

Slovenská sporiteľňa, a.s.

**Interim consolidated financial statements
prepared in accordance with International Accounting Standard
IAS 34 Interim Financial Reporting
for the accounting period ended 30 June 2020**

(Translated version, original version in Slovak Language)

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Consolidated statement of profit or loss

for the period ended 30 June 2020

EUR ths.	Notes	2019	2020
Net interest income	1	215 117	217 276
Interest income		230 245	224 592
Other similar income		4 744	8 951
Interest expense		(14 845)	(11 580)
Other similar expense		(5 027)	(4 687)
Net fee and commission income	2	67 931	67 949
Fee and commission income		80 269	79 698
Fee and commission expense		(12 338)	(11 749)
Dividend income	3	751	601
Net trading result	4	9 434	3 692
Gains/losses from financial instruments measured at fair value through profit or loss	5	85	(2 770)
Net result from equity method investments		1 097	527
Rental income from investment properties & other operating leases	6	541	159
Personnel expenses	7	(68 849)	(77 348)
Other administrative expenses	7	(45 753)	(47 237)
Depreciation and amortisation	8	(23 913)	(19 997)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(459)	(5)
Impairment result from financial instruments	8	(18 593)	(63 518)
Other operating result	9	(18 050)	(39 998)
<i>thereof Levies on banking activities</i>		(19 044)	(37 751)
Pre-tax profit from continuing operations		119 409	39 331
Taxes on income	10	(23 446)	(9 802)
Net result for the period		95 963	29 529
Net result attributable to non-controlling interests		13	7
Net result attributable to owners of the parent		95 950	29 522

Earnings per share

		2019	2020
Net result attributable to owners of the parent	EUR ths.	95 950	29 522
Number of outstanding shares	pcs.	212 000	212 000
Earnings per share	EUR	453	139

Diluted earnings per share equal to the disclosed basic earnings per share.

The notes on pages 7 to 86 are an integral part of these interim consolidated financial statements.

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for the period ended 30 June 2020

EUR ths.	2019	2020
Net result for the period	95 963	29 529
Other comprehensive income		
Items that may not be reclassified to profit or loss		
Fair value changes of equity instruments at fair value through other comprehensive income	21 639	10 504
Deferred taxes relating to items that may not be reclassified	(4 544)	(2 206)
Total	17 095	8 298
Items that may be reclassified to profit or loss		
Currency translation	80	(373)
Total	80	(373)
Total other comprehensive income	17 175	7 925
Total comprehensive income	113 138	37 454
Total comprehensive income attributable to non-controlling interests	13	7
Total comprehensive income attributable to owners of the parent	113 125	37 447

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Consolidated statement of financial position

As at 30 June 2020

EUR ths.	Notes	31.12.2019	30.06.2020
Assets			
Cash and cash balances	11	501 441	754 596
Financial assets held for trading	12	41 423	51 940
Derivatives		41 423	51 940
Non-trading financial assets at fair value through profit or loss	13	19 633	30 852
Equity instruments		16 458	16 289
Debt securities		3 175	14 563
Financial assets at fair value through other comprehensive income	14	89 262	9 441
Equity investments		89 262	9 441
Financial assets at amortised cost	15	17 329 196	17 933 606
<i>thereof pledged as collateral</i>		2 276 299	2 946 229
Debt securities		3 536 464	3 662 249
Loans and advances to banks		54	12 010
Loans and advances to customers		13 792 678	14 259 347
Finance lease receivables	16	213 191	227 678
Hedge accounting derivatives	17	23 020	34 597
Property and equipment, right-of-use assets		156 097	147 430
Investment property		1 828	1 717
Intangible assets		23 755	18 125
Investments in subsidiaries and associates	19	33 455	35 464
Current tax assets		786	260
Deferred tax assets		44 727	69 628
Trade and other receivables	18	107 139	77 355
Other assets	20	34 070	10 444
Total assets		18 619 023	19 403 133
Liabilities and Equity			
Financial liabilities held for trading	12	40 024	52 265
Derivatives		40 024	52 265
Financial liabilities at amortised cost	21	16 770 901	17 403 033
Deposits from banks		263 287	801 440
Deposits from customers		14 392 424	14 358 469
Debt securities issued		2 070 975	2 143 289
Other financial liabilities		44 215	99 835
Lease liabilities		18 384	18 520
Hedge accounting derivatives	17	48 041	49 866
Provisions	22	17 514	21 947
Current tax liabilities		2 076	11 958
Other liabilities	23	102 140	122 400
Total liabilities		16 999 080	17 679 989
Equity attributable to non-controlling interests		30	37
Equity attributable to owners of the parent	24	1 619 913	1 723 107
Subscribed capital		212 000	212 000
Additional paid-in capital		150 000	300 000
Retained earnings and other reserves		1 257 913	1 211 107
Total equity		1 619 943	1 723 144
Total liabilities and equity		18 619 023	19 403 133

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Consolidated statement of changes in equity

for the period ended 30 June 2020

	Subscribed capital	Other capital instruments	Legal reserve fund	Other funds	Retained earnings	Fair value reserve	Currency translation	Remeasurement of net liability of defined pension plans	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
EUR ths.											
As of 1.1.2019	212 000	150 000	79 795	39 104	993 020	40 084	(48)	(638)	1 513 317	28	1 513 345
Dividends paid / Distribution for Investment certificate	-	-	-	-	(93 458)	-	-	-	(93 458)	-	(93 458)
Other changes	-	-	-	-	248	-	-	-	248	-	248
Total comprehensive income	-	-	-	-	95 950	17 095	80	-	113 125	13	113 138
Net result for the period	-	-	-	-	95 950	-	-	-	95 950	13	95 963
Other comprehensive income	-	-	-	-	-	17 095	80	-	17 175	-	17 175
Change in fair value reserve	-	-	-	-	-	17 095	-	-	17 095	-	17 095
Change in currency translation reserve	-	-	-	-	-	-	80	-	80	-	80
As of 30.6.2019	212 000	150 000	79 795	39 104	995 760	57 179	32	(638)	1 533 232	41	1 533 273
As of 1.1.2020	212 000	150 000	79 795	39 104	1 073 899	65 962	44	(891)	1 619 913	30	1 619 943
Dividends paid / Distribution for Investment certificate	-	-	-	-	(84 126)	-	-	-	(84 126)	-	(84 126)
Capital increases	-	150 000	-	-	-	-	-	-	150 000	-	150 000
Reclassification from OCI to RE	-	-	-	-	66 805	(66 805)	-	-	-	-	-
Other changes	-	-	-	-	(127)	-	-	-	(127)	-	(127)
Total comprehensive income	-	-	-	-	29 522	8 298	(373)	-	37 447	7	37 454
Net result for the period	-	-	-	-	29 522	-	-	-	29 522	7	29 529
Other comprehensive income	-	-	-	-	-	8 298	(373)	-	7 925	-	7 925
Change in fair value reserve	-	-	-	-	-	8 298	-	-	8 298	-	8 298
Change in currency translation reserve	-	-	-	-	-	-	(373)	-	(373)	-	(373)
As of 30.06.2020	212 000	300 000	79 795	39 104	1 085 973	7 455	(329)	(891)	1 723 107	37	1 723 144

The notes on pages 7 to 86 are an integral part of these interim consolidated financial statements.

Consolidated statement of cash flows

for the period ended 30 June 2020

EUR ths.	2019	2020
Profit before income taxes	119 409	39 331
Non-cash adjustments for:		
Loss allowances for loans and advances, Provisions for off-balance sheet	18 171	63 518
Provisions for liabilities and other liabilities	(14 788)	(10 400)
Impairment of tangible and intangible assets net	-	(2 460)
Depreciation and amortization	23 913	19 997
Profit/(loss) on disposal of fixed assets	7	1 410
Gains/(losses) from measurement and derecognition of financial assets and financial liabilities	2	169
Accrued interest, amortisation of discount and premium	55 712	36 488
Transfer of dividends received to investing activities	(689)	(601)
Investment in subsidiaries - increase / decrease of share	24 848	-
Cash flows from operations before changes in operating assets and liabilities	226 585	147 452
(Increase)/decrease in operating assets:		
Minimum reserve deposits with the central bank	(152 415)	(274 151)
Financial assets held for trading	249	(10 517)
Non-trading financial assets at fair value through profit or loss	(4 297)	(11 388)
Debt securities	(4 297)	(11 388)
Financial assets at fair value through other comprehensive income	(37)	5 260
Financial assets at amortised cost	(538 339)	(691 451)
Debt securities	26 854	(157 841)
Loans and advances to banks	(105 015)	(11 956)
Loans and advances to customers	(460 178)	(521 654)
Finance lease receivables	(58 395)	(14 487)
Hedge accounting derivatives	(19 856)	(11 577)
Trade and other receivables	(8 657)	29 784
Other assets from operating activities	(5 437)	24 150
Increase / (decrease) in operating liabilities:		
Financial liabilities held for trading	6 417	12 241
Financial liabilities measured at amortised cost	338 564	561 056
Deposits from banks	(21 314)	538 153
Deposits from customers	257 281	(32 717)
Other financial liabilities	102 597	55 620
Hedge accounting derivatives	10 815	1 825
Provisions	478	4 375
Other liabilities from operating activities	17 888	47 017
Net cash flows provided by / (used in) operating activities before income tax	(186 437)	(180 411)

Table continues on the next page.

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EUR ths.	2019	2020
Net cash flows provided by / (used in) operating activities before income tax	(186 437)	(180 411)
Income taxes paid	(21 968)	(25 568)
Net cash flows provided by / (used in) operating activities	(208 405)	(205 979)
Cash flows from investing activities		
Dividends received from subsidiaries, associates and other investments	689	601
Purchase of share in subsidiaries and associates	(24 848)	-
Purchase of intangible assets, property and equipment	(24 160)	(6 955)
Proceeds from sale of intangible assets, property and equipment	206	2 418
Net cash flows provided by / (used in) investing activities	(48 113)	62 869
Cash flows from financing activities		
Dividends paid	(93 458)	(84 126)
AT1 certificate - issue	-	150 000
Issue of subordinated debt	-	30 000
Interest paid on subordinated debt	(29)	-
Issue of the bonds	162 839	45 964
Repayment of the bonds	(206 564)	(14 948)
Interest paid to the holders of the bonds	370 958	-
Lease liabilities	14 454	(3 611)
Net cash flows provided by / (used in) financing activities	248 200	123 279
Effect of foreign exchange rate changes on cash and cash equivalents	116	(1 165)
Net increase / (decrease) in cash and cash equivalents	(8 202)	(20 996)
Cash and cash equivalents at beginning of period	414 419	413 554
Cash and cash equivalents at end of period	406 217	392 558
Operational cash flows from interest and dividends (included in cash flow from operating activities)	254 878	224 392
Income taxes paid	(21 968)	(25 568)
Interest paid	(7 444)	(1 348)
Interest received	283 601	250 707
Dividends received	689	601

Cash and cash equivalents are equal to cash in hand, cash balances at central banks and other demand deposits. Comparative period in above disclosed Cash flow statement has been updated as a consequence of methodology changes, however such changes do not have significant effect to presented figures.

The notes on pages 7 to 86 are an integral part of these interim consolidated financial statements.

Notes to the consolidated financial statements

A. General information

Slovenská sporiteľňa, a.s. (hereafter 'the Bank' or 'the Group') has its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic. The Bank was incorporated on 15 March 1994 and registered in the Commercial Register on 1 April 1994. The identification number of the Bank is 00 151 653. The tax identification number of the Bank is 2020411536.

The Bank is a universal Bank offering a wide range of banking and financial services to commercial, financial and private customers, principally in the Slovak Republic.

As at 30 June 2020 the sole shareholder of the Bank was Erste Group Bank AG with the registered office located at: Am Belvedere 1, 1100 Vienna, Austria. The financial statements of Erste Group Bank AG (the parent) will be available after their completion on the Austrian court Firmenbuchgericht Wien, Marxergasse 1a, Vienna 1030.

The Board of Directors of the Group had five members as at 30 June 2020:

Ing. Peter Krutil (chairman), Ing. Pavel Cetkovský (member), Mgr. Ing. Zdeněk Románek, MBA (member), RNDr. Milan Hain, PhD. (member) a Mgr. Ing. Norbert Hovančák (member).

As at 16 June 2020 the membership in the Board of Directors for Mr. Románek terminated. After the positive opinion of European Central Bank, Mr. Románek was repeatedly appointed by the Supervisory Board as the new member of the Board of Directors effective from 29 June 2020.

The chairman of the Board of Directors is also the Chief Executive Officer (CEO) of the Bank. The deputy chairman of the Board of Directors is the first deputy of the Chief Executive Officer. Other members of the Board of Directors are the deputies of the Chief Executive Officer.

The Supervisory Board of the Group had five members as at 30 June 2020:

Ing. Stefan Dörfler (chairman), Mag. Jan Homan (vice-chairman), Paul Formanko, MBA (member), Mgr. Alena Adamcová (member) and JUDr. Beatrice Melichárová (member).

As at 17 June 2020 Mgr. Tatiana Knošková abandoned her function of member of the Supervisory Board in Slovenská sporiteľňa, a.s. due to change of her employment which is incompatible with the membership in the Supervisory Board.

The Group is subject to the regulatory requirements of the National Bank of Slovakia and other regulatory bodies defined by the Slovak legislation.

Since 4 November 2014 the Group operates under a direct supervision of the European Central Bank within a Single Supervision Mechanism.

These consolidated financial statements are statements of the Bank and its subsidiaries and associates (the Group) that are disclosed in note 19.

B. Significant accounting policies

a) Statement of compliance

Pursuant to the Article 17a of the Act no. 431/2002 Coll. on Accounting, effective from 1 January 2006 Banks are required to prepare separate financial statements, consolidated financial statements and annual report according to the special regulations – Regulation (EC) no. 1606/2002 of the European Parliament and of the Council on Application of International Accounting Standards. As a result, the financial statements prepared in accordance with International Financial Reporting Standards effectively replaced the financial statements prepared under Slovak Accounting Standards.

These interim consolidated financial statements of the Group for the period ended 30 June 2020 are prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IAS') as adopted by the European Union ('EU') on the basis of the regulation no. 1606/2002.

IFRS as adopted by the EU do not currently differ from IFRS and interpretations as issued by the International Accounting Standards Board (IASB), except for certain standards issued but not yet effective. The Group has assessed that the standards not endorsed by the EU would not impact significantly these interim consolidated financial statements if they were applicable as at the presented balance sheet date. Information on application of new and amended IAS / IFRS standards are detailed in the note Bf).

