



**INTERIM FINANCIAL REPORT OF  
SID BANK AND SID BANK GROUP  
JANUARY 1<sup>st</sup> - SEPTEMBER 30<sup>th</sup>, 2015**

**Edition: November 30<sup>th</sup>, 2015**



## Contents

<b>STATEMENT OF MANAGEMENT’S RESPONSIBILITY .....</b>	<b>3</b>
<b>1 BASIC INFORMATION .....</b>	<b>4</b>
<b>2 FINANCIAL HIGHLIGHTS AND PERFORMANCE INDICATORS .....</b>	<b>5</b>
<b>3 SIGNIFICANT EVENTS.....</b>	<b>7</b>
<b>4 NOTES TO SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>9</b>
<b>5 STATEMENT OF FINANCIAL POSITION .....</b>	<b>10</b>
<b>6 STATEMENT OF PROFIT OR LOSS.....</b>	<b>11</b>
<b>7 INCOME STATEMENT – BY QUARTERS .....</b>	<b>12</b>
7.1 Income statement of SID Bank – by quarters.....	12
7.2 Income statement of SID Bank Group – by quarters .....	13
<b>8 STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>14</b>
<b>9 STATEMENT OF COMPREHENSIVE INCOME – BY QUARTERS .....</b>	<b>14</b>
9.1 Statement of comprehensive income of SID Bank – by quarters .....	14
9.2 Statement of comprehensive income of SID Bank Group – by quarters.....	15
<b>10 STATEMENT OF CHANGES IN EQUITY .....</b>	<b>16</b>
10.1 Statement of Changes in Equity of SID Bank .....	16
10.2 Statement of Changes in Equity of SID Bank Group .....	17
<b>11 STATEMENT OF CASH FLOWS.....</b>	<b>18</b>
<b>12 OTHER DISCLOSURES .....</b>	<b>19</b>
12.1 Related Party Disclosures.....	19
12.2 Segment Reporting.....	19
12.3 Fair Values of Financial Assets and Liabilities .....	22
12.4 Contingent and Potential Liabilities .....	23
<b>13 EVENT AFTER REPORTING DATE.....</b>	<b>23</b>



## 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 September 30<sup>th</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	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
Total assets	3,129,428	3,577,036	3,179,459	3,631,383
Loans to banks	1,643,501	2,180,886	1,648,241	2,186,274
Loans to non-bank customers	561,284	637,327	561,284	637,327
Financial liabilities	2,738,433	3,178,962	2,738,865	3,179,560
Total equity	356,500	355,275	375,352	372,666

### Income Statement Summary

(in EUR thousand)	SID Bank		SID Bank Group	
	1-9/2015	1-9/2014	1-9/2015	1-9/2014
Net interest income	17,532	33,186	17,810	33,557
Net non-interest income	5,144	7,300	8,386	9,636
Operating costs	(8,125)	(7,508)	(11,096)	(10,376)
Impairment and Provisions	(8,391)	(27,480)	(7,076)	(28,097)
Profit on ordinary activities	6,160	5,498	8,024	4,720
Net profit for the financial period	5,118	4,718	6,558	3,698

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

(in percent)	SID Bank			SID Bank Group		
	1-9/2015	1-12/2014	1-9/2014	1-9/2015	1-12/2014	1-9/2014
<b>Profitability</b>						
Interest margin	0.73	1.17	1.19	0.70	1.17	1.18
Financial intermediation margin <sup>2</sup>	0.94	1.52	1.45	1.03	1.45	1.52
Return on assets before tax	0.26	0.12	0.20	0.32	0.12	0.17
Return on equity before tax	2.28	3.42	2.07	2.85	3.29	1.71
Return on equity after tax	1.90	1.28	1.77	2.33	1.18	1.34
<b>Operating cost</b>						
Operating costs/ average assets	0.34	0.28	0.27	0.44	0.39	0.37
Operating costs/net income	35.83	18.56	18.54	42.36	23.71	24.02
<b>Capital</b>						
Capital adequacy ratio <sup>3</sup>	29.9	26.1	27.3	29.1	25.8	25.6
<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>	9.53	8.51	7.78	8.67	9.15	7.95

