

2016

Interim financial report of SID
Bank and SID Bank Group
January – March, 2016



Ljubljana, May 31st, 2016

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Izjava o odgovornosti 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 31st, 2016.

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


mag. Sibil Svilar
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	01 200 75 00
Telefax	01 200 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 of SID Bank in percent
SID banka, d.d., Ljubljana	Parent company	-
SID – Prva kreditna zavarovalnica, d.d., 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 highlight and performance indicators

Statement of Financial Position Summary

(In EUR thousand)	SID Bank		SID Bank Group	
	31.3.2016	31.12.2015	31.3.2016	31.12.2015
Total assets	2,911,511	3,198,967	2,961,802	3,247,397
Loans to banks	1,348,831	1,606,153	1,355,467	1,612,787
Loans to non-bank customers	579,568	605,465	579,568	605,465
Financial liabilities	2,497,714	2,799,577	2,498,345	2,800,189
Total equity	376,041	364,164	394,615	382,525

Income Statement Summary

(In EUR thousand)	SID Bank		SID Bank Group	
	1-3/2016	1-3/2015	1-3/2016	1-3/2015
Net interest income	6,599	6,677	6,682	6,776
Net non-interest income	4,253	578	6,102	2,010
Operating costs	(2,665)	(2,570)	(3,664)	(3,532)
Impairment and Provisions	1,194	1,067	500	699
Profit on ordinary activities	9,381	5,753	9,620	5,953
Net profit for the financial period	7,787	4,775	7,977	4,930

Selected indicators ¹

(in percent)	SID Bank			SID Bank Group		
	1-3/2016	1-12/2015	1-3/2015	1-3/2016	1-12/2015	1-3/2015
Profitability						
Interest margin	0.84	0.69	0.76	0.84	0.68	0.74
Financial intermediation margin ²	1.37	1.00	0.82	1.59	0.94	0.96
After-tax return on assets	1.00	0.33	0.54	1.00	0.34	0.54
Pre-tax return on equity	10.16	3.52	6.37	10.11	3.67	6.35
After-tax return on equity	8.43	2.92	5.29	8.38	3.03	5.26
Operating cost						
Operating costs/ average assets	0.34	0.34	0.29	0.46	0.46	0.38
Operating costs/net income	24.91	34.53	35.42	29.01	41.69	40.20
Capital						
Capital adequacy ratio	32.7	29.5	27.9	30.7	29.1	26.9
Quality assets of the statement of financial position and contingent liabilities						
Level of coverage of classified items by impairments and provisions ³	10.19	9.74	8.94	12.01	10.50	10.25

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		
	31.3.2016	31.12.2015	31.3.2015	31.3.2016	31.12.2015	31.03.2015
Number of employees	163	158	148	316	349	352

	SID Bank		
	31.3.2016	31.12.2015	31.03.2015
International credit rating			
Standard & Poor's	A-	A-	A-
Moody's	Baa3	Baa3	Baa3
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)	121,17	117,35	117,60

Operations Reflected in the Statement of Financial Position

At the end of the first quarter of 2016 SID Bank's total assets amounted to EUR 2,911.5 million, accounting for 91.0% of the total assets from 2015. The fall in total assets in 2015 continued in the first quarter of this year and is due to market conditions, by reducing the need for resources SID Bank, 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 quarter of 2016. Loans to banks include loans and deposits at banks and were valued at the end of the period at EUR 1,348.8 million. That is 16% less compared with the end of 2015. Loans to non-banking clients decreased by 4% in 2016 and totalled EUR 579.6 million as at the end of March 2016. Investments in securities totalled EUR 915.8 million. That is 2% less compared with the end of 2015.

Deposits and borrowings from banks accounted for a majority of liabilities at the end of the first quarter 2016, including the liabilities to the central bank. This share amounted to 54.9%. Liabilities to banks and

the central bank totalled EUR 1,599 million, which is EUR 54.9 million less compared to the end of 2015. Liabilities to non-banking clients stood at EUR 427.5 million and compared to the previous year they have not changed significantly. Liabilities from issued securities have changed because of the payment and fall for 35.9% and totalled EUR 463.9 million.

