	27.9	26.1	24.5	26.9	25.8	23.9
<b>Quality assets of the statement of financial position and contingent liabilities</b>						
Impairments of financial assets measured at amortised cost and provisions for contingent liabilities/classified on-balance-sheet items and classified off-balance-sheet items <sup>3</sup>	8.94	8.51	6.58	10.25	9.15	7.22

<sup>1</sup> The selected indicators relating to the quarterly period are converted on annual level.

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

<sup>3</sup> 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		
	31.3.2015	31.12.2014	31.3.2014	31.3.2015	31.12.2014	31.3.2014
<b>Number of employees</b>	148	147	135	352	356	362

	SID Bank		
	31.3.2015	31.12.2014	31.3.2014
<b>International credit rating</b>			
<b>Standard &amp; Poor's</b>	A-	A-	A-
<b>Moody's</b>	Baa3	Baa3	Ba1
<b>Shares</b>			
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)	117.60	114.48	114.08

## Operations Reflected in the Statement of Financial Position

At the end of the first quarter of 2015 SID Bank's total assets amounted to EUR 3,500.5 million, accounting for 97.9% of the total assets from 2014.

Loans to banks accounted for a majority share among all investments in the Bank's total assets in the first quarter of 2015. Loans to banks include loans and deposits at banks; these totalled EUR 2,029.7 million as at the end of the period, down 6.9% on the end of 2014. Loans to non-banking clients decreased by 4.4% in 2015 and totalled EUR 609.1 million as at the end of March 2015. Investments in securities totalled EUR 738.1 million and were up EUR 27.1 million at the end of March compared to the end of 2014. Their share in the Bank's total assets increased from 19.9% to 21.1%.

Deposits and borrowings from banks accounted for a majority of liabilities at the end of the first quarter 2015, including the liabilities to the central bank. This share amounted to 50.7%. Liabilities to banks and the central bank totalled EUR 1,774 million, which is EUR 91.3 million less compared to the end of 2014. Liabilities to non-banking clients stood at EUR 382.9 million and compared to the previous year they have not changed significantly, also has not changed balance of debt securities at the end of the first quarter amounted to EUR 930.3 million. The SID Bank total equity increased by EUR 9.7 million or 2.7% compared to the end of 2014 and totalled EUR 365 million as at the end of the period. The increase results from a higher balance of accumulated other comprehensive income in relation to available-for-sale financial assets amounted EUR 4.9 million and the net profit for the financial year of EUR 4.8 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 1.6% higher than the total assets of SID Bank and at the end of the first quarter amounted to EUR 3,555.4 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 5.8 million in the first quarter of 2015, up EUR 0.5 million on the first quarter of 2014 and net profit in the amount EUR 4.8 million, up EUR 0.4 million on the first quarter 2014.

Net interest income amounted to EUR 6.7 million, down 39.8% on the first quarter 2014. Measured to the average assets, the interest margin was 0.76%. Net interest income accounted for 92% of the total net income.

Net non-interest income amounted to EUR 0.6 million in first quarter of 2015.

Operating costs amounted to eur 2.6 million, of which administrative expenses stood at EUR 2.4 million, and amortisation and depreciation totalled EUR 0.2 million.

Net impairment and provisioning costs amounted to EUR 1.1 million in the first quarter of 2015, while in the first quarter of 2014, expenses for impairments and provisions amounted to EUR 7.3 million. This year's income of impairment are result of decreasing loan portfolio.

The SID Bank Group recorded a pre-tax profit of EUR 6 million in the first quarter of 2015, up EUR 0.5 million on the first quarter of 2014 and net profit amounted to EUR 4.9 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.