These interim consolidated financial statements do not contain full information and disclosures as required in the complete set of financial statements as at year end and should be read in combination with consolidated financial statements for the previous accounting period. The consolidated financial statements for the year ended 31 December 2019 were signed and authorised for issue by the Board of Directors of the Bank on 11 February 2020 and are available at its registered office or on the web page.

b) Basis of preparation

These interim consolidated financial statements are prepared in accordance with the accounting policies, methods and calculations, that were used in the complete set of consolidated financial statements for the previous accounting period.

In accordance with the applicable measurement models defined or allowed by IFRS, these interim consolidated financial statements were prepared on a cost basis (or amortised cost), except for financial assets and liabilities held for trading, financial assets and liabilities designated at fair value through profit or loss, financial assets and liabilities designated at fair value through other comprehensive income, as well as hedging derivatives and related hedged items, all of which were measured at fair value.

These interim consolidated financial statements are based on the going concern assumption that the Group will continue to operate in the foreseeable future.

These interim consolidated financial statements are presented in Euro (Eur), which is the functional currency of the Group besides the associate Holding Card Service, spol. s r.o., which has Czech crown (Czk) as functional currency. The functional currency is the currency of the primary business environment in which an entity operates.

The measurement unit is thousands of Eur ('Eur ths.'), unless stated otherwise. The amounts in parentheses represent negative values. The tables in these consolidated financial statements and notes may contain rounding differences.

The comparative amounts presented in these interim financial statement are those presented in the Consolidated statement of financial positions as at 31 December 2019 and the Consolidated statement of profit or loss and the Consolidated statement of other comprehensive income for the year ended 30 June 2019.

In the following notes, the Statement of financial position may be referred to as 'balance sheet' and the Statement of profit or loss may be referred to as 'income statement'.

These interim consolidated financial statements are not audited.

c) Subsidiaries and associates

The interim consolidated financial statements present the accounts and results of the Group.

Subsidiaries

All subsidiaries controlled by the Bank are consolidated in the Group financial statements on the basis of the subsidiaries' half year accounts as of 30 June 2020.

Subsidiaries are consolidated from the date when control is obtained until the date when control is lost. Control is achieved when the Bank is exposed to, or has rights to, variable returns from its involvement with subsidiary (the investee) and has the ability to affect those returns through its power to govern the relevant activities of this company. Relevant activities of the company are those which most significantly affect the variable returns of an entity.

The results of subsidiaries acquired or disposed of during the reported period as of 30 June 2020 are included in the consolidated statement of income and consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. The financial statements of the Bank's subsidiaries are prepared for the same reporting year as that of the Bank and using consistent accounting policies. All intra-group balances, transactions, income and expenses as well as unrealised gains and losses and dividends are eliminated.

Non-controlling interests represent those portions of total comprehensive income and net assets that are not attributable to the owners of the Bank. Non-controlling interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet. Acquisitions of non-controlling interests as well as disposals of non-controlling interests that do not lead to a change of control are accounted for as equity transactions, whereby the difference between the consideration transferred and the share in the carrying amount of the net assets acquired is recognised as equity.

Investments in associates

Investments in associates are accounted for using the equity method. Under the equity method, an interest in an associate is recognised on the balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the entity. The Group's share of the associate's profit or loss is recognised in the income statement. Entities accounted for using the equity method are recognised on the basis of financial statements as of 30 June 2020.

Investments in associates ('associates') represent entities over which the Group exercises significant influence. Significant influence is the power to participate in financial and operating policy decisions of the investee but is not control or joint control of those policies.

d) Accounting and measurement methods

Accounting and measurement methods that were used as the basis for the preparation of the interim consolidated financial statements did not change. In compliance with the international accounting standard IAS 34 these interim consolidated financial statements do not comprise all information and disclosures related to the accounting and measurement methods. The complete set of disclosures related to accounting and measurement methods are presented in the consolidated financial statements for the previous accounting period in the Note Bd).

e) Significant accounting judgements, assumption and estimates

These consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable.

As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities.

The most significant uses of judgements, assumptions and estimates are related to the following areas:

- SPPI assessment;
- Business model assessment;
- Impairment of financial Instruments;
- Fair value of financial Instruments;
- Deferred tax assets.

Accounting judgements, assumption and estimates that were used as the basis for the preparation of these interim consolidated financial statements did not change. In compliance with the international accounting standard IAS 34 these interim consolidated financial statements do not comprise all information and disclosures related to the accounting judgements, assumption and estimates. For the complete set of disclosures related to accounting judgements, assumption and estimates these interim consolidated financial statements should be read in combination with the consolidated financial statements for the previous accounting period in the Note Be).

After the consideration of all potential impacts of the COVID-19 (Coronavirus) on the business activities the Group concluded that they have no significant impact on the ability of the Group to continue as going concern. The Group analyzed various scenarios of the coronavirus outbreak and the potential impact on profitability of the Group. Based on the results of all scenarios analyzed the Group is expected to report profits for the financial year ended 31 December 2020. The Group will continue to monitor the potential impact of COVID-19 and will take all necessary steps to mitigate the negative effects on the Group, its employees and clients.

f) Application of new and amended IAS / IFRS

The Group has adopted all the standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC), as adopted by the European Union, which are valid for the current reporting period and relevant for its business.

C. Notes

1. Net interest income

EUR ths.	2019	2020
Interest and other similar income		
Financial assets at amortised cost	230 245	224 592
Demand deposits	3	7
Loans and advances	177 959	175 501
Debt securities	52 283	49 084
Interest income	230 245	224 592
Non-trading financial assets at fair value through profit or loss	87	-
Financial assets - held for trading	7 093	8 403
Derivatives - hedge accounting, interest rate risk	(4 549)	(4 684)
Other assets	1 883	2 593
Negative interest from financial liabilities	230	2 639
Other similar income	4 744	8 951
Total interest income	234 989	233 543
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(14 845)	(11 580)
Deposits	(6 402)	(3 560)
Debt securities in issue	(8 443)	(8 020)
Interest expenses	(14 845)	(11 580)
Financial liabilities - held for trading	(6 607)	(7 475)
Derivatives - hedge accounting, interest rate risk	2 227	2 868
Other liabilities	(647)	(10)
Negative Interest from financial assets	-	(70)
Other similar expenses	(5 027)	(4 687)
Total Interest expenses	(19 872)	(16 267)
Net interest income	215 117	217 276

Interest income for the half year ended 30 June 2020 included interests related to impaired financial assets in the amount of 4,1 mil. Eur (30.6.2019: 4,3 mil. Eur).

Interest income from hedging instruments relates to the hedged items presented in the line item 'Financial assets at amortised cost'. Interest expense from hedging instruments relates to the hedged items presented in the line item 'Financial liabilities measured at amortised cost'.

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2. Net fee and commission income

EUR ths.	2019	2020
Fee and commission income		
Securities	968	2 381
Issuances	28	56
Transfer orders	441	1 411
Other	499	914
Asset management	3 953	-
Custody	580	1 186
Collective investment	214	267
Other	366	919
Payment services	47 925	45 932
Card business	18 872	17 737
Others	29 053	28 195
Customer resources distributed but not managed	15 466	21 832
Collective investment	-	5 072
Insurance products (as agent)	15 458	16 754
Other	8	6
Lending Business	10 836	8 128
Loan commitments given	1 312	1 487
Financial guarantees given	1 908	1 971
Other lending business	7 616	4 670
Other	541	239
Total fee and commission income	80 269	79 698
Fee and commission expense		
Securities	(542)	(753)
Transfer orders	(539)	(744)
Other	(3)	(9)
Custody	(505)	(504)
Payment services	(7 602)	(7 673)
Card business	(5 561)	(5 535)
Others	(2 041)	(2 138)
Customer resources distributed but not managed	(696)	(674)
Insurance products (as agent)	(696)	(674)
Lending Business	(2 975)	(2 066)
Financial guarantees received	(8)	(7)
Other lending business	(2 967)	(2 059)
Other	(18)	(83)
Total fee and commission expense	(12 338)	(11 749)
Net fee and commission income	67 931	67 949

In the first half of the year 2020 the Group started to disclose fee income for the asset management in the line item „Customer resources distributed but not managed“ in the part „Collective investment“ in the amount of 5,1 mil. EUR.

3. Dividend income

EUR ths.	2019	2020
Non-trading financial assets at fair value through profit or loss	537	480
Financial assets at fair value through other comprehensive income	-	121
Dividend income	751	601

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EUR ths.	2019	2020
Securities trading	3 250	418
Derivatives trading	6 190	3 338
Result from hedge accounting	(6)	(64)
Net trading result	9 434	3 692

The line item 'Securities and derivatives trading' includes gains from the the Bank's market positions attributable to the Group.

5. Gains / losses from financial instruments measured at fair value through profit or loss

EUR ths.	2019	2020
Result from measurement/sale of financial assets mandatorily at fair value through profit or loss	85	(2 770)
Gains/losses from financial instruments measured at fair value through profit or loss	85	(2 770)

6. Rental income from investment properties and other operating leases

EUR ths.	2019	2020
Investment properties	145	133
Other operating leases	396	26
Rental income from investment properties & other operating leases	541	159

Rental income is generated from rented premises classified as investment properties. Operating leases included transactions provided by subsidiary S Slovensko, spol. s r.o., which the Bank acquired as of 1. March 2019.

7. General administrative expenses

EUR ths.	2019	2020
Personnel expenses	(68 849)	(77 348)
Wages and salaries	(49 981)	(56 471)
Compulsory social security	(17 211)	(19 177)
Other personnel expenses	(1 657)	(1 700)
Other administrative expenses	(45 753)	(47 237)
Deposit insurance contribution	(962)	(1 058)
IT expenses	(19 143)	(21 908)
Expenses for office premises	(7 243)	(6 601)
Office operating expenses	(4 879)	(5 407)
Advertising/marketing	(7 288)	(6 969)
Legal and consulting costs	(2 188)	(2 162)
Sundry administrative expenses	(4 050)	(3 132)
Depreciation and amortisation	(23 913)	(19 997)
Software and other intangible assets	(10 969)	(7 119)
Owner occupied real estate	(7 882)	(8 345)
Investment properties	(107)	(108)
Office furniture and equipment and sundry property and equipment	(4 955)	(4 425)
General administrative expenses	(138 515)	(144 582)

As at 30 June 2020 the Group had 3 997 employees, thereof five members of the Board of Directors. As at 30 June 2019 the Group had 4 047 employees, thereof five members of the Board of Directors.

The Group is legally obliged to make a contribution to the Deposit Protection Fund, which is accounted for in accordance with the IFRIC 21. The amount of this annual contribution is calculated based on the Group's customer deposit liabilities.

8. Impairment result from financial instruments

EUR ths.	2019	2020
Financial assets at amortised cost	(16 449)	(58 997)
Net allocation of loss allowances	(22 062)	(60 012)
Direct write-offs	(578)	(328)
Recoveries recorded directly to the income statement	6 191	1 343
Finance lease	(1 749)	(1 435)
Net allocation of loss allowances for commitments and guarantees given	(395)	(3 086)
Impairment result from financial instruments	(18 593)	(63 518)

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9. Other operating result

EUR ths.	2019	2020
Other operating expenses	(22 893)	(53 963)
Allocation to other provisions	(904)	(12 397)
Levies on banking activities	(19 044)	(37 751)
Banking tax	(15 977)	(33 757)
Resolution fund	(3 067)	(3 994)
Other taxes	(195)	(175)
Other	(2 750)	(3 640)
Other operating income	4 843	13 965
Release of other provisions	967	11 059
Gains from derecognition of tangible and intangible assets	729	1 228
Other	3 147	1 678
Other operating result	(18 050)	(39 998)

The Group is legally obliged to make a contribution to the National resolution fund ('Resolution fund'), which is accounted for in accordance with the IFRIC 21.

10. Taxes on income

For the purposes of the interim consolidated financial statements the Group accounts for estimate of current income tax, which is based on simplified calculation and statutory tax rate of 21%.

11. Cash and cash balances

EUR ths.	31.12.2019	30.06.2020
Cash on hand	398 088	349 851
Cash balances at central banks	93 129	397 410
Other demand deposits to credit institutions	10 224	7 335
Cash and cash balances	501 441	754 596

Cash balances at central banks include only claims (deposits) against central banks that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours. Mandatory minimum reserves are also shown under this item.

As at 30 June 2020 the balances at central banks included a mandatory minimum reserve deposit in the amount of 362,0 mil. Eur (2019: 87,9 mil. Eur). For the period covering the end of June 2020 the prescribed balance of the mandatory minimum reserve deposit amounted 143,4 mil. Eur (2019: 141,1 mil. Eur).

For the purpose of the Statement of cash flows, cash and cash equivalents include accounts with central banks and accounts with other credit institutions repayable on demand. The mandatory reserve deposit is excluded from cash and cash equivalents. This deposit is repayable on demand, however it is not used for a day-to-day operation, as the Group is required to meet a defined average balance during a monitored period.

12. Derivatives held for trading

EUR ths.	31.12.2019			30.06.2020		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	2 476 840	41 112	35 709	2 425 964	50 860	47 181
Interest rate derivatives	2 132 669	15 594	14 084	2 092 502	21 207	19 171
Foreign exchange derivatives	344 171	25 518	21 625	333 462	29 653	28 010
Derivatives held in the banking book	101 637	311	4 315	97 133	1 080	5 084
Equity derivatives	101 637	311	4 315	97 133	1 080	5 084
Total gross amounts	2 578 477	41 423	40 024	2 523 097	51 940	52 265

In banking book the Group disclosed derivative instruments that are used for economical hedging of financial Instruments on asset or liability side and are not designated as hedge accounting.

13. Non-trading financial assets at fair value through profit or loss

EUR ths.	31.12.2019		30.06.2020	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	16 458	-	16 289
Debt securities	-	3 175	-	14 563
Other financial corporations	-	3 175	-	14 563
Non-trading financial assets at fair value through profit or loss	-	19 633	-	30 852

“Equity Instruments” classified under category “Mandatorily at fair value” represents such equity Instruments that the Group does not hold for strategic business decisions.

“Debt securities” classified under category “Mandatorily at fair value” represents financial assets, which do not comply with the SPPI criteria under IFRS 9. As of 1 January 2020, the Group reclassified the shares of Visa Inc. From the “Financial assets at fair value through other comprehensive income” category to the “Debt securities mandatorily appreciated at fair value” category, within the “Non-trading financial assets at fair value through profit or loss” category.

14. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include only Equity Instruments in amount of 9,4 mil. Eur (2019: 89,3 mil. Eur), that the Group holds for strategic business decisions and are not subject to any impairment requirements. All the accumulated fair value movements for these investments are presented solely in other comprehensive income (OCI) with no subsequent presentation in the statement of profit or loss at any time point allowed.