<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 does not include 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		
	30.9.2015	31.12.2014	30.9.2014	30.9.2015	31.12.2014	30.9.2014
<b>Number of employees</b>	157	147	148	359	356	372

	SID Bank		
	30.9.2015	31.12.2014	30.9.2014
<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)	114.88	114.48	114.86

## Operations Reflected in the Statement of Financial Position

At the end of the first three quarter of 2015 SID Bank's total assets amounted to EUR 3,129.4 million which represents 87.5% of the total assets compared with 2014. Decrease in total assets is consequence of the market situation, which results in reduction of inquiry of SID Bank resources, which is directly reflected in a substantial fall in loans to banks.

Loans to banks accounted for a major share among all investments in the Bank's total assets in the first three quarter of 2015. Loans to banks includes loans and deposits at banks and were valued at the end of the period at EUR 1,643.5 million. That is 25% less compared with the end of 2014. Loans to non-banking clients decreased by 11.9% in 2015 and totalled EUR 561.3 million as at the end of September 2015. Investments in securities totalled EUR 841.9 million. Their share in the Bank's total assets increased from 24.4% to 26.9%.

Deposits and borrowings from banks accounted for a major share of liabilities at the end of the first three quarter of 2015, including the liabilities to the central bank. This share amounted to 51.6%. Liabilities to banks and to the central bank totalled EUR 1,614 million, which is EUR 251.6 million less compared to the end of 2014. Liabilities to non-banking clients stood at EUR 400.6 million and compared to the previous year have not changed significantly. Liabilities from issued securities have changed because of the payment and fall for 22.4 %. The SID Bank total equity increased for EUR 1.2 million, in other words for 0.7%, compared to the end of 2014 and totalled EUR 356 million as at the end of the period.

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 three quarter of 2015 amounted to EUR 3,179.4 million, that is why 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 6.2 million in the first three quarters of 2015, which is EUR 0.7 million more than in the same period of 2014 and net profit in the amount EUR 5.1 million.

Net interest income amounted to EUR 17.5 million and was lower for 47.2% compared with the same period of 2014, due to a lower assets and liabilities as well as downturn of interest rates. Measured according to the average assets, the interest margin was 0.73%. Net interest income represents 77% of the total net income.

Net non-interest income amounted to EUR 5.1 million.

Operating costs amounted to EUR 8.1 million. Major part of costs was administrative expenses in amount of EUR 7.5 million and the rest was amortisation / depreciation which totalled EUR 0.6 million.

Net impairment and provisioning costs amounted to EUR 8.4 million which represent 30.5% of last year's expenses. Until the end of September 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 8.0 million in the first three quarters of 2015, what is EUR 3.3 million more than in the compared period of 2014. Net profit amounted to EUR 6.6 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 quarters of 2015 due long-term refinancing operations of the European Central Bank, were already partially replaced in 2014 with 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 was a big 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 the first days of 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 that have expired in February 2015 and less strict criteria for granting loans for certain funding programs for small and medium-sized enterprises.

According 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 also 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.

At the end of July SID Bank issued 3-year bond guaranteed by the Republic of Slovenia on international capital markets in the amount of EUR 300 million and with fixed coupon rate of 0.875%.