The SID Bank total equity increased by EUR 11.9 million or 3.3% compared to the end of 2015 and totalled EUR 376 million as at the end of the period. Net profit for the financial period, including retained earnings for EUR 7.8 million, accumulated other comprehensive income in connection to available-for-sale financial assets, decreased in terms of value by EUR 4 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 1.7% higher than the total assets of SID Bank and at the end of first quarter 2016 amounted to EUR 2,961.8 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 9.4 million in the first quarter of 2016, up EUR 3.6 million on the first quarter of 2015 and net profit in the amount EUR 7.8 million.

Net interest income amounted to EUR 6.6 million, down 1,2% on the first quarter 2015. Measured to the average assets, the interest margin was 0.84%. Net interest income accounted for 60.8% of the total net income.

Net non-interest income amounted to EUR 4.3 million in first quarter of 2016.

Operating costs amounted to eur 2.7 million, of which administrative expenses stood at EUR

2.5 million, and amortisation and depreciation totalled EUR 0.2 million.

Net income of impairment and provisioning costs amounted to EUR 1.2 million in the first quarter of 2016. This year's income of impairment is result of decreasing loan portfolio.

The SID Bank Group recorded a pre-tax profit of EUR 9.6 million in the first quarter of 2016, up EUR 3.7 million on the first quarter of 2015 and net profit amounted to EUR 7.9 million.

3. Significant events

In February 2016, SID Bank has successfully completed the sales process by signing the sales contract for the total proportion of the subsidiary company Pro Kolekt, Ljubljana and transfer of the total purchase price.

SID Bank is in the same month of the financing agreement and the implementation of financial engineering measures to encourage investment, operating and capital consolidation SMEs established a new lending fund in which established two credit lines, namely Development incentive program of SID Bank to finance operations and capital consolidation of SMEs and Development

incentive program of SID Bank to finance investments and equity consolidation of SMEs, each to the extent of EUR 100 million.

SEDABI Float 03/29/16 in the nominal amount of EUR 200 million and SEDABI 4.12 03/31/16 in the nominal amount of EUR 60 million issued on international capital markets, ended in March 2016.

At the end of March 2016 the sales process of the company Trimo was successfully completed, in which SID bank had equity from the conversion of receivables into equity in the process of company restructuring.

4. Notes to separate and consolidated financial statements

Separate and consolidated financial statements for the period from January to March 2016 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 2015.

Accounting Policies

The accounting policies applied are presented in detail in the Annual Report of SID Bank and SID Bank Group for 2015.

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.

By January 2016 entered into force Insurance Act (ZZavar-1), which no longer allows up equalization reserves, the change has affected the financial position of the subsidiary SID – Prva kreditna zavarovalnica and, consequently, the SID Bank Group. The transition was made as at 1st January 2016 as an adjustment to the opening balance on the capital and corporate income tax liabilities.

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 Centre for International Cooperation and Development.