During the first quarter of 2020 the Group had sold its share in the company Mastercard Incorporated due to the fact that the reasons for holding this share as a strategic business decision of the Bank have passed. As at 1 January 2020 the Group had also reclassified its shares of Visa Inc. from “Financial assets at fair value through other comprehensive income” category to the “Non-trading financial assets at fair value through profit or loss” category.

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15. Financial assets at amortised cost**Gross carrying amounts and credit loss allowances**

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2020											
Debt securities	3 663 018	-	-	-	3 663 018	(769)	-	-	-	(769)	3 662 249
General governments	3 341 615	-	-	-	3 341 615	(458)	-	-	-	(458)	3 341 157
Credit institutions	194 920	-	-	-	194 920	(107)	-	-	-	(107)	194 813
Other financial corporations	10 352	-	-	-	10 352	(7)	-	-	-	(7)	10 345
Non-financial corporations	116 131	-	-	-	116 131	(197)	-	-	-	(197)	115 934
Loans and advances to banks	12 015	2	-	-	12 017	(7)	-	-	-	(7)	12 010
Credit institutions	12 015	2	-	-	12 017	(7)	-	-	-	(7)	12 010
Loans and advances to customers	12 716 956	1 511 482	319 641	91 042	14 639 121	(26 072)	(99 534)	(200 680)	(53 488)	(379 774)	14 259 347
General governments	242 764	568	-	-	243 332	(263)	(18)	-	-	(281)	243 051
Other financial corporations	66 332	23 604	103	-	90 039	(78)	(2 623)	(68)	-	(2 769)	87 270
Non-financial corporations	2 520 039	994 208	44 321	87 283	3 645 851	(7 591)	(43 894)	(26 486)	(51 579)	(129 550)	3 516 301
Households	9 887 821	493 102	275 217	3 759	10 659 899	(18 140)	(52 999)	(174 126)	(1 909)	(247 174)	10 412 725
Total	16 391 989	1 511 484	319 641	91 042	18 314 156	(26 848)	(99 534)	(200 680)	(53 488)	(380 550)	17 933 606

The amounts represent the maximum exposure to credit risk. As at 30 June 2020 the Group had no reverse repo agreements.

As at 30 June 2020, 15 largest customers accounted for 5,9% of the gross loan portfolio amounting to 864,7 mil. Eur.

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	Gross carrying amount					Credit loss allowances					Carrying amount
EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 31.12.2019											
Debt securities	3 536 848	-	-	-	3 536 848	(384)	-	-	-	(384)	3 536 464
General governments	3 223 591	-	-	-	3 223 591	(247)	-	-	-	(247)	3 223 344
Credit institutions	194 849	-	-	-	194 849	(106)	-	-	-	(106)	194 743
Other financial corporations	25 283	-	-	-	25 283	(15)	-	-	-	(15)	25 268
Non-financial corporations	93 125	-	-	-	93 125	(16)	-	-	-	(16)	93 109
Loans and advances to banks	52	2	-	-	54	-	-	-	-	-	54
Credit institutions	52	2	-	-	54	-	-	-	-	-	54
Loans and advances to customers	13 229 945	471 725	341 898	85 414	14 128 982	(34 322)	(36 177)	(212 655)	(53 150)	(336 304)	13 792 678
General governments	243 829	607	-	-	244 436	(248)	(23)	-	-	(271)	244 165
Other financial corporations	106 486	773	108	-	107 367	(288)	(67)	(76)	-	(431)	106 936
Non-financial corporations	2 996 739	238 260	41 051	81 261	3 357 311	(8 455)	(11 648)	(24 501)	(50 957)	(95 561)	3 261 750
Households	9 882 891	232 085	300 739	4 153	10 419 868	(25 331)	(24 439)	(188 078)	(2 193)	(240 041)	10 179 827
Total	16 766 845	471 727	341 898	85 414	17 665 884	(34 706)	(36 177)	(212 655)	(53 150)	(336 688)	17 329 196

As at 31 December 2019, 15 largest customers accounted for 5,2% of the gross loan portfolio amounting to 733,7 mil. Eur.

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Allowances for financial assets at amortised cost

EUR ths.	01.01.2020	Additions	Derecognitions	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.06.2020
Debt securities									
Stage 1	(384)	(42)	-	(343)	-	-	-	-	(769)
General governments	(245)	(30)	-	(183)	-	-	-	-	(458)
Credit institutions	(107)	-	-	-	-	-	-	-	(107)
Other financial corporations	(16)	-	-	9	-	-	-	-	(7)
Non-financial corporations	(16)	(12)	-	(169)	-	-	-	-	(197)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(384)	(42)	-	(343)	-	-	-	-	(769)
EUR ths.	01.01.2020	Additions	Derecognitions	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.06.2020
Loans and advances to banks									
Stage 1	-	(64)	57	-	-	-	-	-	(7)
Credit institutions	-	(64)	57	-	-	-	-	-	(7)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	-	(64)	57	-	-	-	-	-	(7)

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EUR ths.	01.01.2020	Additions	Derecognitions	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.06.2020
Loans and advances to customers									
Stage 1	(34 322)	(7 036)	252	3 486	11 463	-	85	-	(26 072)
General governments	(248)	(107)	-	90	2	-	-	-	(263)
Other financial corporations	(288)	(37)	-	245	2	-	-	-	(78)
Non-financial corporations	(8 455)	(4 091)	46	3 094	1 814	-	-	-	(7 592)
Households	(25 331)	(2 801)	206	57	9 645	-	85	-	(18 139)
Stage 2	(36 177)	(6 828)	107	(5 201)	(51 514)	-	79	-	(99 534)
General governments	(23)	-	-	5	-	-	-	-	(18)
Other financial corporations	(67)	(1)	-	(1 697)	(858)	-	-	-	(2 623)
Non-financial corporations	(11 648)	(4 963)	47	129	(27 461)	-	2	-	(43 894)
Households	(24 439)	(1 864)	60	(3 638)	(23 195)	-	77	-	(52 999)
Stage 3	(212 655)	(2 287)	21 888	(5 227)	(4 527)	-	2 130	-	(200 678)
Other financial corporations	(76)	(4)	-	12	-	-	-	-	(68)
Non-financial corporations	(24 501)	(1 149)	942	(1 194)	(609)	-	26	-	(26 485)
Households	(188 078)	(1 134)	20 946	(4 045)	(3 918)	-	2 104	-	(174 125)
POCI	(53 150)	-	110	(630)	-	-	180	-	(53 490)
Non-financial corporations	(50 957)	-	5	(632)	-	-	5	-	(51 579)
Households	(2 193)	-	105	2	-	-	175	-	(1 911)
Total allowances for loans and advances to customers	(336 304)	(16 151)	22 357	(7 572)	(44 578)	-	2 474	-	(379 774)

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases, reclassifications between stages as well as use of the credit loss allowances. Not all of these movements are accounted through income statement, so the full reconciliation to 'Impairment result from financial instruments' line in the Statement of profit or loss is not achievable. Furthermore certain expenses such as write offs, sales and unwinding are recognised in the balance sheet line 'Financial assets at amortised cost' and are not disclosed in the movement table.

In column 'Additions' increases of CLA due to the initial recognition of loans at AC during the current reporting period are disclosed. Releases of CLA following the derecognition of the related loans at amortised cost are reported in column 'Derecognitions'.

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In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related amortised cost loans from Stage 1 (as at 1 January 2019 or initial recognition date) to Stages 2 or 3 as at 31 December 2019 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The income statement-neutral effect from cross-stage transferring of the related CLA amounts recognized prior to stage re-assignments are presented above in columns 'Net changes due to modifications without derecognition' and 'Decrease in allowance account due to write-offs'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes'.

EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Debt securities									
Stage 1	(382)	(24)	17	(4)	11	-	-	-	(382)
General governments	(262)	(3)	10	12	-	-	-	-	(243)
Credit institutions	(75)	(21)	7	(16)	-	-	-	-	(105)
Other financial corporations	(25)	-	-	1	7	-	-	-	(17)
Non-financial corporations	(20)	-	-	(1)	4	-	-	-	(17)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(382)	(24)	17	(4)	11	-	-	-	(382)
Loans and advances to banks									
Stage 1	(24)	(1 057)	1 191	(118)	-	-	-	-	(8)
Credit institutions	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	(24)	(1 057)	1 191	(118)	-	-	-	-	(8)

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EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Loans and advances to customers									
Stage 1	(35 401)	(13 224)	578	4 371	10 516	-	17	-	(33 140)
General governments	(193)	(28)	-	31	(12)	-	-	-	(201)
Other financial corporations	(164)	(811)	-	667	2	-	-	-	(305)
Non-financial corporations	(6 972)	(6 360)	144	3 907	1 301	-	-	34	(7 945)
Households	(28 072)	(6 025)	434	(234)	9 225	-	17	(34)	(24 689)
Stage 2	(33 865)	(3 860)	276	15 931	(13 880)	-	72	-	(35 324)
General governments	(2)	-	-	-	-	-	-	-	(2)
Other financial corporations	(12)	(16)	1	18	(6)	-	-	-	(14)
Non-financial corporations	(4 084)	(1 849)	47	2 178	(6 515)	-	5	70	(10 148)
Households	(29 767)	(1 995)	228	13 735	(7 359)	-	67	(70)	(25 160)
Stage 3	(229 723)	(10 894)	58 511	(41 600)	(6 148)	-	6 177	-	(223 675)
General governments	-	-	-	-	-	-	-	-	-
Other financial corporations	(8)	-	8	(35)	-	-	-	-	(35)
Non-financial corporations	(16 906)	(9 446)	3 628	(6 166)	(869)	-	2 984	543	(26 231)
Households	(212 809)	(1 448)	54 875	(35 399)	(5 279)	-	3 193	(543)	(197 409)
POCI	(51 337)	-	227	5 963	-	-	1 652	-	(43 496)
Other financial corporations	-	-	-	-	-	-	-	-	-
Non-financial corporations	(48 396)	-	6	6 057	-	-	1 512	-	(40 822)
Households	(2 941)	-	221	(94)	-	-	140	-	(2 674)
Total allowances for loans and advances to customers	(350 326)	(27 978)	59 592	(15 335)	(9 512)	-	7 918	-	(335 635)

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EUR ths.	2019	2020
Transfers between Stage 1 and Stage 2	436 091	1 248 432
To Stage 2 from Stage 1	333 496	1 161 801
To Stage 1 from Stage 2	102 595	86 631
Transfers between Stage 2 and Stage 3	68 555	48 895
To Stage 3 from Stage 2	58 714	27 178
To Stage 2 from Stage 3	9 841	21 717
Transfers between Stage 1 and Stage 3	95 063	38 095
To Stage 3 from Stage 1	76 753	25 254
To Stage 1 from Stage 3	18 310	12 841

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16. Finance lease receivables

The principal assets held under lease arrangements include cars and other technical equipment.

Gross carrying amounts and credit loss allowances

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2020											
General governments	514	-	-	-	514	(1)	-	-	-	(1)	513
Other financial corporations	63	-	-	-	63	-	-	-	-	-	63
Non-financial corporations	176 978	38 922	9 020	-	224 920	(349)	(69)	(3 926)	-	(4 344)	220 576
Households	4 512	656	2 689	-	7 857	(6)	(4)	(1 321)	-	(1 331)	6 526
Total	182 067	39 578	11 709	-	233 354	(356)	(73)	(5 247)	-	(5 676)	227 678

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 31.12.2019											
General governments	541	-	-	-	541	(1)	-	-	-	(1)	540
Other financial corporations	281	-	-	-	281	-	-	-	-	-	281
Non-financial corporations	197 722	952	7 991	-	206 665	(238)	(5)	(3 313)	-	(3 556)	203 109
Households	7 814	332	2 124	-	10 270	(15)	-	(994)	-	(1 009)	9 261
Total	206 358	1 284	10 115	-	217 757	(254)	(5)	(4 307)	-	(4 566)	213 191

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Allowances for finance lease receivables

	01.01.2020	Additions	Derecognitions	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.06.2020
Stage 1	(253)	(484)	4	327	50	-	-	-	(356)
General governments	(1)	-	-	-	-	-	-	-	(1)
Non-financial corporations	(238)	(483)	4	364	3	-	-	-	(350)
Households	(14)	(1)	-	(37)	47	-	-	-	(5)
Stage 2	(6)	-	-	(84)	17	-	-	-	(73)
Non-financial corporations	(5)	-	-	(79)	15	-	-	-	(69)
Households	(1)	-	-	(5)	2	-	-	-	(4)
Stage 3	(4 307)	-	385	(915)	(410)	-	-	-	(5 247)
Non-financial corporations	(3 313)	-	375	(792)	(196)	-	-	-	(3 926)
Households	(994)	-	10	(123)	(214)	-	-	-	(1 321)
POCI	-	-	-	-	-	-	-	-	-
Total	(4 566)	(484)	389	(672)	(343)	-	-	-	(5 676)

The movement table including detail description of columns is described in note 15.

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	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Stage 1	(81)	(133)	3	(299)	30	-	-	7	(473)
Other financial corporations	-	-	-	-	-	-	-	-	-
Non-financial corporations	(80)	(133)	3	(329)	30	-	-	46	(463)
Households	(1)	-	-	30	-	-	-	(39)	(10)
Stage 2	-	(290)	17	152	(18)	-	-	1	(138)
Stage 3	(110)	(5 063)	133	(1 834)	-	-	382	65	(6 427)
Non-financial corporations	(107)	(5 063)	133	(1 540)	-	-	371	440	(5 766)
Households	(3)	-	-	(294)	-	-	11	(375)	(661)
POCI	-	-	-	-	-	-	-	-	-
Total	(191)	(5 486)	153	(1 981)	12	-	382	73	(7 038)

In 2019 the column 'Other adjustments' contains loss allowances acquired in connection with acquisition of part of business from subsidiary S Slovensko, spol. s r.o.

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Transfers of gross carrying amount between impairment stages

EUR ths.	2019	2020
Transfers between Stage 1 and Stage 2	2 625	36 251
To Stage 2 from Stage 1	1 228	36 023
To Stage 1 from Stage 2	1 397	228
Transfers between Stage 2 and Stage 3	3 121	644
To Stage 3 from Stage 2	3 121	569
To Stage 2 from Stage 3	-	75
Transfers between Stage 1 and Stage 3	5 014	2 542
To Stage 3 from Stage 1	5 014	2 494
To Stage 1 from Stage 3	-	48

17. Hedge accounting derivatives

	31.12.2019			30.06.2020		
EUR ths.	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	1 145 521	23 020	48 041	1 145 521	34 597	49 866
Interest rate	1 145 521	23 020	48 041	1 145 521	34 597	49 866
Total gross amounts	1 145 521	23 020	48 041	1 145 521	34 597	49 866

Fair value hedge of assets

As at 30 June 2020 the Group held in portfolio of financial assets at amortised cost fixed rate bonds denominated in Eur with nominal value of 381,2 mil. Eur (2019: 381,2 mil. Eur). As the purchases of these bonds increased exposure to interest rate risk in the period from five to fifteen years, the Group entered into interest rate swap deals in order to hedge the changes of fair value caused by changes of risk-free interest rates, paying fixed and receiving floating rates.