## 4 NOTES TO SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

Separate and consolidated financial statements for the period from January to September 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	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
Cash on hand, balances with the central banks and demand deposits with bank	46,358	3,051	50,566	7,554
Available-for-sale financial assets	841,905	710,983	864,574	733,053
Loans	2,205,172	2,818,627	2,209,906	2,824,019
Loans to banks	1,643,501	2,180,886	1,648,241	2,186,274
Loans clients other than banks	561,284	637,327	561,284	637,327
Other financial assets	387	414	381	418
Derivatives held for hedging	15,492	28,394	15,492	28,394
Property, plant and equipment	5,773	6,190	8,631	9,229
Intangible assets	709	713	1,327	1,318
Long-term interests in subsidiaries, associates and joint ventures	8,831	8,831	419	419
Corporate income tax assets	4,842	0	4,842	427
Current tax assets	4,157	0	4,157	427
Deferred tax assets	685	0	685	0
Other assets	346	247	23,702	26,970
<b>TOTAL ASSETS</b>	<b>3,129,428</b>	<b>3,577,036</b>	<b>3,179,459</b>	<b>3,631,383</b>
Financial liabilities held for trading	0	3	0	3
Financial liabilities measured at amortised cost	2,738,433	3,178,959	2,738,865	3,179,557
Bank deposits	13,547	23,827	13,547	23,827
Deposits of clients other than banks	6	6	6	6
Loans from banks and central banks	1,600,169	1,841,494	1,600,169	1,841,494
Loans from clients other than banks	400,639	381,461	400,639	381,461
Debt securities	721,688	930,353	721,688	930,353
Other financial liabilities	2,384	1,818	2,816	2,416
Provisions	33,860	35,468	61,477	67,435
Corporate income tax liabilities	447	7,025	806	7,103
Current tax liabilities	0	6,466	277	6,465
Deferred tax liabilities	447	559	529	638
Other liabilities	188	306	2,959	4,619
<b>TOTAL LIABILITIES</b>	<b>2,772,928</b>	<b>3,221,761</b>	<b>2,804,107</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	2,751	6,644	3,261	7,132
Profit reserves	48,816	46,658	65,718	63,749
Treasury shares	(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the reporting period)	5,118	2,158	6,558	1,970
<b>EQUITY</b>	<b>356,500</b>	<b>355,275</b>	<b>375,352</b>	<b>372,666</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,129,428</b>	<b>3,577,036</b>	<b>3,179,459</b>	<b>3,631,383</b>

## 6 STATEMENT OF PROFIT OR LOSS

In EUR thousand	SID Bank		SID Bank Group	
	1-9/2015	1-9/2014	1-9/2015	1-9/2014
Interest income	42,473	75,494	42,751	75,877
Interest expenses	(24,941)	(42,308)	(24,941)	(42,320)
Net interest	17,532	33,186	17,810	33,557
Dividend income	35	910	0	0
Fee and commission income	2,408	2,723	2,408	2,723
Fee and commission expenses	(656)	(430)	(667)	(440)
Net fee and commission	1,752	2,293	1,741	2,283
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	2,351	(1,171)	2,378	(1,171)
Net gain on financial assets and liabilities held for trading	3	10	3	10
Gains on financial assets and liabilities measured at fair value through profit or loss	90	4,089	90	4,089
Changes in fair value in hedge accounting	(34)	17	(34)	17
Net exchange differences loss	(91)	(6)	(93)	(4)
Losses on derecognition of assets other than held for sale	0	(4)	0	(4)
Other net operating gains	1,038	1,162	4,301	5,465
Administrative costs	(7,528)	(7,051)	(10,246)	(9,642)
Depreciation and amortisation	(597)	(457)	(850)	(734)
Provisions	1,613	(4,936)	3,184	(5,313)
Impairment	(10,004)	(22,544)	(10,260)	(22,784)
Share of losses of associates and joint ventures accounted for using the equity method	0	0	0	(1,049)
<b>Profit from ordinary operations</b>	<b>6,160</b>	<b>5,498</b>	<b>8,024</b>	<b>4,720</b>
Corporate income tax on ordinary operations	(1,042)	(780)	(1,466)	(1,022)
<b>Net profit for the financial period</b>	<b>5,118</b>	<b>4,718</b>	<b>6,558</b>	<b>3,698</b>
<b>Basic earnings per share (in EUR)<sup>4</sup></b>	<b>1.65</b>	<b>1.52</b>	<b>2.11</b>	<b>1.19</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 INCOME STATEMENT – BY QUARTERS