5. Statement of financial position

In EUR thousand	SID Bank		SID Bank Group		
	31.3.2016	31.12.2015	31.3.2016	1.1.2016	31.12.2015
Cash on hand, balances with the central bank and demand deposits with banks	26,294	13,786	29,978	17,459	17,459
Available for sale financial assets	915,773	938,604	939,701	961,653	961,653
Derivatives held for hedging	17,090	14,312	17,090	14,312	14,312
Loans and receivables	1,930,705	2,212,013	1,937,327	2,218,645	2,218,645
Loans to banks	1,348,831	1,606,153	1,355,467	1,612,787	1,612,787
Loans to non-bank customers	579,568	605,465	579,568	605,465	605,465
Other financial assets	2,306	395	2,292	393	393
Non-current assets held for sale	0	197	0	197	197
Property, plant and equipment	5,581	5,665	7,896	8,032	8,032
Intangible assets	715	737	1,293	1,333	1,333
Long-term interests in subsidiaries, associates and joint ventures	8,413	8,413	0	0	0
Corporate income tax assets	6,592	4861	6,592	4,861	4,861
Current tax assets	5,742	4861	5,742	4,861	4,861
Deferred tax assets	850	0	850	0	0
Other assets	348	379	21,925	20,905	20,905
TOTAL ASSETS	2,911,511	3,198,967	2,961,802	3,247,397	3,247,397
Financial liabilities measured at amortised cost	2,497,714	2,799,577	2,498,345	2,800,189	2,800,189
Bank deposits	28,317	14,913	28,317	14,913	14,913
Deposits from non-bank customers	6	6	6	6	6
Loans from banks and central banks	1,570,582	1,638,908	1,570,582	1,638,908	1,638,908
Loans from non-bank customers	427,484	420,532	427,484	420,532	420,532
Debt securities	463,912	723,527	463,912	723,527	723,527
Other financial liabilities	7,413	1,691	8,044	2,303	2,303
Provisions	35,260	34,922	62,364	60,672	60,672
Corporate income tax liabilities	2,344	120	2,632	383	253
Current tax liabilities	0	0	36	42	42
Deferred tax liabilities	2,344	120	2,596	341	211
Other liabilities	152	184	3,846	3,758	3,758
TOTAL LIABILITIES	2,535,470	2,834,803	2,567,187	2,865,002	2,864,872
Share capital	300,000	300,000	300,000	300,000	300,000
Share premium account	1,139	1,139	1,139	1,139	1,139
Accumulated other comprehensive income	9,124	5,034	9,840	5,597	5,597
Profit reserves	54,328	54,328	66,087	66,085	71,319
Treasury shares	(1,324)	(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the financial year)	12,774	4,987	18,873	10,898	5,794
TOTAL EQUITY	376,041	364,164	394,615	382,395	382,525
TOTAL LIABILITIES AND EQUITY	2,911,511	3,198,967	2,961,802	3,247,397	3,247,397

6. Statement of profit or loss

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2016	1-3/2015	1-3/2016	1-3/2015
Interest income	12,153	17,819	12,236	17,919
Interest expense	(5,554)	(11,142)	(5,554)	(11,143)
Interest net income	6,599	6,677	6,682	6,776
Fee and commission income	466	1,010	466	1,010
Fee and commission expense	(148)	(177)	(152)	(180)
Net fee and commission	318	833	314	830
Gains realised on financial assets and liabilities not measured at fair value through profit or loss	5,032	347	5,032	347
Net gains on financial assets and liabilities held for trading	0	2	0	2
Net losses on financial assets and liabilities measured at fair value through profit or loss	(1,592)	(1,119)	(1,592)	(1,119)
Changes in fair value in hedge accounting	41	161	41	161
Exchange differences	(120)	(3)	(118)	(3)
Other net operating gains	421	357	2,272	1,792
Administrative costs	(2,467)	(2,379)	(3,401)	(3,247)
Depreciation and amortisation	(198)	(191)	(263)	(285)
Provisions	(364)	409	(951)	217
Impairments	1,558	658	1,451	482
Total profit from non-current assets and disposal groups classified as held for sale	153	0	153	0
Profit from ordinary operations	9,381	5,753	9,620	5,953
Corporate income tax on ordinary operations	(1,594)	(978)	(1,643)	(1,023)
Net profit for the financial period	7,787	4,775	7,977	4,930
Basic earnings per share (in EUR)⁴	2.51	1.54	2.57	1.59

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

7. Statement of omprehensive income

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2016	1-3/2015	1-3/2016	1-3/2015
Net profit for the financial period after tax	7,787	4,775	7,977	4,930
Other comprehensive income after tax	4,089	4,912	4,242	5,120
Items that may be reclassified to profit or loss	4,089	4,912	4,242	5,120
Gains/losses in connection to available-for-sale financial assets	4,927	5,918	5,111	6,168
Valuation gains taken to equity	9,879	6,265	10,063	6,515
Transfer of gains/losses into profit or loss	(4,952)	(347)	(4,952)	(347)
Corporate income tax in connection to items which may be subsequently reclassified to profit or loss	(838)	(1,006)	(869)	(1,048)
Total comprehensive income for the financial period after tax	11,876	9,687	12,219	10,050