During the year 2020 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Group recognised a net loss on the hedging instruments in the amount of 3,2 mil. Eur (2019: net loss 6,6 mil. Eur). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to 3,4 mil. Eur (2019: net gain 6,4 mil. Eur).

Fair value hedge of liabilities

The Group uses hedging to secure its issued fixed rate covered bonds (former mortgage bonds). The list of bonds is disclosed in the note 21. As at 31 June 2020 the Group holds covered bonds in total nominal value of 764,3 mil. Eur (2019: 764,3 mil. Eur).

During the year 2020 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Group recognised a net gain on the hedging instruments in the amount of 10,1 mil. Eur (2019: net gain 12,6 mil. Eur). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to 10,4 mil. Eur (2019: net loss 12,5 mil. Eur).

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18. Trade and other receivables**Gross carrying amounts and credit loss allowances**

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2020											
Credit institutions	1 145	-	-	-	1 145	-	-	-	-	-	1 145
Other financial corporations	1 168	-	-	-	1 168	(1)	-	-	-	(1)	1 167
Non-financial corporations	70 824	1 069	6 426	-	78 319	(221)	(5)	(3 054)	-	(3 280)	75 039
Households	4	-	423	-	427	-	-	(423)	-	(423)	4
Total	73 141	1 069	6 849	-	81 059	(222)	(5)	(3 477)	-	(3 704)	77 355

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 31.12.2019											
Credit institutions	4 492	-	-	-	4 492	-	-	-	-	-	4 492
Other financial corporations	1 020	-	157	-	1 177	-	-	(8)	-	(8)	1 169
Non-financial corporations	97 950	1 345	5 351	-	104 646	(193)	(3)	(2 972)	-	(3 168)	101 478
Households	1	-	414	-	415	-	-	(415)	-	(415)	-
Total	103 463	1 345	5 922	-	110 730	(193)	(3)	(3 395)	-	(3 591)	107 139

The trade and other receivables comprise receivables from factoring transactions and other trade receivables.

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Allowances for trade and other receivables

	01.01.2020	Additions	Derecognitions	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.06.2020
Stage 1	(193)	(279)	-	251	-	-	-	-	(221)
Other financial corporations	-	(1)	-	-	-	-	-	-	(1)
Non-financial corporations	(193)	(270)	-	243	-	-	-	-	(220)
Households	-	(8)	-	8	-	-	-	-	-
Stage 2	(2)	-	-	(3)	-	-	-	-	(5)
Non-financial corporations	(2)	-	-	(3)	-	-	-	-	(5)
Stage 3	(3 396)	-	-	(40)	(42)	-	-	-	(3 478)
Other financial corporations	(8)	-	-	8	-	-	-	-	-
Non-financial corporations	(2 973)	-	-	(40)	(42)	-	-	-	(3 055)
Households	(415)	-	-	(8)	-	-	-	-	(423)
POCI	-	-	-	-	-	-	-	-	-
Total	(3 591)	(279)	-	208	(42)	-	-	-	(3 704)

The movement table including detail description of columns is described in note 15.

	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Stage 1	(307)	-	1	(40)	-	-	-	(7)	(353)
General governments	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-
Non-financial corporations	(307)	-	1	(40)	-	-	-	(7)	(353)
Households	-	-	-	-	-	-	-	-	-
Stage 2	(8)	-	-	-	(20)	-	-	(1)	(29)
Non-financial corporations	(8)	-	-	-	(20)	-	-	(1)	(29)
Stage 3	(3 253)	(306)	-	(10)	(100)	-	546	(66)	(3 189)
Non-financial corporations	(2 856)	(299)	-	(102)	-	-	546	(66)	(2 777)
Households	(397)	(7)	-	-	-	-	-	-	(404)
POCI	-	-	-	-	-	-	-	-	-
Total	(3 568)	(306)	1	(50)	(120)	-	546	(74)	(3 571)

In 2019 the column 'Other adjustments' contains loss allowances acquired in connection with acquisition of part of business from subsidiary S Slovensko, spol. s r.o.

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Transfers of gross carrying amount between impairment stages

EUR ths.	2019	2020
Transfers between Stage 1 and Stage 2	1 343	1 068
To Stage 2 from Stage 1	1 342	1 068
To Stage 1 from Stage 2	1	-
Transfers between Stage 2 and Stage 3	58	23
To Stage 3 from Stage 2	58	23
To Stage 2 from Stage 3	-	-
Transfers between Stage 1 and Stage 3	2 555	1 148
To Stage 3 from Stage 1	2 555	1 148
To Stage 1 from Stage 3	-	-

19. Investments in subsidiaries and associates**Investments in subsidiaries of Slovenská sporiteľňa, a.s.**

Business name	Place of business	Main business activity	Ownership held	Voting rights held
Služby SLSP, s.r.o.	Tomášikova 48 Bratislava 832 01 Slovenská republika	Ancillary bank services	100,00%	100,00%
Realitná spoločnosť Slovenskej sporiteľne, a.s. v likvidácii (100 % subsidiary of Služby SLSP, s.r.o.)	Tomášikova 48 Bratislava 832 10 Slovenská republika	Real estate agency	100,00%	100,00%
Laned, a.s.	Tomášikova 48 Bratislava 832 71 Slovenská republika	Real estate company	100,00%	100,00%
S Slovensko, spol. s r.o.	Tomášikova 48 Bratislava 831 04 Slovenská republika	Leasing company	100,00%	100,00%
Social Financing SK, s.r.o.	Tomášikova 48 Bratislava 832 01 Slovenská republika	Advisory services	100,00%	100,00%
Procurement Services SK, s.r.o.	Tomášikova 48 Bratislava 832 75 Slovenská republika	Procurement	51,00%	51,00%

Investments in associates of Slovenská sporiteľňa, a.s.

Business name	Place of business	Main business activity	Ownership held	Voting rights held
Prvá stavebná sporiteľňa, a.s.	Bajkalská 30 Bratislava 829 48 Slovenská republika	Banking	9.98%	35.00%
Slovak Banking Credit Bureau, s.r.o.	Mlynské Nivy 14 Bratislava 821 09 Slovenská republika	Retail credit register	33.33%	33.33%
Holding Card Service, spol. s r. o.	Olbrachtova 1929/62 140 00 Praha 4 Česká republika	Equity release company	24,62%	24,62%

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In February 2020 a subsidiary, Social Financing SK, s. r. o., was established in which the Bank has an ownership interest in the amount 2 050 ths. Eur and therefore represents a 100% share of the company's share capital. In April 2020 the Bank also acquired the ownership interest in the company LANED a.s. as a 100% share in the equity of the company for the cost of 25,8 mil. EUR from its subsidiary Služby SLSP, s. r. o. Because the transaction is classified as business combination under common control, the value of the investment is in the amount of 22,5 mil. EUR, which represents the original book value of investment in the company Služby SLSP, s. r. o. The difference between book value of the investment and the acquisition cost representing the fair value of the investment is recorded within the equity.

Changes during the year 2019

As at 1 March 2019 the Bank acquired 100% share in the company S Slovensko, spol. s r.o. This share was acquired from parent company Erste Group Bank AG in total amount of 24,8 mil. Eur. The procurement price represented the fair value of the subsidiary.

As at 12 April 2019 the Bank acquired part of a business from its subsidiary S Slovensko, spol. s r.o. and took over total assets amounting 142,5 mil. Eur and total liabilities amounting to 124,9 mil. Eur for the cash consideration in fair value of the acquired part of business in amount of 17,6 mil. Eur. Subsequently respective assets and liabilities were recognised in historical cost. Detail breakdown of Statement of financial position of the took over part of business is disclosed in note 19 of the consolidated financial statements for the previous period.

20. Other assets

EUR ths.	31.12.2019	30.06.2020
Client settlement	22 859	1 734
Personnel balances	8 260	19
State budget, social and health insurance, taxes	1 857	1 794
Sundry assets	1 094	6 897
Other assets	34 070	10 444

21. Financial liabilities measured at amortised cost

Deposits from banks

EUR ths.	31.12.2019	30.06.2020
Overnight deposits	9 449	49 389
Term deposits	202 982	701 669
Repurchase agreements	50 856	50 382
Deposits from banks	263 287	801 440

In June 2020 the Bank entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank. As at 30 June 2020 the Bank has a liability in form of cash received in TLTRO in amount of 500 mil. EUR.

Deposits from customers

EUR ths.	31.12.2019	30.06.2020
Overnight deposits	9 133 385	9 249 010
Non-savings deposits	9 133 385	9 249 010
General governments	96 438	149 534
Other financial corporations	579 453	347 765
Non-financial corporations	1 860 646	1 667 953
Households	6 596 848	7 083 758
Term deposits	5 259 039	5 109 459
Deposits with agreed maturity	1 605 059	1 329 028
Non-savings deposits	1 605 059	1 329 028
General governments	749	478
Other financial corporations	209 072	26 903
Non-financial corporations	167 816	216 624
Households	1 227 422	1 085 023
Deposits redeemable at notice	3 653 980	3 780 431
Households	3 653 980	3 780 431
Deposits from customers	14 392 424	14 358 469
General governments	97 187	150 012
Other financial corporations	788 525	374 668
Non-financial corporations	2 028 462	1 884 577
Households	11 478 250	11 949 212

As at 30 June 2020, no embedded derivatives were included in deposits from customers (neither at the year end 2019).

As at 30 June 2020, no deposits from customers were collateralised by securities (neither at the year end 2019).

Debt securities issued

EUR ths.	31.12.2019	30.06.2020
Subordinated issues	75 366	76 851
Senior non-preferred bonds	-	30 932
Other debt securities issued	1 995 609	2 035 506
Bonds	152 259	192 309
Covered bonds	1 843 350	1 843 197
Debt securities issued	2 070 975	2 143 289

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Subordinated debt securities issued

The interest rate shown below represents actual interest expense of the Group.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2019	2020
Subordinated Bonds	August 2010	August 2020	4,30%	10 000	1 000	EUR	13 981	14 252
Subordinated Bonds	August 2011	August 2021	4,30%	10 000	1 000	EUR	13 436	13 702
Subordinated Bonds	November 2011	November 2023	4,58%	4 250	1 000	EUR	5 577	5 699
Subordinated Bonds	June 2012	June 2022	5,80%	11 000	1 000	EUR	15 271	15 684
Subordinated Bonds	November 2012	November 2022	4,30%	9 000	1 000	EUR	11 339	11 594
Subordinated Bonds	September 2019	September 2028	2,88%	33	100 000	EUR	3 326	3 374
Subordinated Bonds	September 2019	September 2028	1,64%	33	100 000	EUR	3 315	3 315
Subordinated Bonds	November 2019	November 2028	2,45%	91	100 000	EUR	9 120	9 229
Total							75 366	76 851

Senior non-preferred bonds

In February 2020 the Bank issued senior non-preferred bonds in the number of 300 securities with the notional value of 100 000 EUR and interest rate 0,69%.

Other debt securities issued

All securities listed in the following table are issued in book-entry form as bearer or registered securities with annual or semiannual coupon payments. Their transferability is not limited. There are no pre-emptive rights, exchange rights or early redemption rights related to these securities. The bonds are traded on the Bratislava Stock Exchange.

As at 30 June 2020 other debt securities issued included embedded derivatives (equity and commodities) in the amount of 1,1 mil. Eur (2019: 0,3 mil. Eur), which were separated and disclosed in the line items 'Financial assets – held for trading' and 'Financial liabilities – held for trading'.

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The interest rate shown above represents actual interest expense of the Group.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2019	2020
Covered Bonds	July 2007	July 2027	4,95%	250	66 388	EUR	23 100	23 599
Covered Bonds	April 2008	April 2021	5,00%	250	66 388	EUR	17 182	16 767
Covered Bonds	January 2013	January 2025	3,10%	87	50 000	EUR	4 411	4 411
Covered Bonds	June 2013	June 2028	3,00%	132	50 000	EUR	6 615	6 614
Covered Bonds	July 2013	January 2020	-	-	1 000	EUR	2 218	-
Covered Bonds	February 2014	August 2020	2,00%	9 774	1 000	EUR	9 907	9 852
Covered Bonds	February 2014	February 2029	2,80%	97	50 000	EUR	4 899	4 898
Covered Bonds	March 2014	March 2021	2,00%	8 212	1 000	EUR	8 280	8 257
Covered Bonds	March 2014	March 2022	2,00%	220	50 000	EUR	11 138	11 034
Covered Bonds	May 2014	May 2021	1,90%	4 770	1 000	EUR	4 857	4 782
Covered Bonds	June 2014	June 2021	1,75%	9 336	1 000	EUR	9 387	9 345
Covered Bonds	July 2014	July 2021	1,55%	3 400	1 000	EUR	3 498	3 424
Covered Bonds	November 2014	November 2020	0,88%	150	100 000	EUR	15 017	15 083
Covered Bonds	February 2015	February 2022	0,88%	350	100 000	EUR	35 267	35 116
Covered Bonds	March 2015	March 2020	-	-	1 000	EUR	4 198	-
Covered Bonds	June 2015	June 2020	-	-	1 000	EUR	4 835	-
Covered Bonds	July 2015	July 2020	1,20%	4 796	1 000	EUR	4 845	4 821
Covered Bonds	July 2015	July 2020	0,88%	500	100 000	EUR	50 169	50 400
Covered Bonds	August 2015	August 2025	1,38%	100	100 000	EUR	10 012	10 084
Covered Bonds	August 2015	August 2022	1,00%	100	100 000	EUR	10 024	10 077
Covered Bonds	August 2015	August 2020	1,20%	4 736	1 000	EUR	4 915	4 755
Covered Bonds	September 2015	September 2020	1,20%	4 178	1 000	EUR	4 292	4 191
Covered Bonds	October 2015	October 2020	1,20%	3 521	1 000	EUR	3 536	3 528
Covered Bonds	November 2015	November 2020	0,63%	400	100 000	EUR	40 035	40 162
Covered Bonds	November 2015	November 2020	1,20%	2 917	1 000	EUR	2 962	2 920
Covered Bonds	December 2015	December 2021	0,63%	170	100 000	EUR	17 003	17 057
Investment Certificates	February 2016	February 2020	-	-	5 000	EUR	618	-
Covered Bonds	February 2016	February 2021	0,50%	500	100 000	EUR	50 220	50 096
Investment Certificates	February 2016	February 2020	-	-	1 000	EUR	215	-
Covered Bonds	March 2016	March 2021	1,05%	6 788	1 000	EUR	6 948	6 810
Covered Bonds	March 2016	March 2026	1,00%	90	100 000	EUR	9 006	8 965
Covered Bonds	April 2016	April 2021	1,05%	4 891	1 000	EUR	4 958	4 903
Covered Bonds	May 2016	May 2021	1,00%	4 924	1 000	EUR	4 947	4 932
Covered Bonds	May 2016	November 2020	0,27%	500	100 000	EUR	50 004	50 016
Covered Bonds	June 2016	June 2021	0,00%	3 834	1 000	EUR	3 850	3 801
Investment Certificates	June 2016	June 2020	-	-	1 000	EUR	408	-
Covered Bonds	July 2016	July 2021	0,90%	4 836	1 000	EUR	4 881	4 857
Covered Bonds	August 2016	August 2021	0,80%	4 882	1 000	EUR	4 934	4 898
Covered Bonds	August 2016	August 2021	0,75%	4 764	1 000	EUR	4 873	4 776
Investment Certificates	August 2016	August 2020	3,00%	339	1 000	EUR	350	344
Covered Bonds	September 2016	September 2021	0,70%	4 857	1 000	EUR	4 905	4 866
Covered Bonds	October 2016	October 2021	0,65%	4 925	1 000	EUR	4 941	4 931
Covered Bonds	November 2016	November 2021	0,25%	1 000	100 000	EUR	100 011	100 138
Covered Bonds	December 2016	December 2021	0,65%	9 608	1 000	EUR	9 791	9 641

The table continues on the following page.