## 4 NOTES TO SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

Separate and consolidated financial statements for the period from January to March 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	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
Cash on hand, balances with the central banks and demand deposits with bank	76,681	3,051	82,634	7,554
Available-for-sale financial assets	738,087	710,983	759,337	733,053
Loans	2,639,184	2,818,627	2,644,721	2,824,019
Loans to banks	2,029,655	2,180,886	2,035,188	2,186,274
Loans clients other than banks	609,098	637,327	609,098	637,327
Other financial assets	431	414	435	418
Derivatives held for hedging	29,881	28,394	29,881	28,394
Property, plant and equipment	6,068	6,190	9,045	9,229
Intangible assets	773	713	1,367	1,318
Long-term interests in subsidiaries, associates and joint ventures	8,831	8,831	418	419
Corporate income tax assets	562	0	1,121	427
Current tax assets	0	0	559	427
Deferred tax assets	562	0	562	0
Other assets	429	247	26,829	26,970
<b>TOTAL ASSETS</b>	<b>3,500,496</b>	<b>3,577,036</b>	<b>3,555,353</b>	<b>3,631,383</b>
Financial liabilities held for trading	3	3	3	3
Financial liabilities measured at amortised cost	3,091,068	3,178,959	3,091,607	3,179,557
Bank deposits	24,112	23,827	24,112	23,827
Deposits of clients other than banks	6	6	6	6
Loans from banks and central banks	1,749,906	1,841,494	1,749,906	1,841,494
Loans from clients other than banks	382,863	381,461	382,863	381,461
Debt securities	930,344	930,353	930,344	930,353
Other financial liabilities	3,837	1,818	4,376	2,416
Provisions	35,070	35,468	67,450	67,435
Corporate income tax liabilities	9,215	7,025	9,335	7,103
Current tax liabilities	7,088	6,466	7,088	6,465
Deferred tax liabilities	2,127	559	2,247	638
Other liabilities	178	306	4,243	4,619
<b>TOTAL LIABILITIES</b>	<b>3,135,534</b>	<b>3,221,761</b>	<b>3,172,638</b>	<b>3,258,717</b>
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	11,556	6,644	12,251	7,132
Profit reserves	46,658	46,658	63,749	63,749
Treasury shares	(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the reporting period)	6,933	2,158	6,900	1,970
<b>EQUITY</b>	<b>364,962</b>	<b>355,275</b>	<b>382,715</b>	<b>372,666</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,500,496</b>	<b>3,577,036</b>	<b>3,555,353</b>	<b>3,631,383</b>

## 6 STATEMENT OF PROFIT OR LOSS

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2015	1-3/2014	1-3/2015	1-3/2014
Interest income	17,819	25,542	17,919	25,690
Interest expenses	(11,142)	(14,455)	(11,143)	(14,459)
Net interest	6,677	11,087	6,776	11,231
Fee and commission income	1,010	717	1,010	717
Fee and commission expenses	(177)	(134)	(180)	(137)
Net fee and commission	833	583	830	580
Gains realised on financial assets and liabilities not measured at fair value through profit and loss	347	313	347	313
Net gain on financial assets and liabilities held for trading	2	4	2	4
Gains and losses on financial assets and liabilities measured at fair value through profit or loss	(1,119)	3,108	(1,119)	3,109
Changes in fair value in hedge accounting	161	(75)	161	(75)
Net exchange differences loss	(3)	(5)	(3)	(5)
Other net operating gains	357	448	1,792	1,474
Administrative costs	(2,379)	(2,708)	(3,247)	(3,564)
Depreciation and amortisation	(191)	(153)	(285)	(244)
Provisions	409	(10,688)	217	(10,520)
Impairment	658	3,341	482	3,312
Share of losses of associates and joint ventures accounted for using the equity method	0	0	0	(177)
<b>Profit from ordinary operations</b>	<b>5,753</b>	<b>5,255</b>	<b>5,953</b>	<b>5,438</b>
Corporate income tax on ordinary operations	(978)	(893)	(1,023)	(967)
<b>Net profit for the financial period</b>	<b>4,775</b>	<b>4,362</b>	<b>4,930</b>	<b>4,471</b>
<b>Basic earnings per share (in EUR)<sup>4</sup></b>	<b>1.54</b>	<b>1.41</b>	<b>1.59</b>	<b>1.44</b>

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

## 7 STATEMENT OF COMPREHENSIVE INCOME

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2015	1-3/2014	1-3/2015	1-3/2014
Net profit for the financial period after tax	4,775	4,362	4,930	4,471
Other comprehensive income after tax	4,912	3,861	5,120	4,102
Items which may be subsequently reclassified to profit or loss	4,912	3,861	5,120	4,102
Gain in connection to available-for-sale financial assets	5,918	4,652	6,168	4,942
Valuation gains taken to equity	6,265	4,965	6,515	5,255
Transfer of gains or losses into profit or loss	(347)	(313)	(347)	(313)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	(1,006)	(791)	(1,048)	(840)
<b>Total comprehensive income for the financial period after taxation</b>	<b>9,687</b>	<b>8,223</b>	<b>10,050</b>	<b>8,573</b>