8. Statement of changes in equity

8.1 Statement of Changes in Equity of SID Bank

For the period January 1st, 2016 to March 31st, 2016

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) as at 1 Jan 2016	300,000	1,139	5,034	54,328	4,987	(1,324)	364,164
Opening balance in accounting period as at 1 Jan 2016	300,000	1,139	5,034	54,328	4,987	(1,324)	364,164
Total comprehensive income for the financial period after tax	0	0	4,090	0	7,787	0	11,877
Closing balance as at 31 Mar 2016	300,000	1,139	9,124	54,328	12,774	(1,324)	376,041

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For the period January 1st, 2015 to March 31st, 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) as at 1 Jan 2015	300,000	1,139	6,644	46,658	2,158	(1,324)	355,275
Opening balance in accounting period as at 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 tax	0	0	4,912	0	4,775	0	9,687
Closing balance as at 31 Mar 2015	300,000	1,139	11,556	46,658	6,933	(1,324)	364,962

8.2 Statement of Changes in Equity of SID Bank Group

For the period January 1st, 2016 to March 31st, 2016

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) as at 1 Jan 2016	300,000	1,139	5,597	71,319	5,794	(1,324)	382,525
Effects of changes in accounting policies*	0	0	0	(5,232)	5,102	0	(130)
Opening balance in accounting period as at 1 Jan 2016	300,000	1,139	5,597	66,087	10,896	(1,324)	382,395
Total comprehensive income for the financial period after tax	0	0	4,243	0	7,977	0	12,220
Closing balance as at 31 Mar 2016	300,000	1,139	9,840	66,087	18,873	(1,324)	394,615

* correction due to the breakdown of the equalization reserve (ZZavar-1) and the effects of consolidation

For the period January 1st, 2015 to March 31st, 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) as at 1 Jan 2015	300,000	1,139	7,132	63,750	1,970	(1,324)	372,667
Opening balance in accounting period as at 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 tax	0	0	5,119	0	4,930	0	10,049
Closing balance as at 31 Mar 2015	300,000	1,139	12,251	63,750	6,900	(1,324)	382,716

9. Statement of cash flows

In EUR thousand	SID Bank		SID Bank Group	
	1-3/2016	1-3/2015	1-3/2016	1-3/2015
A. CASH FLOWS FROM OPERATING ACTIVITIES				
a) Net profit or loss before tax	9,381	5,753	9,620	5,953
Depreciation and amortisation	198	191	263	285
Reversal of loan impairment	(1,558)	(658)	(1,558)	(658)
Impairment of property, plant and equipment, investment property, intangible assets and other assets	0	0	107	176
Net losses from exchange differences	120	3	118	3
Net unrealised gains from non-current assets held for sale and discontinuing operations and liabilities associated therewith	(153)	0	(153)	0
Other adjustments of net profit or loss before tax	325	(572)	911	(381)
Cash flows from operating activities before changes in operating assets and liabilities	8,313	4,717	9,308	5,378
b) (Increase)/decrease in operating assets	338,883	204,525	313,591	203,891
Net (increase)/decrease in available-for-sale financial assets	26,747	(22,058)	26,022	(21,030)
Net (increase)/decrease in loans	312,250	230,162	288,840	228,352
Net (increase)/decrease in assets held for hedging	(495)	(3,397)	(495)	(3,397)
Net (increase)/decrease in non-current assets held for sale	350	0	350	0
Net (increase)/decrease in other assets	31	(182)	(1,126)	(34)
c) Increase/(decrease) in operating liabilities	(303,573)	(89,328)	(302,665)	(89,414)
Net increase/(decrease) in financial liabilities held for trading	0	2	0	2
Net increase/(decrease) in deposits and loans measured at amortised cost	(41,681)	(91,263)	(41,662)	(91,322)
Net increase/(decrease) in debt securities measured at amortised cost	(261,858)	2,062	(261,858)	2,062
Net increase/(decrease) in other liabilities	(34)	(129)	855	(156)
d) Cash flows from operating activities (a+b+c)	43,623	119,914	20,234	119,855
e) (Paid)/refunded corporate income tax	(1,101)	650	(1,125)	515
f) Net cash flows from operating activities (d+e)	42,522	120,564	19,109	120,370
B. CASH FLOWS FROM INVESTING ACTIVITIES				
a) Receipts from investing activities	0	0	0	0
b) Cash payments on investing activities	(92)	(129)	(88)	(150)
c) Net cash flows from investing activities (a+b)	(92)	(129)	(88)	(150)
D. Effect of exchange rate difference on cash and cash equivalents	(19)	14	(19)	14
E. Net increase in cash assets and cash equivalents (Af+Bc)	42,430	120,435	19,021	120,220
F. Opening balance of cash and cash equivalents	13,786	3,051	42,881	12,942
G. Closing balance of cash and cash equivalents (D+E+F)	56,197	123,500	61,883	133,176