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EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2019	2020
Senior Unsecured Bonds	December 2016	December 2021	0,65%	4 157	1 000	EUR	4 245	4 171
Covered Bonds	March 2017	March 2025	0,75%	1 000	100 000	EUR	100 390	100 033
Senior Unsecured Bonds	March 2017	March 2022	0,60%	4 557	1 000	EUR	4 668	4 564
Senior Unsecured Bonds	April 2017	April 2022	0,60%	30	100 000	EUR	3 013	3 004
Senior Unsecured Bonds	April 2017	April 2022	0,60%	4 599	1 000	EUR	4 687	4 604
Senior Unsecured Bonds	May 2017	May 2022	0,60%	4 469	1 000	EUR	4 594	4 472
Covered Bonds	June 2017	June 2022	0,38%	50	100 000	EUR	5 002	4 994
Senior Unsecured Bonds	July 2017	July 2022	0,60%	4 585	1 000	EUR	4 631	4 611
Senior Unsecured Bonds	August 2017	August 2022	0,63%	4 526	1 000	EUR	4 567	4 551
Senior Unsecured Bonds	September 2017	September 2022	0,63%	4 657	1 000	EUR	4 797	4 680
Senior Unsecured Bonds	September 2017	September 2022	0,63%	9 211	1 000	EUR	9 466	9 254
Covered Bonds	October 2017	October 2022	0,50%	1 500	100 000	EUR	150 025	150 425
Senior Unsecured Bonds	November 2017	November 2027	1,38%	44	100 000	EUR	4 400	4 431
Senior Unsecured Bonds	November 2017	November 2022	2,00%	4 863	1 000	USD	4 393	4 397
Senior Unsecured Bonds	February 2019	February 2023	2,15%	3 650	1 000	USD	3 311	3 287
Senior Unsecured Bonds	February 2019	February 2023	0,65%	9 316	1 000	EUR	9 705	9 340
Senior Unsecured Bonds	March 2019	March 2021	0,25%	142	100 000	EUR	14 222	14 208
Senior Unsecured Bonds	March 2019	March 2023	0,65%	9 720	1 000	EUR	9 818	9 736
Senior Unsecured Bonds	April 2019	April 2021	2,30%	3 584	1 000	USD	3 280	3 213
Senior Unsecured Bonds	June 2019	June 2020	-	-	1 000	USD	1 695	-
Senior Unsecured Bonds	June 2019	June 2024	0,75%	4 946	1 000	EUR	5 037	4 946
Covered Bonds	August 2019	August 2025	0,63%	2 500	100 000	EUR	258 815	262 731
Senior Unsecured Bonds	August 2019	August 2024	0,70%	4 892	1 000	EUR	4 946	4 921
Senior Unsecured Bonds	September 2019	September 2024	0,70%	4 714	1 000	EUR	4 810	4 740
Senior Unsecured Bonds	November 2019	November 2024	0,75%	4 887	1 000	EUR	4 896	4 909
Covered Bonds	December 2019	December 2024	0,50%	2 500	100 000	EUR	255 352	258 446
Senior Unsecured Bonds	December 2019	December 2024	0,75%	4 911	1 000	EUR	4 950	4 932
Senior Unsecured Bonds	February 2019	February 2025	0,70%	9 894	1 000	EUR	10 007	9 919
Senior Unsecured Bonds	March 2019	March 2025	0,00%	100	50 000	EUR	4 823	4 840
Investment Certificates	March 2019	March 2020	-	-	5 000	EUR	909	-
Covered Bonds	June 2019	June 2026	0,13%	5 000	100 000	EUR	496 896	501 759
Senior Unsecured Bonds	June 2019	December 2025	0,60%	5 838	1 000	EUR	5 940	5 840
Senior Unsecured Bonds	June 2019	June 2022	2,00%	3 696	1 000	USD	3 335	3 304
Investment Certificates	July 2019	July 2020	12,50%	97	5 000	EUR	550	546
Investment Certificates	August 2019	August 2020	6,80%	1 578	25 000	CZK	1 674	1 579
Investment Certificates	August 2019	August 2020	8,00%	224	5 000	EUR	1 224	1 213
Investment Certificates	September 2019	September 2020	8,00%	1 112	1 000	EUR	1 219	1 206
Investment Certificates	December 2019	December 2020	8,00%	785	1 000	EUR	859	853
Senior Unsecured Bonds	February 2020	February 2024	0,00%	170	100 000	EUR	-	17 000
Senior Unsecured Bonds	March 2020	March 2025	0,00%	53	2 000 000	CZK	-	3 748
Senior Unsecured Bonds	June 2020	June 2025	0,63%	150	100 000	EUR	-	14 948
Senior Unsecured Bonds	June 2020	June 2023	0,70%	5 000	1 000	EUR	-	5 000
Senior Unsecured Bonds	June 2020	June 2025	0,80%	5 000	1 000	EUR	-	5 000
Total							1 417 150	1 470 353

In May 2020 the Bank issued covered bond in the value of 500 mil. EUR with interest rate 0,125% and maturity of 7 years, which was not placed in the market and according IFRS is therefore not possible to disclose this bond in the balance sheet.

22. Provisions

EUR ths.	31.12.2019	30.06.2020
Commitments and guarantees given	6 208	6 877
Long-term employee benefits provisions	5 946	5 946
Pending legal issues and tax litigation	5 281	5 340
Other provisions	79	3 784
Restructuring	77	77
Other	2	3 707
Provisions	17 514	21 947

Provision for commitments and financial guarantees given

Provisions for commitments and financial guarantees were created to cover losses expected in unused loan commitments, guarantees and letters of credits. The amount of these provisions is estimated with respect to credit risk relating to affected items, as well as time value of money (i.e. current market interest rates used for discounting).

The following table presents movements in the provision for commitments and financial guarantees:

EUR ths.	01.01.2020	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	30.06.2020
Provisions for commitments and guarantees given						
Stage 1	3 363	6 428	(1 349)	(5 890)	(775)	2 553
Stage 2	1 718	-	(376)	2 357	3 207	3 699
Stage 3	957	-	(165)	(333)	80	458
POCI	170	-	(16)	13	-	167
Total	6 208	6 428	(1 906)	(3 853)	2 512	6 877

EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	31.12.2019
Provisions for contingent credit risk liabilities						
Stage 1	3 143	36 992	(7 864)	(28 908)	51	(3 363)
Stage 2	723	-	(1 019)	2 014	1 014	(1 718)
Stage 3	601	-	(299)	655	270	(957)
POCI	7 598	-	(7 833)	405	-	(170)
Total	12 065	36 992	(17 015)	(25 834)	1 335	6 208

Long-term employee pension provisions

The Group has a defined employee benefit program under which all employees are entitled to a lump-sum payment upon working anniversaries or retirement. The number of employees under this program is disclosed in the note 7.

The amount of long-term employee pension provisions is calculated using an actuarial model based on the projected unit credit method. The Group performs annual review of the long-term employee benefits provisions using updated data in order to recognize the provisions in appropriate amounts. During the reporting period the provision was not calculated and the value of long-term employee pension provisions remained equal to the year end balance. Complete disclosures related to long-term employee pension provisions as at 31 December 2019 are presented in the consolidated financial statements for the previous reporting period in the Note 25.

Provisions for pending legal issues and tax litigation legal issues

Provisions for legal issues relate to legal cases where the Group is used and which arose from normal banking activities. During the reporting period the Group does not participate in any new passive legal case. Complete disclosures related to provisions for pending legal issues and tax litigation legal issues are presented in the consolidated financial statements for the previous reporting period in the Note 25.

Other provisions

The item 'Other provisions' includes provision on contribution to Resolution fund and provision on contribution to Deposit protection fund during the year. When the actual amount of contributions is announced, the payment is accounted for as utilisation of particular provision. Both contributions for the year 2020 were paid in full amount, therefore the Group does not disclose these items as other provisions.

In the line item „Other provisions“ the Group discloses the provision for commitments and guarantees given, which are not treated based on the standard IFRS 9 and the amount of this provision as at 30 June 2020 is in the amount of 3,7 mil. EUR.

23. Other liabilities

EUR ths.	31.12.2019	30.06.2020
Client settlement	11 649	16 640
Trade payables	51 494	47 153
Personnel balances and social fund	33 083	24 675
State budget, social and health insurance, taxes	5 328	4 791
Sundry liabilities	586	29 141
Other liabilities	102 140	122 400

24. Equity

Share capital

The approved share capital was fully paid and consists of the following:

	31.12.2019	30.06.2020
Nominal value of share (in EUR)	1 000	1 000
Number of shares (in pcs.)	212 000	212 000
Share capital (in EUR)	212 000 000	212 000 000

The following table presents approved distribution of individual profit of the Bank for the year 2019:

Profit distribution	31.12.2019
Profit for the year (in EUR ths.)	174 436
Distribution for Investment certificate 2015 SLSP AT1 PNC5	11 700
Dividends paid to shareholder from profit for the year	78 276
Transfer to retained earnings	84 460
Number of shares with nominal value of EUR 1 000 (in pcs.)	212 000
Dividend per share (in EUR)	369

Dividends for the year 2019 were paid in March 2020 following the resolution of General Assembly of the Bank dated 25 March 2020. The first portion of dividend from investment certificate 2015 SLSP AT1 PNC5 was paid in amount of 5,8 mil. Eur as at 25 May 2020.

Other capital instruments

During the year 2015 the Group has issued an investment certificate in the amount of 150 mil. Eur that is classified as equity instrument according to the standard IAS 32. This certificate is a perpetual instrument with the agreed interest rate of 7,8% p.a. paid semi-annually. In the year 2020 the Group has issued a second investment certificate in the amount of 150 mil. Eur which is classified similarly. This certificate is also an perpetual instrument with the agreed interest rate of 4,15% p.a. paid semi-annually.

Legal reserve fund

According to Commercial Code all companies are required to create a legal reserve fund to cover adverse financial conditions in the future. The Group is obliged to contribute to the fund the amount, which is not less than 10% of its annual net profit until the cumulative amount of annual contributions reaches 20% of its share capital. As at 30 June 2020 Legal reserve fund amounted to 79,8 mil. Eur (2019: 79,8 mil. Eur) and in both years exceeded the required 20% of the share capital. Legal reserve fund is not available for distribution to the shareholder.

Other funds

Other funds include only Statutory fund created from distributable profits to strengthen the Group's capital base. This fund is not available for distribution to the shareholder. Once the Group's share capital or legal reserve fund is increased, Statutory fund may be terminated and transferred back to the distributable profits with the approval of the Supervisory Board and of the General Assembly. As at 30 June 2020 Statutory fund amounted 39,1 mil. Eur (2019: 39,1 mil. Eur).

Fair value reserve

Fair value reserve represents the unrealised revaluation of financial assets measured at fair value through other comprehensive income. This reserve is not available for distribution to the shareholder. As at 30 June 2020 the revaluation of financial assets measured at fair value through other comprehensive income amounted to 7,5 mil. Eur (2019: 66,0 mil. Eur), net of deferred tax.

Remeasurement of net liability of defined pension plans

This equity component reflects the results of actuarial calculations related to the pension provision. As at 30 June 2020 the remeasurement of the pension provision amounted 0,9 mil. Eur (2019: 0,9 mil. Eur), net of deferred tax.

25. Related party transactions

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group is controlled by the only shareholder Erste Group Bank AG, which directly owns 100% share on the voting rights of the Group. Further related parties include subsidiaries, which are under control of the Bank and associates, over which the Bank has significant influence. Moreover, other members of the Erste group are also related parties of the Group.

Transactions with related parties occur in the normal course of business and primarily include loans and deposits. These transactions are performed at arm's length, i.e. the terms and conditions applied respect market conditions.

Assets and liabilities include accounting balances with related parties, as follows:

	Erste Group Bank AG		Companies of Erste Group		Associates	
EUR ths.	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020
Assets						
Cash and cash balances	4 153	6 055	5 576	1 033	-	-
Derivatives	4 962	7 530	-	-	-	-
Derivatives – Hedge accounting	16 501	27 626	-	-	-	-
Securities	-	-	-	-	5 255	5 255
Loans and advances to banks	4 354	867	147	31	-	-
Loans and advances to customers	-	-	16 244	12 409	-	-
Total	29 970	42 078	21 967	13 473	5 255	5 255
Liabilities						
Derivatives held for trading	31 617	40 882	-	18	-	-
Deposits from banks	58 199	97 119	705	1 580	15 472	371
Deposits from customers	-	-	2 669	28 354	-	-
Debt securities issued	758 859	763 514	2 981	3 011	-	-
Derivatives – hedge accounting	48 041	49 866	-	-	-	-
Other liabilities	297	912	2 989	3 695	-	-
Total	897 013	952 293	9 344	36 658	15 472	371

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Income and expenses include transactions with the related parties, as follows:

	Erste Group Bank AG		Companies of Erste Group		Associates	
EUR ths.	2019	2020	2019	2020	2019	2020
Interest income	(4 402)	(2 995)	321	232	59	72
Interest expense	(1 264)	(158)	(2)	(7)	(8)	-
Net fee and commission income	(32)	22	3 039	3 543	1	1
Net trading and fair value result	12 490	2 036	-	379	-	-
General administrative expenses	(2 116)	(2 050)	(6 696)	(8 050)	-	-
Depreciation and amortisation	-	-	-	-	-	-
Other operating result	649	84	194	319	-	3
Total	5 325	(3 061)	(3 144)	(3 584)	52	76

The amounts with Erste Group Bank AG reported in the line items 'Interest income' and 'Net trading result' represent results from derivative instruments used to close positions with the clients.