### 7.1 Income statement of SID Bank – by quarters

In EUR thousand	SID Bank					
	2015		2014			
	Q3	Q2	Q1	Q3	Q2	Q1
Interest income	10,955	13,699	17,819	24,103	25,849	25,542
Interest expenses	(6,249)	(7,550)	(11,142)	(13,680)	(14,173)	(14,455)
Net interest	4,706	6,149	6,677	10,423	11,676	11,087
Dividend income	35	0	0	910	0	0
Fee and commission income	608	790	1,010	551	1,455	717
Fee and commission expenses	(153)	(326)	(177)	(137)	(159)	(134)
Net fee and commission	455	464	833	414	1,296	583
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	1,339	665	347	114	(1,598)	313
Net gain on financial assets and liabilities held for trading	0	1	2	2	4	4
Losses and gains on financial assets and liabilities measured at fair value through profit or loss	(662)	1,871	(1,119)	665	316	3,108
Changes in fair value in hedge accounting	57	(252)	161	284	(192)	(75)
Net exchange differences losses and gains	(18)	(70)	(3)	(2)	1	(5)
Losses on derecognition of assets other than held for sale	0	0	0	(4)	0	0
Other net operating gains	344	337	357	347	367	448
Administrative costs	(2,474)	(2,675)	(2,379)	(2,332)	(2,011)	(2,708)
Depreciation and amortisation	(203)	(203)	(191)	(151)	(153)	(153)
Provisions	177	1,027	409	409	5,343	(10,688)
Impairment	(1,796)	(8,866)	658	(9,777)	(16,108)	3,341
<b>Profit/loss from ordinary operations</b>	<b>1,960</b>	<b>(1,553)</b>	<b>5,753</b>	<b>1,302</b>	<b>(1,059)</b>	<b>5,255</b>
Corporate income tax on ordinary operations	(328)	264	(978)	(67)	180	(893)
<b>Net profit/loss for the financial period</b>	<b>1,632</b>	<b>(1,289)</b>	<b>4,775</b>	<b>1,235</b>	<b>(879)</b>	<b>4,362</b>

## 7.2 Income statement of SID Bank Group – by quarters

In EUR thousand	SID Bank Group					
	2015			2014		
	Q3	Q2	Q1	Q3	Q2	Q1
Interest income	11,040	13,792	17,919	24,218	25,969	25,690
Interest expenses	(6,249)	(7,549)	(11,143)	(13,684)	(14,177)	(14,459)
Net interest	4,791	6,243	6,776	10,534	11,792	11,231
Fee and commission income	608	790	1,010	551	1,455	717
Fee and commission expenses	(157)	(330)	(180)	(141)	(162)	(137)
Net fee and commission	451	460	830	410	1,293	580
Gains and losses realised on financial assets and liabilities not measured at fair value through profit and loss	1,366	665	347	114	(1,598)	313
Net gain on financial assets and liabilities held for trading	0	1	2	2	4	4
Losses and gains on financial assets and liabilities measured at fair value through profit or loss	(662)	1,871	(1,119)	665	315	3,109
Changes in fair value in hedge accounting	57	(252)	161	284	(192)	(75)
Net exchange differences losses and gains	(20)	(70)	(3)	(1)	2	(5)
Losses on derecognition of assets other than held for sale	0	0	0	(4)	0	0
Other net operating gains	1,643	866	1,792	1,684	2,307	1,474
Administrative costs	(3,359)	(3,640)	(3,247)	(3,200)	(2,878)	(3,564)
Depreciation and amortisation	(276)	(289)	(285)	(245)	(245)	(244)
Provisions	749	2,218	217	779	4,428	(10,520)
Impairment	(1,835)	(8,907)	482	(9,823)	(16,273)	3,312
Share of losses of associates and joint ventures accounted for using the equity method	0	0	0	(492)	(380)	(177)
<b>Profit/loss from ordinary operations</b>	<b>2,905</b>	<b>(834)</b>	<b>5,953</b>	<b>707</b>	<b>(1,425)</b>	<b>5,438</b>
Corporate income tax on ordinary operations	(547)	104	(1,023)	(232)	177	(967)
<b>Net profit/loss for the financial period</b>	<b>2,358</b>	<b>(730)</b>	<b>4,930</b>	<b>475</b>	<b>(1,248)</b>	<b>4,471</b>