10. Other disclosures

10.1 Related Party Disclosures

Significant relations of SID Bank with subsidiaries and joint ventures

In EUR thousand	31.3.2016			31.12.2015		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Receivables						
Loans	0	72,679	72,679	20	80,349	80,369
Other financial assets	18	0	18	8	0	8
Gross exposure	18	72,679	72,697	28	80,349	80,377
Value adjustments	0	(16,160)	(16,160)	(1)	(17,436)	(17,436)
Net exposure	18	56,519	56,537	27	62,913	62,940
Other financial liabilities	0	0	0	0	113	113
Provisions	0	31,870	31,870	2	31,375	31,377
Total tax liabilities	0	31,870	31,870	2	31,487	31,489

	1-3/2016			1-3/2015		
	Subsidiaries	Joint ventures	Total	Subsidiaries	Joint ventures	Total
Interest income	0	235	235	0	1,071	1,071
Income from rents and other services	16	0	16	21	0	21
Fee and commission expense	0	(11)	(11)	0	(57)	(57)
Expense for rents and other services	0	0	0	(1)	0	(1)
Provisions	0	(495)	(495)	0	0	0
Impairments	0	1,665	1,665	0	(1,839)	(1,839)
Total	16	1,393	1,409	20	(825)	(805)

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 1st, 2016 to March 31st, 2016

In EUR thousand	Banking	Credit and investment insurance	Factoring	Total	Interrelations in the Group	Relations to third parties
Interest income	12,153	83	620	12,856	(128)	12,728
Interest expenses	(5,554)	0	(282)	(5,836)	123	(5,713)
Net interest	6,599	83	338	7,020	(5)	7,015
Fee and commission income	466	0	161	627	0	627
Fee and commission expenses	(148)	(4)	(27)	(179)	15	(164)
Net fee and commission	318	(4)	134	448	15	463
Net realised gains on financial assets and liabilities not measured at fair value through profit or loss	5,032	0	0	5,032	0	5,032
Losses on financial assets and liabilities recognised at fair value through the statement of profit or loss	(1,592)	0	0	(1,592)	0	(1,592)
Changes in fair value in hedge accounting	41	0	0	41	0	41
Net exchange differences gain or loss	(120)	2	314	196	0	196
Net gains on derecognition of assets	0	0	3	3	0	3
Other net operating gains or losses	421	1,852	112	2,385	(11)	2,374
NET INCOME/EXPENSE	10,699	1,933	901	13,533	(1)	13,532
Other information by segments	(1,318)	(1,694)	(1,178)	(4,190)	(1,169)	(5,359)
Administrative costs	(2,467)	(935)	(577)	(3,979)	1	(3,978)
Depreciations and amortisation	(198)	(65)	(11)	(274)	0	(274)
Provisions	(364)	(587)	0	(951)	495	(456)
Impairments	1,558	(107)	(590)	861	(1,665)	(804)
Total profit from non-current assets and disposal groups classified as held for sale	153	0	0	153	0	153
Profit/loss from ordinary operations	9,381	239	(277)	9,343	(1,170)	8,173
Corporate income tax on ordinary operations	(1,594)	(49)	(87)	(1,730)	0	(1,730)
Net profit/loss for the financial period	7,787	190	(364)	7,613	(1,170)	6,443
31.3.2016						
ASSETS AND LIABILITIES						
Total assets	2,911,511	58,722	80,207	3,050,440	(56,923)	2,993,517
Long-term interests in subsidiaries, associates and joint ventures	8,413	0	0	8,413	(8,413)	0
Liabilities (other than equity) by segment	2,535,470	31,735	81,765	2,648,970	(68,233)	2,580,737
Total equity	376,041	26,987	(1,559)	401,469	11,310	412,779
Decrease in property, plant and equipment and intangible assets	(106)	(70)	(8)	(184)	0	(184)