In the year 2015 the Group has issued investment certificates in the amount of 150 mil. Eur and in the year 2020 the Group has issued another investment certificate also in the amount of 150 mil. Eur, which were purchased by Erste Bank AG (see note 24).

As at 30 June 2020 the Group has received a guarantee from its parent company Erste Group Bank AG covering exposures towards Erste Group Immorent Slovensko s.r.o. in the amount of 23,2 mil. Eur (2019: 23,2 mil. Eur).

The Group received guarantees from its parent company Erste Group Bank AG covering clients' exposures in the amount of 2,2 mil. Eur as at the reporting date (2019: 2,2 mil. Eur).

The Group has received guarantee from its sister company Česká spořitelna, a.s. covering credit exposures towards s_Autoleasing SK, s.r.o. as at 30 June 2020 in the maximum amount of the guarantee was 9,0 mil. Eur (2019: 9,0 mil. Eur).

The Group received guarantees from its sister company Česká spořitelna, a.s. covering clients' exposures in the amount of 0,2 mil. Eur as at the reporting date (2019: 0,2 mil. Eur).

As at 30 June 2020 the Group owned a share in real estate fund Sporo realitny fond SPF of Asset Management Slovenskej sporiteľne, a.s. in the amount of 3,0 mil. Eur (2019: 3,2 mil. Eur).

As at 30 June 2020 and in 2019, the Group did not receive any dividends from its associates.

26. Off-balance sheet items

In the normal course of business, the Group enters various contracts and transactions, which are not reflected on the balance sheet and are referred to as off-balance sheet financial instruments. The following information represents notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

Loan commitments, guarantees and letters of credit

The following table presents off-balance sheet credit exposures and also treasury commitments:

EUR ths.	31.12.2019	30.06.2020
Guarantees provided	399 866	396 247
Guarantees from letter of credit	4 502	3 833
Loan commitments and undrawn loans	1 420 923	1 469 724
Total	1 825 291	1 869 804

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27. Collaterals

The Group holds collaterals against loans and advances to customers in form of real estates, securities, received bank guaranties and other credit enhancements. The fair values of collaterals are estimated based on their value at the time of borrowings and are regularly updated. In general, collaterals are not held against loans and advances to banks, except for securities held as a part of reverse repurchase agreements commented in the note 15.

Collaterals received

As at 30 June 2020 the Group had collateralized loans in the amount of 10 769,9 mil. Eur (2019: 10 192,4 mil. Eur). The uncollateralized loans amounted 4 229,9 mil. Eur (2019: 4 298,4 mil. Eur).

Estimated fair values of collaterals received and other credit enhancements related to loans to customers, granted financial guarantees, letters of credit and undrawn loan commitments were as follows:

30.6.2020	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral
EUR ths.			Guarantees	Real estate	Other		
Cash and cash balances - other demand deposits	7 334	-	-	-	-	-	7 334
Financial assets at amortised cost	18 314 155	147 945	58 613	8 636 257	317 839	9 012 710	9 301 446
Loans and advances to banks	12 017	-	42	-	-	42	11 975
Loans and advances to customers	14 639 120	147 945	40 556	8 636 257	317 839	8 994 653	5 644 468
of which: Lending for house purchase	8 408 584	130 805	-	7 627 770	24	7 627 794	780 790
'of which: Credit for consumption	1 693 463	51	-	66	74	141	1 693 323
'of which: Corporate loans and others	4 537 073	17 089	40 556	1 008 421	317 741	1 366 718	3 170 355
Debt securities	3 663 018	-	18 015	-	-	18 015	3 645 003
Finance lease receivables	233 354	6 997	-	231	162 530	162 760	70 593
Trade and other receivables	81 058	-	-	-	-	-	81 058
Non-trading financial assets at fair value through profit or loss - 'Debt securities	14 563	-	-	-	-	-	14 563
Financial assets - held for trading	51 940	-	-	-	-	-	51 940
Positive fair value of derivatives	34 596	-	-	-	-	-	34 597
Total credit risk exposure on-balance	18 737 000	154 942	58 613	8 636 488	480 369	9 175 470	9 561 531
Off-balance	1 869 805	126	41 742	150 320	48 646	240 708	1 629 096
Total credit risk exposure	20 606 805	155 068	100 355	8 786 808	529 015	9 416 178	11 190 627

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31.12.2019	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral
			Guarantees	Real estate	Other		
EUR ths.							
Cash and cash balances - other demand deposits	10 224	-	-	-	-	-	10 224
Financial assets at amortised cost	17 665 885	163 119	35 774	8 216 165	267 742	8 519 681	9 146 204
Loans and advances to banks	54	-	46	-	-	46	9
Loans and advances to customers	14 128 982	163 119	17 715	8 216 165	267 742	8 501 622	5 627 359
of which: Lending for house purchase	8 071 861	145 104	-	7 298 979	37	7 299 016	772 844
'of which: Credit for consumption	1 786 766	28	-	45	106	151	1 786 615
'of which: Corporate loans and others	4 270 355	17 987	17 715	917 141	267 599	1 202 455	3 067 900
Debt securities	3 536 849	-	18 013	-	-	18 013	3 518 836
Finance lease receivables	217 757	6 036	-	119	153 185	153 305	64 452
Trade and other receivables	110 728	-	-	-	-	-	110 282
Non-trading financial assets at fair value through profit or loss - 'Debt securities	3 175	-	-	-	-	-	3 175
Financial assets - held for trading	41 423	-	-	-	-	-	41 423
Positive fair value of derivatives	23 020	-	-	-	-	-	23 020
Total credit risk exposure on-balance	18 072 212	169 155	35 774	8 216 284	420 927	8 672 986	9 398 780
Off-balance	1 825 291	267	44 708	126 831	42 307	213 846	1 611 445
Total credit risk exposure	19 897 503	169 422	80 482	8 343 115	463 234	8 886 832	11 010 225

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Assets pledged as collaterals

The following table presents assets pledged as collaterals for the Group's liabilities:

	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
EUR ths.								
As of 30.06.2020								
Financial assets at amortised cost								
Debt securities	290 726	46 263	53 190	114 233	77 040	276 677	50 382	226 295
Loans and advances to customers	2 655 503	-	-	2 064 427	591 076	2 189 985	-	2 189 985
Assets pledged as collateral	2 946 229	46 263	53 190	2 178 660	668 116	2 466 662	50 382	2 416 280

	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
EUR ths.								
As of 31.12.2019								
Financial assets at amortised cost								
Debt securities	204 946	45 596	40 252	113 699	5 399	230 836	50 856	179 980
Loans and advances to customers	2 071 353	-	-	2 071 353	-	1 747 431	-	1 747 431
Assets pledged as collateral	2 276 299	45 596	40 252	2 185 052	5 399	1 978 267	50 856	1 927 411

In June 2020, the Group entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank. As at 30 June 2020 the Group has a liability in form of cash received in TLTRO shown within other associated liabilities (500 mil. EUR). The Bank has pledged SK government bond (71,6 mil. EUR) and own retained covered bond (500 mil. EUR) where mortgage loans are shown as encumbered assets (591 mil. EUR) as collateral to TLTRO. The collateral is shown within other transferred assets.

28. Assets under administration

The Group provides custody, trustee, investment management and advisory services to third parties, which involves making decisions on distribution, purchase and sale related to a wide range of financial instruments. The assets held in a fiduciary capacity are not included in these consolidated financial statements.

As at 30 June 2020 the Group held assets for collective investment undertakings in the amount of 4 302,1 mil. EUR (2019: 3 918,7 mil. EUR).

As at 30 June 2020 the Group also held assets for customers other than collective investment undertakings in the amount of 7 589,3 mil. EUR (2019: 7 509,0 mil. EUR).

29. Segment reporting

The segment reporting of the Group is based on IFRS 8 - Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources.

During the first half year of 2020 there were no changes in the methodology of segment reporting in comparison with annual consolidated financial statements. For the complete set of disclosures related to segment reporting this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in the Note 33.

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Business Segments	Retail		Corporates		Group markets		Asset Liability Management, Local Corporate Center and Free Capital		Total	
EUR ths.	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Net interest income	172 197	164 343	36 788	41 534	2 421	1 121	3 713	10 279	215 117	217 276
Net fee and commission income	58 716	56 093	8 693	9 556	3 006	3 818	(2 483)	(1 517)	67 931	67 949
Dividend income	-	-	-	-	-	-	751	601	751	601
Net trading result	1 681	1 661	4 418	631	2 827	912	509	489	9 434	3 692
Gains/losses from financial instruments measured at FVPL	-	-	-	-	-	-	85	(2 770)	85	(2 770)
Net result from equity method investments	1 097	530	-	-	-	-	-	-	1 097	527
Rental income from investment properties & other operating leases	-	-	-	-	-	-	541	159	541	159
General administrative expenses	(118 441)	(125 275)	(17 827)	(17 003)	(2 555)	(2 601)	310	295	(138 515)	(144 582)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	-	-	70	-	70	-
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(459)	(5)	(459)	(5)
Impairment result from financial instruments	(10 469)	(25 798)	(8 214)	(37 819)	(10)	4	101	95	(18 593)	(63 518)
Other operating result	(11 434)	(24 562)	(1 930)	(5 214)	(881)	(1 475)	(3 807)	(8 747)	(18 050)	(39 998)
Levies on banking activities	(11 434)	(24 553)	(1 930)	(3 354)	(881)	(1 489)	(4 799)	(8 355)	(19 044)	(37 751)
Pre-tax profit from continuing operations	93 347	46 992	21 928	(8 315)	4 808	1 779	(669)	(1 121)	119 409	39 331
Taxes on income	(19 384)	(9 734)	(4 605)	1 748	(1 010)	(374)	1 552	(1 442)	(23 446)	(9 802)
Net result for the period	73 963	37 258	17 323	(6 567)	3 798	1 405	883	(2 563)	95 963	29 529
Net result attributable to non-controlling interests	-	-	-	-	-	-	13	(7)	13	(7)
Net result attributable to owners of the parent	73 963	37 258	17 323	(6 567)	3 798	1 405	870	(2 556)	95 950	29 536
Operating income	233 690	222 626	49 898	51 721	8 254	5 850	3 116	7 241	294 957	287 437
Operating expenses	(118 441)	(125 275)	(17 827)	(17 003)	(2 555)	(2 601)	310	295	(138 514)	(144 583)
Operating result	115 249	97 351	32 071	34 718	5 699	3 249	3 426	7 536	156 443	142 854
Risk-weighted assets (credit risk, eop)*	2 773 008	2 716 276	3 085 956	3 890 115	38 708	26 146	643 630	472 812	6 541 302	7 105 349
Average allocated capital**	407 072	420 414	290 371	353 782	9 187	6 927	345 434	326 023	1 052 064	1 107 146
Cost/income ratio	50.68%	56.27%	35.73%	32.87%	30.96%	44.45%	-9.94%	-4.07%	46.96%	50.30%
Return on allocated capital	73.69%	8.86%	24.19%	-1.86%	167.66%	20.29%	1.04%	-0.79%	36.99%	2.67%
Total assets (eop)	9 963 750	10 619 439	3 711 702	4 120 085	58 667	27 487	4 441 714	4 636 124	18 175 833	19 403 135
Total liabilities excluding equity (eop)	11 587 648	12 561 809	1 459 184	1 529 197	842 429	439 840	2 753 299	3 130 622	16 642 560	17 661 468
Impairments										
Net impairment loss on financial instruments AC	(9 531)	(25 649)	(6 727)	(33 257)	(25)	-	(166)	-	(16 449)	-
Net impairment loss on financial instruments Leasing	(1 140)	(368)	(862)	(1 073)	-	11	253	-	(1 749)	(3 086)
Impairments and provisions for commitments and guarantees given	202	218	(626)	(3 316)	15	-	14	-	(395)	-
Net impairment on other non-financial assets	-	-	-	-	-	-	142	-	142	-

* Credit RWA (eop) after inter company transactions according to Pillar 1, calculated by Erste group for the purpose of segment report and management purposes (without subsidiaries Credit RWA).

** Average allocated capital is calculated based on Erste group controlling methodology.

30. Risk management

During the first half year of 2020 there were no changes in the risk strategy and policy in comparison with annual consolidated financial statements. For the complete set of disclosures related to risk strategy and policy this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in the Note 34.

Credit risk exposure

Credit risk exposure relates to the following balance sheet items:

- cash and cash balances - other demand deposits;
- financial assets held for trading – derivatives (without equity instruments);
- non-trading financial assets at fair value through profit or loss (FVTPL) (without equity instruments);
- financial assets at fair value through other comprehensive income (FVTOCI) (without equity instruments);
- financial assets at amortised cost;
- finance lease receivables;
- positive fair value of derivatives – hedge accounting;
- trade and other receivables;
- off-balance sheet positions (financial guarantees, irrevocable loan and other commitments).

The credit risk exposure comprises the gross carrying amount (or nominal value in the case of off-balance-sheet positions) this means the amount without taking into account loan loss allowances, provisions for guarantees, any collateral held (including risk transfer to guarantors), netting effects, other credit enhancements or credit risk mitigating transactions.

The gross carrying amount of the credit risk exposure increased by 3,56% to 20,607 bil. Eur (2019: 19,898 bil. Eur).