## 8 STATEMENT OF CHANGES IN EQUITY

### 8.1 Statement of Changes in Equity of SID Bank

For the period January 1<sup>st</sup>, 2015 to March 31<sup>st</sup>, 2015

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the financial year)	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	4,912	0	4,775	0	9,687
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 31 MAR 2015</b>	<b>300,000</b>	<b>1,139</b>	<b>11,556</b>	<b>46,658</b>	<b>6,933</b>	<b>(1,324)</b>	<b>364,962</b>

For the period January 1<sup>st</sup>, 2014 to March 31<sup>st</sup>, 2014

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the financial year)	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	3,861	0	4,362	0	8,223
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 31 MAR 2014</b>	<b>300,000</b>	<b>1,139</b>	<b>5,567</b>	<b>41,961</b>	<b>6,673</b>	<b>(1,324)</b>	<b>354,016</b>

## 8.2 Statement of Changes in Equity of SID Bank Group

For the period January 1<sup>st</sup>, 2015 to March 31<sup>st</sup>, 2015

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the financial year)	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	5,119	0	4,930	0	10,049
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 31 MAR 2015</b>	<b>300,000</b>	<b>1,139</b>	<b>12,251</b>	<b>63,749</b>	<b>6,900</b>	<b>(1,324)</b>	<b>382,716</b>

For the period January 1<sup>st</sup>, 2014 to March 31<sup>st</sup>, 2014

In EUR thousand	Share capital	Share premium account	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for the financial year)	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	4,102	0	4,471	0	8,573
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
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 31 MAR 2014</b>	<b>300,000</b>	<b>1,139</b>	<b>5,750</b>	<b>58,106</b>	<b>9,526</b>	<b>(1,324)</b>	<b>373,197</b>

## 9 STATEMENT OF CASH FLOWS

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2015	1-3/2014	1-3/2015	1-3/2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
a) Net profit before tax	5,753	5,255	5,953	5,438
Depreciation and amortisation	191	153	285	244
Reversal of impairment of available-for-sale financial assets	0	(22)	0	(22)
Reversal of loan impairment	(658)	(3,319)	(658)	(3,319)
Impairments of property, plant and equipment, investment property, intangible assets and other assets	0	0	176	29
Loss from interests in associates and joint ventures calculated by the equity method	0	0	0	177
Net exchange differences loss	3	5	3	5
Other adjustments in pre-tax net profit or loss	(572)	10,760	(381)	10,584
Cash flows from operating activities before changes in operating assets and liabilities	4,717	12,832	5,378	13,136
b) (Increase) / decrease in operating assets	204,525	(22,602)	203,891	(21,623)
Net (increase)/decrease in available-for-sale financial assets	(22,058)	8,620	(21,030)	8,667
Net (increase)/decrease in loans	230,162	(26,712)	228,352	(26,205)
Net (increase)/decrease in assets held for hedging	(3,397)	(3,976)	(3,397)	(3,966)
Net (increase)/decrease in other assets	(182)	(534)	(34)	(119)
c) (Decrease) in operating liabilities	(89,328)	(2,589)	(89,414)	(1,926)
Net increase/(decrease) in financial liabilities held for trading	2	4	2	4
Net increase /(decrease) in deposits and loans measured at amortised cost	(91,263)	(7,819)	(91,322)	(8,036)
Net (decrease) in debt securities measured at amortised cost	2,062	5,415	2,062	5,415
Net (decrease) in derivative financial liabilities held for hedging	0	(129)		(129)
Net increase/(decrease) in other liabilities	(129)	(60)	(156)	820
d) Cash flows from operating activities (a+b+c)	119,914	(12,359)	119,855	(10,413)
e) (Paid)/refunded corporate income tax	650	651	515	570
f) Net cash flows from operating activities (d+e)	120,564	(11,708)	120,370	(9,843)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
a) Inflows from investing activities	0	0	0	0
b) Outflows from investing activities	(129)	(52)	(150)	(91)
c) Net cash flows from investing activities (a+b)	(129)	(52)	(150)	(91)
D. Effect of exchange rate difference on cash and cash equivalents	14	(1)	14	(1)
E. Net increase in cash assets and cash equivalents (Af+Bc)	120,435	(11,760)	120,220	(9,934)
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)	123,500	195,081	133,176	208,719