## 8 STATEMENT OF COMPREHENSIVE INCOME

In EUR thousand	SID Bank		SID Bank Group	
	1-9/2015	1-9/2014	1-9/2015	1-9/2014
Net profit for the financial period after tax	5,118	4,718	6,558	3,698
Other comprehensive income after tax	(3,893)	5,935	(3,872)	6,432
Items which may be subsequently reclassified to profit or loss	(3,893)	5,935	(3,872)	6,432
Gains (losses) in connection to available-for-sale financial assets	(4,690)	7,151	(4,665)	7,750
Valuation gains (losses) taken to equity	(2,512)	8,116	(2,460)	8,715
Transfer of gains or losses into profit or loss	(2,178)	(965)	(2,205)	(965)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	797	(1,216)	793	(1,318)
<b>Total comprehensive income for the financial period after taxation</b>	<b>1,225</b>	<b>10,653</b>	<b>2,686</b>	<b>10,130</b>

## 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		
	Q3	Q2	Q1	Q3	Q2	Q1
Net profit and loss for the financial period after tax	1,632	(1,289)	4,775	1,235	(879)	4,362
Other comprehensive income after tax	4,241	(13,046)	4,912	1,810	264	3,861
Items which may be subsequently reclassified to profit or loss	4,241	(13,046)	4,912	1,810	264	3,861
Gains (losses) in connection to available-for-sale financial assets	5,110	(15,718)	5,918	2,181	318	4,652
Valuation gains (losses) taken to equity	6,449	(15,226)	6,265	2,405	746	4,965
Transfer of gains or losses into profit or loss	(1,339)	(492)	(347)	(224)	(428)	(313)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	(869)	2,672	(1,006)	(371)	(54)	(791)
<b>Total comprehensive income for the financial period after taxation</b>	<b>5,873</b>	<b>(14,335)</b>	<b>9,687</b>	<b>3,045</b>	<b>(615)</b>	<b>8,223</b>

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

In EUR thousand	SID Bank Group					
	2015			2014		
	Q3	Q2	Q1	Q3	Q2	Q1
Net profit and loss for the financial period after tax	2,358	(730)	4,930	475	(1,248)	4,471
Other comprehensive income after tax	4,360	(13,352)	5,120	1,950	380	4,102
Items which may be subsequently reclassified to profit or loss	4,360	(13,352)	5,120	1,950	380	4,102
Gains (losses) in connection to available-for-sale financial assets	5,253	(16,086)	6,168	2,350	458	4,942
Valuation gains (losses) taken to equity	6,619	(15,594)	6,515	2,574	886	5,255
Transfer of gains or losses into profit or loss	(1,366)	(492)	(347)	(224)	(428)	(313)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	(893)	2,734	(1,048)	(400)	(78)	(840)
<b>Total comprehensive income for the financial period after taxation</b>	<b>6,718</b>	<b>(14,082)</b>	<b>10,050</b>	<b>2,425</b>	<b>(868)</b>	<b>8,573</b>

## 10 STATEMENT OF CHANGES IN EQUITY

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

For the period January 1<sup>st</sup>, 2015 to September 30<sup>th</sup>, 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	(3,893)	0	5,118	0	1,225
Transfer of net profit to reserves from profit	0	0	0	2,158	(2,158)	0	0
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 30 SEPTEMBER 2015</b>	<b>300,000</b>	<b>1,139</b>	<b>2,751</b>	<b>48,816</b>	<b>5,118</b>	<b>(1,324)</b>	<b>356,500</b>

For the period January 1<sup>st</sup>, 2014 to September 30<sup>th</sup>, 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	5,935	0	4,718	0	10,653
Transfer of net profit to reserves from profit	0	0	0	2,311	(2,311)	0	0
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 30 SEPTEMBER 2014</b>	<b>300,000</b>	<b>1,139</b>	<b>7,641</b>	<b>44,272</b>	<b>4,718</b>	<b>(1,324)</b>	<b>356,446</b>