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The following table presents the reconciliation between the gross carrying amount and the carrying amount of the separate components of the credit risk exposure:

30.6.2020 EUR ths.	Gross carrying amount	Credit loss allowances				Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	
Cash and cash balances - other demand deposits	7 334	-	-	-	-	7 334
Financial assets at amortised cost	18 314 156	26 848	99 534	200 680	53 488	17 933 606
Loans and advances to banks	12 017	7	-	-	-	12 010
Loans and advances to customers	14 639 121	26 072	99 534	200 680	53 488	14 259 347
of which: Lending for house purchase	8 408 585	9 950	26 435	74 294	193	8 297 713
of which: Credit for consumption	1 693 463	7 238	23 594	91 591	172	1 570 868
of which: Corporate loans and others	4 537 073	8 884	49 505	34 795	53 123	4 390 766
Debt securities	3 663 018	769	-	-	-	3 662 249
Finance lease receivables	233 354	356	73	5 247	-	227 678
Trade and other receivables	81 057	221	5	3 476	-	77 355
Non-trading financial assets at fair value through profit or loss - 'Debt securities	14 563	-	-	-	-	14 563
Financial assets - held for trading	51 940	-	-	-	-	51 940
Positive fair value of derivatives	34 597	-	-	-	-	34 597
Total credit risk exposure on-balance	18 737 001	27 425	99 612	209 403	53 488	18 347 073
Off-balance	1 869 804	2 996	6 899	508	180	1 859 221
Total credit risk exposure	20 606 805	30 421	106 511	209 911	53 668	20 206 294

Allocation of credit loss allowances is affected by the moratoria of installments related to COVID-19. The Group allocated credit loss allowances for the customers with higher risk profile based on their ratings and in case of corporates, the industry was also used.

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31.12.2019 EUR ths.	Gross carrying amount	Credit loss allowances				Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	
Cash and cash balances - other demand deposits	10 224	-	-	-	-	10 224
Financial assets at amortised cost	17 665 884	34 706	36 177	212 655	53 150	17 329 196
Loans and advances to banks	54	-	-	-	-	54
Loans and advances to customers	14 128 981	34 321	36 177	212 655	53 150	13 792 678
of which: Lending for house purchase	8 071 860	12 229	10 343	80 259	308	7 968 721
of which: Credit for consumption	1 786 766	11 990	12 355	98 251	172	1 663 998
of which: Corporate loans and others	4 270 355	10 102	13 479	34 145	52 670	4 159 959
Debt securities	3 536 849	385	-	-	-	3 536 464
Finance lease receivables	217 757	253	6	4 307	-	213 191
Trade and other receivables	110 729	193	3	3 394	-	107 139
Non-trading financial assets at fair value through profit or loss - 'Debt securities	3 175	-	-	-	-	3 175
Financial assets - held for trading	41 423	-	-	-	-	41 423
Positive fair value of derivatives	23 020	-	-	-	-	23 020
Total credit risk exposure on-balance	18 072 212	35 152	36 186	220 356	53 150	17 727 368
Off-balance	1 825 291	3 365	1 718	957	170	1 819 081
Total credit risk exposure	19 897 503	38 517	37 904	221 313	53 320	19 546 449

Stage 1 and Stage 2 comprise not impaired credit risks while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) consists of credit risks already impaired when purchased or originated.

The defaulted part of POCI amounted to 113,377 mil. Eur, the non-defaulted part to 26,965 mil. Eur.

Adjustments include impairments for financial assets measured at amortised cost, provisions for off-balance sheet positions as well as changes to the carrying amount for financial assets at fair value through other comprehensive income.

On the next pages the credit risk exposure is presented according to the following criteria:

- industry and risk category;
- country of risk and financial instruments;
- impairment view;
- neither past due, not impaired;
- industry;
- Basel 3 exposure class and financial instrument.

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The following table presents credit risk exposure by industry and risk category:

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
30.6.2020					
Agriculture and forestry	66 504	58 904	59 535	28 674	213 617
Mining	78 325	163	354	21	78 863
Manufacturing	1 082 762	145 942	93 714	7 422	1 329 840
Energy and water supply	437 512	64 432	4 884	1 174	508 002
Construction	232 814	145 892	23 218	5 153	407 077
Development of building projects	339	10 184	35	8	10 566
Trade	483 776	219 813	47 919	23 093	774 601
Transport and communication	681 063	111 649	15 499	3 805	812 016
Hotels and restaurants	28 413	60 605	5 953	1 984	96 955
Financial and insurance services	394 734	2 265	28 196	115	425 310
Holding companies	34 381	433	8 443	-	43 257
Real estate and housing	628 306	610 554	47 738	105 395	1 391 993
Services	119 953	83 951	34 516	6 976	245 396
Public administration	3 604 328	1 335	285	-	3 605 948
Education, health and art	97 370	23 766	5 174	283	126 593
Private households	9 052 089	831 026	435 790	270 207	10 589 112
Other	16	357	1 109	-	1 482
Total	16 987 965	2 360 654	803 884	454 302	20 606 805

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EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2019					
Agriculture and forestry	108 677	63 972	24 068	26 106	222 823
Mining	73 608	281	2 243	21	76 153
Manufacturing	1 045 941	74 788	42 721	6 940	1 170 390
Energy and water supply	396 537	2 933	64 584	420	464 474
Construction	288 749	30 616	100 395	3 246	423 006
Development of building projects	375	45	34 007	8	34 435
Trade	578 972	125 205	27 004	23 068	754 249
Transport and communication	643 065	31 487	91 769	3 519	769 840
Hotels and restaurants	29 592	9 181	51 510	1 487	91 770
Financial and insurance services	460 090	1 868	10 127	286	472 371
Holding companies	99 683	4	24	157	99 868
Real estate and housing	575 254	18 603	601 778	106 145	1 301 780
Services	126 015	31 790	38 488	6 525	202 818
Public administration	3 488 389	7 023	57	-	3 495 469
Education, health and art	98 200	5 708	16 770	286	120 964
Private households	8 666 854	887 378	481 132	295 350	10 330 714
Other	208	32	442	-	682
Total	16 580 151	1 290 865	1 553 088	473 399	19 897 503

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The following table presents credit risk exposure by risk category:

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.6.2020					
Cash and cash balances - other demand deposits	7 334	-	-	-	7 334
Financial assets at amortised cost	15 324 752	1 899 228	702 584	387 592	18 314 156
Loans and advances to banks	12 013	4	-	-	12 017
Loans and advances to customers	11 649 721	1 899 224	702 584	387 592	14 639 121
of which: Lending for house purchase	7 394 410	577 583	282 593	153 999	8 408 585
of which: Credit for consumption	1 259 838	191 801	131 218	110 607	1 693 464
of which: Corporate loans and others	2 995 473	1 129 840	288 773	122 986	4 537 072
Debt securities	3 663 018	-	-	-	3 663 018
Finance lease receivables	173 341	36 401	11 902	11 709	233 353
Trade and other receivables	33 425	23 114	17 670	6 849	81 058
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	14 563	-	14 563
Derivatives - held for trading	45 041	5 235	1 663	1	51 940
Positive fair value of derivatives - hedge accounting	34 597	-	-	-	34 597
Total credit risk exposure on-balance	15 618 490	1 963 978	748 382	406 151	18 737 001
Off-balance	1 369 475	396 676	55 502	48 151	1 869 804
Total credit risk exposure	16 987 965	2 360 654	803 884	454 302	20 606 805

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EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2019					
Cash and cash balances - other demand deposits	10 224	-	-	-	10 224
Financial assets at amortised cost	14 738 886	1 149 292	1 367 554	410 153	17 665 885
Loans and advances to banks	52	3	-	-	55
Loans and advances to customers	11 285 754	1 149 289	1 283 785	410 153	14 128 981
of which: Lending for house purchase	7 006 258	593 559	302 275	169 768	8 071 860
of which: Credit for consumption	1 275 683	236 391	154 810	119 882	1 786 766
of which: Corporate loans and others	3 003 813	319 339	826 700	120 503	4 270 355
Debt securities	3 453 080	-	83 769	-	3 536 849
Finance lease receivables	181 283	20 649	5 710	10 115	217 757
Trade and other receivables	81 947	4 563	18 296	5 922	110 728
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	3 175	-	3 175
Derivatives - held for trading	35 589	261	5 572	1	41 423
Positive fair value of derivatives - hedge accounting	23 020	-	-	-	23 020
Total credit risk exposure on-balance	15 070 949	1 174 765	1 400 307	426 191	18 072 212
Off-balance	1 509 202	116 100	152 782	47 207	1 825 291
Total credit risk exposure	16 580 151	1 290 865	1 553 089	473 398	19 897 503

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The following table presents credit risk exposure by industry and IFRS9 stage:

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to stage assessment	Total credit risk exposure
30.6.2020						
Agriculture and forestry	136 815	46 808	27 872	1 010	1 112	213 617
Mining	57 957	1 982	21	-	18 903	78 863
Manufacturing	833 207	365 739	5 682	5 076	120 136	1 329 840
Energy and water supply	278 414	157 168	1 174	-	71 246	508 002
Construction	187 121	25 901	2 905	323	190 825	407 075
Development of building projects	5 846	4 712	8	-	-	10 566
Trade	549 409	141 046	19 115	6 903	58 128	774 601
Transport and communication	595 082	126 460	3 498	307	86 668	812 015
Hotels and restaurants	20 746	58 512	1 974	14 325	1 398	96 955
Financial and insurance services	297 877	23 733	115	-	103 584	425 309
Holding companies	28 460	8 127	-	-	6 671	43 258
Real estate and housing	1 100 490	178 659	733	104 663	7 449	1 391 994
Services	159 625	51 855	6 679	924	26 312	245 395
Public administration	3 604 781	568	-	-	600	3 605 949
Education, health and art	114 336	11 551	282	22	401	126 592
Private households	9 841 662	475 377	268 746	3 144	187	10 589 116
Other	378	24	-	-	1 080	1 482
Total	17 777 900	1 665 383	338 796	136 697	688 029	20 606 805

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EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to stage assessment	Total credit risk exposure
31.12.2019						
Agriculture and forestry	175 241	21 234	26 051	242	54	222 822
Mining	76 056	47	21	-	29	76 153
Manufacturing	1 123 003	39 500	5 338	1 649	900	1 170 390
Energy and water supply	325 024	110 982	420	-	28 049	464 475
Construction	408 994	6 704	2 924	4 075	307	423 004
Development of building projects	34 180	31	7	-	216	34 434
Trade	687 042	40 320	19 050	4 429	3 409	754 250
Transport and communication	753 455	11 211	3 208	311	1 655	769 840
Hotels and restaurants	72 802	2 414	1 477	14 325	753	91 771
Financial and insurance services	437 513	1 301	286	-	33 271	472 371
Holding companies	99 708	4	157	-	-	99 869
Real estate and housing	1 151 531	40 988	727	105 417	3 116	1 301 779
Services	188 040	7 439	6 419	750	172	202 820
Public administration	3 494 856	613	-	-	-	3 495 469
Education, health and art	118 975	1 628	285	23	52	120 963
Private households	9 806 828	226 825	293 625	3 392	44	10 330 714
Other	344	27	-	-	311	682
Total	18 819 704	511 233	359 831	134 613	72 122	19 897 503

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The following table presents credit risk exposure by region and financial instrument:

30.6.2020	Cash and cash balances - other demand deposits	Financial assets at amortised cost						Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers			Debt securities							
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others								
EUR ths.													
Slovakia	32	29	8 403 553	1 692 441	4 481 206	3 336 522	233 354	57 627	2 993	43 874	1 825 084	20 076 715	
Central and Eastern Europe	7 088	11 976	2 264	394	12 615	39 014	-	10 640	-	35 692	37 962	157 645	
Austria	6 055	8	231	51	2	-	-	1 483	-	35 661	9 577	53 068	
Czech Republic	448	11 968	1 428	228	12 601	39 014	-	6 849	-	31	27 474	100 041	
Hungary	567	-	53	18	10	-	-	1 571	-	-	901	3 120	
Croatia	10	-	109	39	-	-	-	215	-	-	2	375	
Romania	8	-	269	28	1	-	-	477	-	-	5	788	
Serbia	-	-	174	30	1	-	-	45	-	-	3	253	
Other EU	166	8	1 001	204	42 336	282 279	-	10 442	12	6 971	5 719	349 138	
Other industrialised countries	48	-	280	69	888	5 202	-	1 091	11 558	-	5	19 141	
Emerging markets	-	4	1 486	355	28	-	-	1 258	-	-	1 035	4 166	
Total	7 334	12 017	8 408 584	1 693 463	4 537 073	3 663 017	233 354	81 058	14 563	86 537	1 869 805	20 606 805	

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31.12.2019		Financial assets at amortised cost							Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.	Cash and cash balances - other demand deposits	Loans and advances to customers				Debt securities	Finance lease receivables	Trade and other receivables				
		Loans and advances to banks	of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Slovakia	-	29	8 066 677	1 785 642	4 195 427	3 215 229	217 757	74 428	3 163	35 861	1 766 177	19 360 390
Central and Eastern Europe	9 729	13	2 073	454	25 453	36 301	-	13 398	-	22 062	49 816	159 299
Austria	4 153	9	262	56	2	-	-	5 768	-	21 965	12 505	44 720
Czech Republic	254	1	1 243	263	25 446	36 301	-	5 084	-	97	34 344	103 033
Hungary	5 304	3	56	19	2	-	-	1 839	-	-	2 957	10 180
Croatia	13	-	109	36	-	-	-	159	-	-	2	319
Romania	5	-	226	46	1	-	-	497	-	-	6	781
Serbia	-	-	177	34	2	-	-	51	-	-	2	266
Other EU	318	10	1 200	246	44 550	280 242	-	19 867	13	6 520	8 231	361 197
Other industrialised countries	177	-	286	72	4 888	5 077	-	1 251	-	-	5	11 756
Emerging markets	-	3	1 625	354	38	-	-	1 778	-	-	1 063	4 861
Total	10 224	55	8 071 861	1 786 768	4 270 356	3 536 849	217 757	110 722	3 176	64 443	1 825 292	19 897 503

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The following table presents credit risk exposure according to impairment view:

30.6.2020	Non-impaired loans							Impaired loans	Total Credit risk exposure
	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
Cash and cash balances - other demand deposits	-	-	-	-	-	-	7 334	-	7 334
Financial assets at amortised cost	300 125	273 154	11 298	6 911	8 253	507	17 626 439	387 592	18 314 153
Loans and advances to banks	49	49	-	-	-	-	11 968	-	12 017
Loans and advances to customers	300 076	273 105	11 298	6 911	8 253	507	13 951 453	387 592	14 639 118
of which: Lending for house purchase	82 661	70 256	5 226	2 193	4 771	214	8 171 925	153 999	8 408 583
of which: Credit for consumption	52 393	46 906	2 564	1 624	1 195	104	1 530 463	110 607	1 693 462
of which: Corporate loans and others	165 022	155 943	3 508	3 094	2 287	189	4 249 065	122 986	4 537 073
Debt securities	-	-	-	-	-	-	3 663 018	-	3 663 018
Finance lease receivables	4 544	3 028	1 424	91	-	-	217 101	11 709	233 354
Trade and other receivables	8 775	7 535	1 225	15	-	-	65 434	6 849	81 058
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	14 563	-	14 563
Financial assets - held for trading	-	-	-	-	-	-	51 940	-	51 940
Positive fair value of derivatives	-	-	-	-	-	-	34 597	-	34 597
Total credit risk exposure on-balance	313 444	283 717	13 947	7 017	8 253	507	18 017 408	406 150	18 736 999
Off-balance	-	-	-	-	-	-	1 821 653	48 153	1 869 806
Total credit risk exposure	313 444	283 717	13 947	7 017	8 253	507	19 839 061	454 303	20 606 805

