

**Slovenská sporiteľňa achieved profit after tax in the amount of EUR 46.1 million in the first quarter of 2016. The volume of loans grew by EUR 1 billion y/y.**

*Consolidated, unaudited financial results of Slovenská sporiteľňa as of 31 March 2016 according to International Financial Reporting Standards (IFRS).*

*„The beginning of the year confirmed that we are doing a good job. Clients choose us as their financial partner also in a tough competitive environment; this is documented by the growth of loans to customers by one billion euros y/y. That’s also one of the reasons why we were able to increase our operating profit in the first quarter. And I am proud that we are recognized as a socially - minded bank and honoured with the Via Bona award for socially responsible business,“* Štefan Máj, Chairman of the Board of Directors and General Manager of Slovenská sporiteľňa commented on the results of the bank .

**FINANCIAL HIGHLIGHTS AS OF 31 MARCH 2016 (Y/Y COMPARISON)**

- Net interest income increased by 0.4% y/y from EUR 115.4 mil. to EUR 115.9 mil. EUR
- Net fee and commission income declined by 1.6% y/y from EUR 31.4 million to EUR 30.9 million
- Operating profit increased by 4.1% y/y from EUR 81.3 million to EUR 84.6 million
- Net profit after tax went up by 21.3% y/y from EUR 38.0 million to EUR 46.1 million
- Volume of loans and receivables to customers grew by 11.8% y/y from EUR 8.4 billion to EUR 9.4 billion
- Deposits from customers increased by 7.5% y/y from EUR 9.9 billion to EUR 10.7 billion
- Cost/income ratio reached 44.5%
- Capital adequacy reached 21.95% and considerably exceeds the limit stipulated by the law (according to NBS, Basel III requirements and IRB approach)
- Loan-to-deposit-ratio increased slightly y/y from 84.6% to 88.0%

**BUSINESS PERFORMANCE OVERVIEW OF SLOVENSKÁ SPORITELŇA AS OF 31 MARCH 2016**

**Net interest income** increased slightly by 0.4% y/y from EUR 115.4 million to EUR 115.9 million. This increase was achieved despite the low interest rates on the market and strong pressure on margins for new and refinanced loans. Another positive factor was the increase of loans to customers by EUR 1.0 billion and decrease of interest rates for term deposits.

**Net fee and commission income** went down by 1.6% y/y from EUR 31.4 million to EUR 30.9 million.

In 2016 the bank achieved a profit in the amount of EUR 4.6 million in the area of **net trading and fair value result**, i.e. an increase compared with the corresponding period of 2015. The main reason behind this increase was mainly higher revenues from revaluation of derivate instruments.

**General administrative expenses** went moderately up in y/y comparison and reached EUR 67.9 million (in 2015 it was EUR 65.6 million). General administrative expenses were kept at a favourable level despite the posting of estimated annual contribution into the Deposit Protection Fund for 2016 in the amount of EUR 2.5 million (due to a change in legislation) which is an increase by EUR 1.9 million compared with the first quarter of 2015 when these costs were posted continually throughout the whole year.

**Cost/income ratio** decreased slightly y/y from 44.7% to 44.5%.

**Risk costs for loans and receivables** achieved EUR 11.5 in 2016 which is a decrease of EUR 10.7 million compared with the corresponding period of 2015. The current status is a result of the positive development of in the area of credit risk and one-off creation of increased provisions in the first quarter of 2015. The share of defaulted loans on total loan volume remained low at 5.5%.

**Total risk costs of the bank** (for loans, receivables and off-balance items) were significantly lower in 2015 despite the 11.8% increase of loan portfolio. In the first quarter of this year they amounted to EUR 11.5 million compared with EUR 20.2 million in 2015.

**Consolidated net profit after tax** attributable to owners of parent increased by 21.3% y/y and reached EUR 46.1 million.

In the first quarter of 2016 the bank reported an estimated contribution into the Resolution fund in the amount of EUR 6.5 million (in 2015 it was EUR 2.4 million). Total levies (bank levy, contribution into the Deposit Protection Fund, contribution into the Resolution Fund) amounted to EUR 15.2 million in 2016 (EUR 8.8 million in 2015).