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

For the period January 1<sup>st</sup>, 2015 to September 30<sup>th</sup>, 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	(3,872)	0	6,558	0	2,686
Transfer of net profit to reserves from profit	0	0	0	1,970	(1,970)	0	0
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 30 SEPTEMBER 2015</b>	<b>300,000</b>	<b>1,139</b>	<b>3,260</b>	<b>65,720</b>	<b>6,558</b>	<b>(1,324)</b>	<b>375,353</b>

For the period January 1<sup>st</sup>, 2014 to September 30<sup>th</sup>, 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	6,432	0	3,698	0	10,130
Transfer of net profit to reserves from profit	0	0	0	2,706	(2,706)	0	0
Other	0	0	0	1,834	0	0	1,834
<b>CLOSING BALANCE IN ACCOUNTING PERIOD 30 SEPTEMBER 2014</b>	<b>300,000</b>	<b>1,139</b>	<b>8,080</b>	<b>63,161</b>	<b>3,698</b>	<b>(1,324)</b>	<b>374,754</b>

## 11 STATEMENT OF CASH FLOWS

In EUR thousand	SID Bank		SID Bank Group	
	1-9/2015	1-9/2014	1-9/2015	1-9/2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
a) Net profit before tax	6,160	5,498	8,024	4,720
Depreciation and amortisation	597	457	850	734
Reversal of impairment of available-for-sale financial assets	0	(13)	0	(13)
Loan impairment	10,004	22,557	10,004	22,557
Impairments of property, plant and equipment, investment property, intangible assets and other assets	0	0	256	240
Loss from interests in associates and joint ventures calculated by the equity method	0	0	0	1,049
Net exchange differences loss	91	6	93	4
Net (gain)/loss from sale of tangible assets and investment properties	0	4	0	4
Other (gains) from investing activities	(35)	(910)	0	0
Other adjustments in pre-tax net profit or loss	(1,580)	4,910	(3,152)	5,289
Cash flows from operating activities before changes in operating assets and liabilities	15,237	32,509	16,075	34,584
b) (Increase) / decrease in operating assets	493,283	33,893	494,653	37,614
Net (increase)/decrease in available-for-sale financial assets	(134,810)	(143,267)	(135,387)	(141,505)
Net (increase)/decrease in loans	620,213	171,046	619,049	171,119
Net (increase)/decrease in assets held for hedging	7,979	7,703	7,979	7,703
Net (increase)/decrease in other assets	(99)	(1,589)	3,012	297
c) Increase / (decrease) in operating liabilities	(438,273)	(256,820)	(442,762)	(259,913)
Net increase/(decrease) in financial liabilities held for trading	0	2	0	0
Net increase /(decrease) in deposits and loans measured at amortised cost	(234,375)	(99,830)	(234,541)	(100,265)
Net increase /(decrease) in debt securities measured at amortised cost	(203,777)	(156,823)	(203,777)	(156,823)
Net increase / (decrease) in derivative financial liabilities held for hedging	0	(129)	0	(129)
Net increase/(decrease) in other liabilities	(121)	(40)	(4,444)	(2,696)
d) Cash flows from operating activities (a+b+c)	70,247	(190,418)	67,966	(187,715)
e) (Paid)/refunded corporate income tax	(12,462)	(493)	(12,178)	(1,091)
f) Net cash flows from operating activities (d+e)	57,785	(190,911)	55,788	(188,806)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
a) Inflows from investing activities	35	910	0	0
b) Outflows from investing activities	(176)	(819)	(261)	(915)
c) Net cash flows from investing activities (a+b)	(141)	91	(261)	(915)
<b>D. Effect of exchange rate difference on cash and cash equivalents</b>				
E. Net increase/(decrease) in cash assets and cash equivalents (Af+Bc)	57,644	(190,820)	55,527	(189,721)
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)	60,703	16,027	68,477	28,938

## 12 OTHER DISCLOSURES

### 12.1 Related Party Disclosures

Significant relations of SID Bank with subsidiaries and joint ventures:

	30.9.2015			31.12.2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Receivables						
Loans	55	84,799	84,854	36	94,122	94,158
Other financial assets	11	0	11	13	0	13
Gross exposure	66	84,799	84,865	49	94,122	94,171
Value adjustments	(2)	(17,062)	(17,064)	(2)	(12,174)	(12,176)
Net exposure	63	67,737	67,800	47	81,948	81,995
Other financial liabilities	0	0	0	8	125	133
Provisions	1	31,625	31,626	2	31,625	31,627
Total tax liabilities	1	31,625	31,626	10	31,750	31,760

	1-9/2015			1-9/2014		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Interest income	0	2,198	2,198	1	3,053	3,054
Dividend income	35	0	35	910		910
Fee and commission income	0	0	0	0	50	50
Income from other services	68	0	68	68	0	68
Fee and commission expense	0	(129)	(129)	0	0	0
Expense for other services	(1)	0	(1)	(10)	0	(10)
Realised losses on financial liabilities not measured at fair value through profit and loss – other financial liabilities	0	0	0	0	(1,763)	(1,763)
Provisions	1	0	1	(1)	(9,569)	(9,570)
Impairments	(1)	2,082	2,081	0	1,617	1,617
Total	102	4,151	4,253	968	(6,612)	(5,644)

### 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 1<sup>st</sup>, 2015 to September 30<sup>th</sup>, 2015

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	42,473	278	3,200	45,951	(1,193)	44,758
Interest expense	(24,941)	0	(2,232)	(27,173)	1,067	(26,106)
Net interest	17,532	278	968	18,778	(126)	18,652
Dividend income	35	0	0	35	(35)	0
Fee and commission income	2,408	0	903	3,311	0	3,311
Fee and commission expenses	(656)	(11)	(131)	(798)	116	(682)
Net fee and commission	1,752	(11)	772	2,513	116	2,629
Gains realised on financial assets and liabilities not measured at fair value through profit or loss	2,351	27	0	2,378	0	2,378
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	90	0	0	90	0	90
Changes in fair value in hedge accounting	(34)	0	0	(34)	0	(34)
Net exchange differences gain or loss	(91)	(2)	568	475	0	475
Net gains/losses from derecognition of assets other than held for sale	0	0	4	4	0	4
Other net operating gains or losses	1,038	3,268	(33)	4,273	(56)	4,217
<b>NET INCOME/EXPENSE</b>	<b>22,676</b>	<b>3,560</b>	<b>2,279</b>	<b>28,515</b>	<b>(101)</b>	<b>28,414</b>
Other information by segments	(16,516)	(1,661)	(2,892)	(21,069)	3,010	(18,059)
Administrative costs	(7,528)	(2,723)	(1,786)	(12,037)	4	(12,033)
Depreciations and amortisation	(597)	(253)	(45)	(895)	0	(895)
Provisions	1,613	1,571	0	3,184	0	3,184
Impairments	(10,004)	(256)	(1,061)	(11,321)	3,006	(8,315)
Profit/loss from ordinary operations	6,160	1,899	(613)	7,446	2,909	10,355
Corporate income tax on ordinary operations	(1,042)	(424)	(691)	(2,157)	0	(2,157)
<b>Net profit/loss for the financial period</b>	<b>5,118</b>	<b>1,475</b>	<b>(1,304)</b>	<b>5,289</b>	<b>2,909</b>	<b>8,198</b>
<b>30.9.2015</b>						
<b>ASSETS AND LIABILITIES</b>						
Total assets	3,129,428	58,452	99,767	3,287,647	(64,982)	3,222,665
Long-term interests in subsidiaries, associates and joint ventures	8,831	0	0	8,831	(8,413)	418
Liabilities (other than equity) by segment	2,772,928	31,187	100,102	2,904,217	(76,584)	2,827,633
Total equity	356,500	27,265	(335)	383,430	11,602	395,032
Increase/decrease in property, plant and equipment and intangible assets	(421)	(168)	(20)	(609)	0	(609)