## 10 OTHER DISCLOSURES

### 10.1 Related Party Disclosures

Significant relations of SID Bank with subsidiaries and joint ventures:

	31.3.2015			31.12.2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Receivables						
Loans	45	93.511	93.556	36	94.122	94.158
Other financial assets	13	0	13	13	0	13
Gross exposure	58	93.511	93.569	49	94.122	94.171
Value adjustments	(2)	(15.895)	(15.897)	(2)	(12.174)	(12.176)
<b>Net exposure</b>	<b>56</b>	<b>77.616</b>	<b>77.671</b>	<b>47</b>	<b>81.948</b>	<b>81.995</b>
Other financial liabilities	0	0	0	8	125	133
Provisions	1	31.625	31.627	2	31.625	31.627
<b>Total tax liabilities</b>	<b>1</b>	<b>31.625</b>	<b>31.627</b>	<b>10</b>	<b>31.750</b>	<b>31.760</b>

	1-3/2015			1-3/2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Interest income	0	1.071	1.071	0	1.037	1.037
Dividend income	0	0	0	0	0	0
Fee and commission income	0	0	0	0	21	21
Income from rents and other services	21	0	21	24	0	24
Fee and commission expense	0	(57)	(57)	0	0	0
Expense for rents and other services	(1)	0	(1)	(9)	0	(9)
Provisions	0	0	0	0	(12.340)	(12.340)
Impairments	0	(1.839)	(1.839)	0	12.385	12.385
<b>Total</b>	<b>20</b>	<b>(825)</b>	<b>(805)</b>	<b>15</b>	<b>1.103</b>	<b>1.118</b>

### 10.2 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 1<sup>st</sup>, 2015 to March 31<sup>st</sup>, 2015

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	17,820	99	1,270	19,189	(594)	18,595
Interest expense	(11,143)	0	(1,047)	(12,190)	505	(11,685)
Net interest	6,677	99	224	7,000	(89)	6,911
Dividend income	0	0	0	0	0	0
Fee and commission income	1,010	0	265	1,275	0	1,275
Fee and commission expenses	(177)	(3)	(45)	(225)	50	(175)
Net fee and commission	833	(3)	221	1,051	50	1,101
Gains/(losses) realised on financial assets and liabilities not measured at fair value through profit or loss	347	0	0	347	0	347
Gains/(losses) on financial assets and liabilities held for trading	2	0	0	2	0	2
Gains/(losses) on financial assets and liabilities recognised at fair value through the statement of profit or loss	(1,119)	0	0	(1,119)	0	(1,119)
Changes in fair value in hedge accounting	161	0	0	161	0	161
Net exchange differences gain or loss	(3)	0	271	268	14	282
Other net operating gains or losses	358	1,435	(45)	1,748	(23)	1,725
<b>NET INCOME</b>	<b>7,256</b>	<b>1,531</b>	<b>670</b>	<b>9,457</b>	<b>(48)</b>	<b>9,409</b>
Other information by segments	(1,503)	(1,331)	(790)	(3,624)	1,840	(1,784)
Administrative costs	(2,379)	(869)	(582)	(3,830)	1	(3,829)
Depreciations and amortisation	(191)	(94)	(16)	(301)	0	(301)
Provisions	409	(192)	0	217	0	217
Impairments	658	(176)	(193)	289	1,839	2,128
Profit/loss from ordinary operations	5,753	200	(120)	5,833	1,792	7,625
Corporate income tax on ordinary operations	(978)	(45)	(176)	(1,199)	0	(1,199)
Net profit for the financial period	4,775	155	(296)	4,635	1,792	6,427
<b>31.3.2015</b>						
<b>ASSETS AND LIABILITIES</b>						
Total assets	3,500,496	63,277	100,369	3,664,142	(66,454)	3,597,688
Long-term interests in subsidiaries, associates and joint ventures	8,831	0	0	8,831	(8,413)	418
Liabilities (other than equity) by segment	3,135,534	37,111	99,700	3,272,345	(78,415)	3,193,930
Total equity	364,962	26,166	669	391,797	11,961	403,758
Increase/decrease in property, plant and equipment and intangible assets	(62)	(73)	(8)	(143)	0	(143)