The volume of **loans to customers** increased by 11.8% compared with 2015 and achieved EUR 9.4 billion. **Retail loans** were the major driving force; they increased by 15.0% y/y (by EUR 970 million). Slovenská sporiteľňa again confirmed its position as market leader in retail loans; its market share reached 27.7%. The main growth driver were housing loans which grew by 14.1% (by EUR 680 million) and consumer loans which grew by 18.0% (by EUR 221 million). **Loans to corporate clients** grew slightly by 0.5% y/y (by EUR 11 million) and reached EUR 2.3 billion.

**Deposits from customers** rose by 7.5% from EUR 9.9 billion to EUR 10.7 billion compared with the year 2015. **Retail deposits** increased from EUR 8.1 billion to EUR 8.9 billion, providing a solid base for financing and room for further growth of the bank.

**Current ratings of Slovenská sporiteľňa (as of 31 March 2016):**

Fitch	
Long-term rating	BBB+
Short-term rating	F2
Individual rating	bbb+
Outlook	stable

Selected Unaudited Profit and Loss Statement Data (in EUR mil.)	31.03.2016	31.03.2015	change
Net interest income	115.9	115.4	0.4%
Net fee and commission income	30.9	31.4	(1.6%)
Dividend income	0.1	-	-
Net trading and fair value result	4.6	(1.2)	(483.3%)
Net result from equity method investments	0.5	0.8	37.5%
Rental income from investment properties & other operating leases	0.5	0.5	-
General administrative expenses	(67.9)	(65.6)	3.5%
Net impairment loss on financial assets not measured at fair value through profit or loss	(11.5)	(22.2)	(48.2%)
Other operating result	(12.5)	(8.6)	45.3%
thereof levies on banking activities	(12.7)	(8.2)	54.9%
<b>Pre-tax profit</b>	<b>60.6</b>	<b>50.5</b>	<b>20.0%</b>
Taxes on income	(14.4)	(12.3)	17.1%
<b>Net profit after tax attributable to owners of parent</b>	<b>46.1</b>	<b>38.0</b>	<b>21.3%</b>

Operating income	152.5	146.9	3.8%
Operating expense	(67.9)	(65.6)	(3.5%)
<b>Operating result</b>	<b>84.6</b>	<b>81.3</b>	<b>4.1%</b>

Selected Unaudited Balance Sheet Data (in EUR mil.)	31.03.2016	31.03.2015	change
Cash and cash balances	500.6	295.2	69.6%
Financial assets – held for trading	84.2	86.4	(2.5%)
Financial assets – at fair value through profit or loss	10.1	19.2	(47.4%)
Financial assets – available for sale	1,325.2	1,293.3	2.5%
Financial assets – held to maturity	2,388.2	2,586.1	(7.7%)
Loans and receivables to credit institutions	140.7	100.2	40.4%
Loans and receivables to customers	9,415.4	8,420.5	11.8%
<b>Total assets</b>	<b>14,226.1</b>	<b>13,183.4</b>	<b>7.9%</b>
Financial liabilities held for trading	83.7	86.7	(3.5%)
Financial liabilities measured at amortised costs	12,246.5	11,404.4	7.4%
Deposits from banks	388.4	420.5	(7.6%)
Deposits from customers	10,695.7	9,952.4	7.5%
Debt securities issued	1,162.4	1,031.4	12.7%
Total equity	1,594.8	1,383.7	15.3%
<b>Total liabilities &amp; Equity</b>	<b>14,226.1</b>	<b>13,183.4</b>	<b>7.9%</b>

Key ratios (consolidated)	31.03.2016	31.03.2015
Return on equity (ROE)	11.85%	11.45%
Return on assets (ROA)	1.32%	1.18%
Net interest margin (on interest bearing assets)	3.54%	3.84%
Cost income ratio	44.54%	44.68%
Capital adequacy – according to NBS requirements	21.95%	19.49%

Selected indicators of banking activities	31.03.2016	31.12.2015	change
Number of employees	4,233	4,207	0.6%
Number of customers (in thousand)	2,327	2,330	(0.1%)
Number of payment cards issued (in thousand)	1,445	1,425	1.4%
Number of POS terminals	9,976	10,366	(3.8%)
Number of users of Internetbanking services (in thousand)	911	899	1.3%
Number of ATMs	785	784	0.1%
Number of sales points	290	291	(0.3%)