For the period January 1st, 2015 to March 31st, 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 expenses	(11,143)	0	(1,047)	(12,190)	505	(11,685)
Net interest	6,677	99	224	7,000	(89)	6,911
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
Net realised gains on financial assets and liabilities not measured at fair value through profit or loss	347	0	0	347	0	347
Gains on financial assets and liabilities held for trading	2	0	0	2	0	2
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
NET INCOME/EXPENSE	7,256	1,531	670	9,457	(48)	9,409
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/loss for the financial period	4,775	155	(296)	4,635	1,792	6,427
31.12.2015						
ASSETS AND LIABILITIES						
Total assets	3,198,967	56,850	86,930	3,342,747	(59,499)	3,283,248
Long-term interests in subsidiaries, associates and joint ventures	8,413	0	0	8,413	(8,413)	0
Liabilities (other than equity) by segment	2,834,803	30,077	88,149	2,953,029	(71,610)	2,881,418
Total equity	364,164	26,773	(1,219)	389,718	12,112	401,831
Decrease in property, plant and equipment and intangible assets	(501)	(681)	(45)	(1,227)	0	(1,227)

10.3 Fair value of financial assets and liabilities

Fair values of financial assets and liabilities measured at fair value

In EUR thousand	SID Bank							
	31.3.2016				31.12.2015			
	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	10,261	865,624	39,888	915,773	13,177	887,429	37,998	938,604
Debt securities	10,261	863,104	33,889	907,254	13,177	884,810	32,001	929,988
Equity securities	0	2,520	5,999	8,519	0	2,619	5,997	8,616
Derivatives held for hedging	0	17,090	0	17,090	0	14,312	0	14,312
Total financial assets	10,261	882,714	39,888	932,863	13,177	901,741	37,998	952,916

In EUR thousand	SID Bank Group							
	31.3.2016				31.12.2015			
	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	11,038	888,775	39,888	939,701	13,973	909,683	37,998	961,654
Debt securities	11,038	886,255	33,889	931,182	13,973	907,064	32,001	953,038
Equity securities	0	2,520	5,999	8,519	0	2,619	5,997	8,616
Derivatives held for hedging	0	17,090	0	17,090	0	14,312	0	14,312
Total financial assets	11,038	905,865	39,888	956,791	13,973	923,995	37,998	975,966

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The financial instruments that SID Bank and SID Bank Group disclose in the statement of financial position at fair value are available-for-sale financial assets and financial assets used for hedging.

Derivative financial instruments held for hedging, which include interest rate swaps, are

valued with regard to market interest rates and the yield curve.

The fair value of available-for-sale financial assets is determined by using quoted prices in active markets for identical assets, or by using quoted prices in active markets for similar assets and quoted prices for identical or similar assets in non-functioning markets.

Table of transfers between levels

In EUR thousand	SID Bank and SID Bank Group
	Transfers from level 1 to level 2
Financial assets measured at fair value	
Available-for-sale financial assets	3,181
Debt securities	3,181

10.4 Contingent and potential liabilities

Contractual obligations of off-balance sheet financial instruments arising from commitments

In EUR thousand	SID Bank and SID Bank Group	
	31.3.2016	31.12.2015
Guarantees	53,763	53,953
Other off-balance-sheet liabilities	74,855	111,442
Total commitments	128,618	165,395
Provisions for off-balance-sheet risks - guarantees	(31,953)	(31,459)
Provisions for off-balance-sheet risks – other off-balance-sheet liabilities	(2,862)	(3,111)
Total provisions for commitments	(34,815)	(34,570)

SID Bank or the SID Bank Group shows under the commitments item the value of guarantees issued and the value of other off-balance-sheet liabilities which include the value of unused loans and the value of uncalled unpaid capital. Loans granted to companies that have not

been drawn as at 31 March 2016 totals EUR 42.4 million, while loans granted to the bank sector totals EUR 20.5 million. The value of uncalled unpaid capital totals EUR 12 million. Potential liabilities from uncalled unpaid capital totals EUR 12 million.

11. Events 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.