## For the period January 1<sup>st</sup>, 2014 to March 31<sup>st</sup>, 2014

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	25,542	149	2,489	28,180	(504)	27,675
Interest expense	(14,455)	(4)	(1,561)	(16,020)	529	(15,491)
Net interest	11,087	145	928	12,160	25	12,184
Dividend income	0	0	0	0	0	0
Fee and commission income	717	0	536	1,253	(10)	1,243
Fee and commission expenses	(134)	(3)	(147)	(284)	43	(241)
Net fee and commission	583	(3)	389	969	33	1,002
Gains/(losses) realised on financial assets and liabilities not measured at fair value through profit or loss	313	0	0	313	0	313
Gains/(losses) on financial assets and liabilities held for trading	4	0	0	4	0	4
Gains/(losses) on financial assets and liabilities recognised at fair value through the statement of profit or loss	3,108	0	0	3,108	0	3,109
Changes in fair value in hedge accounting	(75)	0	0	(75)	0	(75)
Net exchange differences gain or loss	(5)	0	126	121	0	121
Other net operating gains or losses	448	1,026	(31)	1,443	(34)	1,410
<b>NET INCOME</b>	<b>15,463</b>	<b>1,168</b>	<b>1,412</b>	<b>18,043</b>	<b>24</b>	<b>18,068</b>
Other information by segments	(10,208)	(808)	(1,465)	(12,481)	(44)	(12,526)
Administrative costs	(2,708)	(857)	(694)	(4,259)	1	(4,258)
Depreciations and amortisation	(153)	(91)	(18)	(262)	0	(262)
Provisions	(10,688)	169	(7)	(10,526)	12,340	1,814
Impairments	3,341	(29)	(747)	2,566	(12,385)	(9,820)
Profit/loss from ordinary operations	5,255	360	(53)	5,562	(20)	5,542
Corporate income tax on ordinary operations	(893)	(74)	(124)	(1,091)	0	(1,091)
Net profit for the financial period	4,362	286	(177)	4,472	(20)	4,452
<b>31.12.2014</b>						
<b>ASSETS AND LIABILITIES</b>						
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

### 10.3 Fair Values of Financial Assets and Liabilities

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

	SID Bank							
	31.3.2015				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	586.252	133.859	17.976	738.087	531.775	163.221	15.987	710.983
Debt securities	586.252	128.912	17.976	733.140	531.775	157.375	15.987	705.137
Equity securities	0	4.947	0	4.947	0	5.846	0	5.846
Derivatives held for hedging	0	29.881	0	29.881	0	28.394	0	28.394
<b>Total financial assets</b>	<b>586.252</b>	<b>163.740</b>	<b>17.976</b>	<b>767.968</b>	<b>531.775</b>	<b>191.615</b>	<b>15.987</b>	<b>739.377</b>
Financial liabilities measured at fair value								
Financial liabilities held for trading	0	3	0	3	0	3	0	3
<b>Total financial liabilities</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

	SID Bank Group							
	31.3.2015				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	605.584	135.777	17.976	759.337	551.949	165.116	15.987	733.052
Debt securities	605.584	130.830	17.976	754.390	551.949	159.270	15.987	727.206
Equity securities	0	4.947	0	4.947	0	5.846	0	5.846
Derivatives held for hedging	0	29.881	0	29.881	0	28.394	0	28.394
<b>Total financial assets</b>	<b>605.584</b>	<b>165.658</b>	<b>17.976</b>	<b>789.218</b>	<b>551.949</b>	<b>193.510</b>	<b>15.987</b>	<b>761.446</b>
Financial liabilities measured at fair value								
Financial liabilities held for trading	0	3	0	3	0	3	0	3
<b>Total financial liabilities</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

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 in SID Bank Group	
	Transfers from level 2 to level 1	Transfers from level 3 to level 1
Financial assets measured at fair value		
Available-for-sale financial assets	12,224	3,138
Debt securities	12,224	3,138

## 10.4 Contingent and Potential Liabilities

In EUR thousand	SID Bank and SID Bank Group	
	31.3.2015	31.12.2014
Guarantees	60,666	58,384
Liabilities from approved unused loans	36,810	54,786
<b>Total assumed commitments</b>	<b>94,476</b>	<b>113,170</b>
Provisions for off-balance-sheet risks - guarantees	(33,012)	(33,006)
Provisions for off-balance-sheet risks – undrawn loans	(1,740)	(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 31 March 2015 totalled EUR 24.3 million for corporates, and EUR 12.5 million for banks.

## 11 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.