## For the period January 1<sup>st</sup>, 2014 to September 30<sup>th</sup>, 2014

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	75,494	383	5,814	81,691	(1,369)	80,322
Interest expense	(42,308)	(12)	(4,126)	(46,446)	1,526	(44,920)
Net interest	33,186	371	1,688	35,245	157	35,402
Dividend income	910	0	0	910	(910)	0
Fee and commission income	2,723	0	1,540	4,263	(25)	4,238
Fee and commission expenses	(430)	(10)	(624)	(1,064)	114	(950)
Net fee and commission	2,293	(10)	916	3,199	89	3,288
Gains/(losses) realised on financial assets and liabilities not measured at fair value through profit or loss	(1,171)	0	299	(872)	1,763	891
Gains/(losses) on financial assets and liabilities held for trading	10	0	(2)	8	0	8
Gains on financial assets and liabilities recognised at fair value through the statement of profit or loss	4,089	0	0	4,089	0	4,089
Changes in fair value in hedge accounting	17	0	(691)	(674)	0	(674)
Net exchange differences gain or loss	(6)	2	363	359	0	359
Net gains/losses on derecognition of assets other than held for sale	(4)	0	3	(1)	0	(1)
Other net operating gains or losses	1,162	4,307	(54)	5,415	(93)	5,322
<b>NET INCOME/EXPENSE</b>	<b>40,486</b>	<b>4,670</b>	<b>2,522</b>	<b>47,678</b>	<b>1,006</b>	<b>48,684</b>
Other information by segments	(34,988)	(3,489)	(3,188)	(41,665)	7,955	(33,710)
Administrative costs	(7,051)	(2,595)	(2,059)	(11,705)	4	(11,701)
Depreciations and amortisation	(457)	(277)	(51)	(785)	0	(785)
Provisions	(4,936)	(377)	0	(5,313)	9,569	4,256
Impairments	(22,544)	(240)	(1,078)	(23,862)	(1,618)	(25,480)
Profit/loss from ordinary operations	5,498	1,181	(666)	6,013	8,961	14,974
Corporate income tax on ordinary operations	(780)	(242)	(383)	(1,405)	0	(1,405)
Net profit/loss for the financial period	4,718	939	(1,049)	4,608	8,961	13,569
<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

## 12.3 Fair Values of Financial Assets and Liabilities

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

	SID Bank							
	30.9.2015				31.12.2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	671,828	121,166	48,911	841,905	531,775	163,221	15,987	710,983
Debt securities	671,828	118,221	42,914	832,963	531,775	157,375	15,987	705,137
Equity securities	0	2,945	5,997	8,942	0	5,846	0	5,846
Derivatives held for hedging	0	15,492	0	15,492	0	28,394	0	28,394
<b>Total financial assets</b>	<b>671,828</b>	<b>136,658</b>	<b>48,911</b>	<b>857,397</b>	<b>531,775</b>	<b>191,615</b>	<b>15,987</b>	<b>739,377</b>
Financial liabilities held for trading	0	0	0	0	0	3	0	3
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

	SID Bank Group							
	30.9.2015				31.12.2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	694,056	121,607	48,911	864,574	551,949	165,116	15,987	733,052
Debt securities	694,056	118,662	42,914	855,632	551,949	159,270	15,987	727,206
Equity securities	0	2,945	5,997	8,942	0	5,846	0	5,846
Derivatives held for hedging	0	15,492	0	15,492	0	28,394	0	28,394
<b>Total financial assets</b>	<b>694,056</b>	<b>137,099</b>	<b>48,911</b>	<b>880,066</b>	<b>551,949</b>	<b>193,510</b>	<b>15,987</b>	<b>761,446</b>
Financial liabilities held for trading	0	0	0	0	0	3	0	3
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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 and SID Bank Group
	Transfers from level 3 to level 1
Financial assets measured at fair value	
Available-for-sale financial assets	3,214
Debt securities	3,214

## 12.4 Contingent and Potential Liabilities

In EUR thousand	SID Bank and SID Bank Group	
	30.9.2015	31.12.2014
Guarantees	55,935	58,384
Liabilities from approved unused loans	36,285	54,786
Total assumed commitments	92,220	113,170
Provisions for off-balance-sheet risks - guarantees	(32,205)	(33,006)
Provisions for off-balance-sheet risks – undrawn loans	(1,305)	(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 September 2015 totalled EUR 18.3 million for corporates, and EUR 17.9 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.