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31.12.2019	Non-impaired loans							Impaired loans	Total Credit risk exposure
	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
EUR ths.									
Cash and cash balances - other demand deposits	-	-	-	-	-	-	10 224	-	10 224
Financial assets at amortised cost	375 374	344 675	18 120	8 155	4 389	34	16 880 360	410 153	17 665 885
Loans and advances to banks	54	54	-	-	-	-	1	-	54
Loans and advances to customers	375 320	344 621	18 120	8 155	4 389	34	13 343 510	410 153	14 128 982
of which: Lending for house purchase	133 458	118 686	8 516	3 277	2 978	-	7 768 635	169 768	8 071 861
of which: Credit for consumption	75 734	66 022	5 242	3 479	991	-	1 591 150	119 882	1 786 766
of which: Corporate loans and others	166 128	159 913	4 362	1 399	420	34	3 983 725	120 503	4 270 355
Debt securities	-	-	-	-	-	-	3 536 849	-	3 536 849
Finance lease receivables	5 693	4 397	958	242	92	4	201 950	10 115	217 757
Trade and other receivables	11 719	9 589	1 423	236	470	-	93 087	5 922	110 728
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	3 175	-	3 175
Financial assets - held for trading	-	-	-	-	-	-	41 423	-	41 423
Positive fair value of derivatives	-	-	-	-	-	-	23 020	-	23 020
Total credit risk exposure on-balance	392 786	358 661	20 501	8 633	4 951	38	17 253 239	426 190	18 072 212
Off-balance	-	-	-	-	-	-	1 778 083	47 208	1 825 291
Total credit risk exposure	392 786	358 661	20 501	8 633	4 951	38	19 031 322	473 398	19 897 503

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The following table presents credit quality for exposures, which are neither past due nor impaired:

30.6.2020	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Low risk	7 334	11 968	7 387 019	1 256 277	2 931 440	3 663 018	172 616	29 288	-	79 638	1 369 475	16 908 073
Management attention	-	-	564 701	184 774	1 085 097	-	34 104	19 201	-	5 235	396 676	2 289 788
Substandard	-	-	220 205	89 413	232 528	-	10 381	16 945	14 563	1 663	55 501	641 199
Non-performing loans (NPE)	-	-	-	-	-	-	-	-	-	1	-	1
Total	7 334	11 968	8 171 925	1 530 464	4 249 065	3 663 018	217 101	65 434	14 563	86 537	1 821 652	19 839 061

31.12.2019	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Low risk	10 224	1	6 989 818	1 271 003	2 909 607	3 453 080	179 137	73 411	-	58 610	1 509 201	16 454 092
Management attention	-	-	571 392	225 504	296 950	-	17 960	2 211	-	261	116 100	1 230 378
Substandard	-	-	207 427	94 642	777 167	83 769	4 852	17 465	3 175	5 572	152 782	1 346 851
Non-performing loans (NPE)	-	-	-	-	-	-	-	-	-	1	-	1
Total	10 224	1	7 768 637	1 591 149	3 983 724	3 536 849	201 949	93 087	3 175	64 444	1 778 083	19 031 322

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The following table credit risk exposure by industry:

30.6.2020	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers	Debt securities						
Agriculture and forestry	-	-	165 137	-	28 811	248	-	39	19 381	213 616
Mining	-	-	52 931	-	314	358	-	19	25 240	78 862
Manufacturing	-	-	961 326	9 202	47 992	36 762	-	1 134	273 425	1 329 841
Energy and water supply	-	-	365 853	15 024	4 218	768	-	33 656	88 484	508 003
Construction	-	-	137 590	-	4 767	3 537	-	128	261 054	407 076
Development of building projects	-	-	10 210	-	-	23	-	-	333	10 566
Trade	-	-	519 849	-	16 068	31 978	-	335	206 371	774 601
Transport and communication	-	-	447 626	91 905	107 599	2 689	-	1 921	160 276	812 016
Hotels and restaurants	-	-	80 634	-	186	13	-	861	15 260	96 954
Financial and insurance services	7 334	12 017	87 618	205 272	74	2 313	3 005	42 732	64 944	425 309
Holding companies	-	-	36 153	-	-	325	-	-	6 780	43 258
Real estate and housing	-	-	1 149 337	-	7 096	245	-	4 139	231 178	1 391 995
Services	-	-	156 547	-	10 016	1 551	11 558	249	65 475	245 396
Public administration	-	-	243 017	3 341 615	507	-	-	-	20 809	3 605 948
Education, health and art	-	-	101 540	-	5 566	596	-	57	18 833	126 592
Private households	-	-	10 169 780	-	138	-	-	187	419 009	10 589 114
Other	-	-	336	-	-	-	-	1 080	66	1 482
Total Credit risk exposure	7 334	12 017	14 639 121	3 663 018	233 352	81 058	14 563	86 537	1 869 805	20 606 805

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31.12.2019	EUR ths.	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
			Loans and advances to banks	Loans and advances to customers	Debt securities						
Agriculture and forestry		-	-	170 964	-	30 779	659	-	54	20 367	222 823
Mining		-	-	54 027	-	335	225	-	29	21 536	76 152
Manufacturing		-	-	787 770	9 355	43 597	57 423	-	696	271 549	1 170 390
Energy and water supply		-	-	365 100	-	4 992	2 043	-	28 049	64 291	464 475
Construction		-	-	149 077	-	4 674	1 438	-	307	267 513	423 009
Development of building projects		-	-	31 144	-	-	20	-	216	3 054	34 434
Trade		-	-	504 453	-	16 552	34 538	-	393	198 313	754 249
Transport and communication		-	-	411 382	83 769	102 335	5 628	-	1 655	165 070	769 839
Hotels and restaurants		-	-	72 917	-	220	7	-	753	17 874	91 771
Financial and insurance services		10 224	54	88 562	220 133	82	5 668	3 175	28 813	115 658	472 369
Holding companies		-	-	32 423	15 153	-	446	-	-	51 846	99 868
Real estate and housing		-	-	1 113 965	-	896	383	-	3 116	183 419	1 301 779
Services		-	-	137 241	-	9 013	1 895	-	172	54 498	202 819
Public administration		-	-	243 811	3 223 591	521	-	-	-	27 545	3 495 468
Education, health and art		-	-	98 375	-	3 614	821	-	52	18 102	120 964
Private households		-	-	9 931 029	-	146	-	-	44	399 495	10 330 714
Other		-	-	313	-	-	-	-	311	58	682
Total Credit risk exposure		10 224	54	14 128 986	3 536 848	217 756	110 728	3 175	64 444	1 825 288	19 897 503

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The following table presents credit risk exposure by Basel 3 exposure class and financial instrument:

30.6.2020	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers	Debt securities						
EUR ths.										
Sovereigns	-	-	243 858	3 341 614	521	290	-	-	20 809	3 607 092
Institutions	7 334	12 017	-	194 920	-	1 145	-	42 632	51 114	309 162
Corporates	-	-	3 526 865	126 483	214 553	78 380	14 563	43 681	1 256 723	5 261 248
Retail	-	-	10 868 398	-	18 280	1 243	-	224	541 158	11 429 303
Total	7 334	12 017	14 639 121	3 663 017	233 354	81 058	14 563	86 537	1 869 804	20 606 805

31.12.2019	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers	Debt securities						
EUR ths.										
Sovereigns	-	-	245 084	3 223 591	541	391	-	-	27 513	3 497 120
Institutions	10 224	54	-	194 849	-	4 492	-	28 485	58 725	296 829
Corporates	-	-	3 264 818	118 408	194 067	104 940	3 175	35 914	1 218 337	4 939 659
Retail	-	-	10 619 080	-	23 149	905	-	44	520 717	11 163 895
Total	10 224	54	14 128 982	3 536 848	217 757	110 728	3 175	64 443	1 825 292	19 897 503

The assignment of obligors to Basel 3 exposure classes is based on legal regulations. For reasons of clarity, individual Basel 3 exposure classes are presented in aggregated form. The aggregated exposure class 'sovereigns' also contains regional and local governments as well as public sector entities in addition to central governments, central banks, international organisations and multinational development banks. Institutions include banks and recognised investment firms.

Concerning contingent liabilities the gross carrying amount refers to the nominal value, while credit risk provisions refer to provisions for guarantees. The net carrying amount is not presented in the case of contingent liabilities.

31. Fair values of financial assets and liabilities

Financial instruments measured at fair value

All financial instruments of this category are measured at fair value on a recurring basis.

In the Group the measurement of fair value is primarily based on external sources of data (stock market prices or broker quotes in highly liquid market segments). The financial instruments for which fair value is determined on the basis of quoted market prices are mainly listed securities, liquid OTC bonds and derivatives. During the reporting period there were no changes in the measurement of fair value of financial assets and financial liabilities. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in the Note 35.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

Level 1

The fair value of financial instruments assigned to Level 1 of the fair value hierarchy is determined based on quoted prices in active markets for identical financial assets and liabilities. More particular, the evaluated fair value can qualify as Level 1 if transactions occur with sufficient frequency, volume and pricing consistency on an ongoing basis. These include exchange traded derivatives (futures, options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as Level 2 of the fair value hierarchy. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters. These include OTC derivatives, less liquid shares, bonds and funds as well as asset backed securities (ABS), collateralized debt obligations (CDO) and own issues.

Level 3

In some cases, the fair value can be determined neither on the basis of sufficiently frequent quoted market prices nor of valuation models that rely entirely on observable market data. In these cases individual valuation parameters not observable in the market are estimated on the basis of reasonable assumptions. If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. For Level 3 valuations besides observable parameters typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. These include shares and funds not quoted, illiquid bonds as well as illiquid asset backed securities (ABS) and collateralized debt obligations (CDO).

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

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The methods used to determine fair values with respect to the levels of fair value hierarchy were as follows:

	Quoted market prices in active markets	Marked to model based on observable market data	Marked to model based on non-observable inputs	Total	Quoted market prices in active markets	Marked to model based on observable market data	Marked to model based on non-observable inputs	Total
EUR ths.	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	31.12.2019				30.06.2020			
Assets								
Financial assets - held for trading	-	41 423	-	41 423	-	51 940	-	51 940
Derivatives	-	41 423	-	41 423	-	51 940	-	51 940
Non-trading financial assets at fair value through profit or loss	-	-	19 632	19 632	-	-	30 852	30 852
Equity instruments	-	-	16 457	16 457	-	-	16 289	16 289
Debt securities	-	-	3 175	3 175	-	-	14 563	14 563
Financial assets at fair value through other comprehensive income	-	-	89 262	89 262	-	-	9 441	9 441
Equity instruments	-	-	89 262	89 262	-	-	9 441	9 441
Hedge accounting derivatives	-	23 020	-	23 020	-	34 597	-	34 597
Total assets	-	64 443	108 894	173 337	-	86 537	40 293	126 830
Liabilities								
Financial liabilities - held for trading	-	36 020	4 004	40 024	-	48 261	4 004	52 265
Derivatives	-	36 020	4 004	40 024	-	48 261	4 004	52 265
Hedge accounting derivatives	-	48 041	-	48 041	-	49 866	-	49 866
Total liabilities	-	84 061	4 004	88 065	-	98 127	4 004	102 131

Allocation of positions to the levels of fair value hierarchy and any changes between these levels are reflected at the end of the reporting period.

Changes in volumes of Level 1 and Level 2

There were no significant transfers between Level 1 and Level 2 of financial instruments measured at fair value on the balance sheet.

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Movements in Level 3

The development of fair value of the securities for which valuation models are based on non-observable inputs was as follows:

	01.01.2020	Gain/loss in profit or loss	Gain/loss in other compre- hensive income	Purchases	Sales	Settlements	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translation	30.06.2020
EUR ths.												
Assets												
Non-trading financial assets at fair value through profit or loss	19 632	(2 703)	-	13 923	-	-	-	-	-	-	-	30 852
Equity instruments	16 457	(168)	-	-	-	-	-	-	-	-	-	16 289
Debt securities	3 175	(2 535)	-	13 923	-	-	-	-	-	-	-	14 563
Financial assets at fair value through other comprehensive income	89 262	-	10 367	-	(76 265)	(13 923)	-	-	-	-	-	9 441
Equity instruments	89 262	-	10 367	-	(76 265)	(13 923)	-	-	-	-	-	9 441
Total assets	108 894	(2 703)	10 367	13 923	(76 265)	(13 923)	-	-	-	-	-	40 293
Liabilities												
Financial liabilities held for trading	4 004	-	-	-	-	-	-	-	-	-	-	4 004
Derivatives	4 004	-	-	-	-	-	-	-	-	-	-	4 004
Total liabilities	4 004	-	-	-	-	-	-	-	-	-	-	4 004

	01.01.2019	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Sales	Settlements	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translation	30.06.2019
EUR ths.												
Assets												
Non-trading financial assets at fair value through profit or loss	29 242	179	-	-	(500)	(10 090)	14 713	-	-	(10 096)	-	23 448
Equity instruments	5 620	-	-	-	-	-	14 713	-	-	-	-	20 333
Debt securities	23 622	179	-	-	(500)	(10 090)	-	-	-	(10 096)	-	3 115
Financial assets at fair value through other comprehensive income	56 395	-	21 640	-	-	-	-	-	-	-	35	78 070
Equity instruments	56 395	-	21 640	-	-	-	-	-	-	-	35	78 070
Total assets	85 637	179	21 640	-	(500)	(10 090)	14 713	-	-	(10 096)	35	101 518
Liabilities												
Financial liabilities held for trading	-	-	-	-	-	-	9 636	-	-	-	-	9 636
Derivatives	-	-	-	-	-	-	9 636	-	-	-	-	9 636
Total liabilities	-	-	-	-	-	-	9 636	-	-	-	-	9 636

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Gains or losses on Level 3 financial instruments held at the end of the reporting period, which are included in the income statement were as follows:

EUR ths.	2019	2020
Assets		
Non-trading financial assets at fair value through profit or loss	102	(2 703)
Equity instruments	-	(168)
Debt securities	102	(2 535)
Total assets	102	(2 703)
Total liabilities	-	-

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Fair value of financial instruments disclosed in the notes

The following table shows fair values of the financial instruments disclosed in the notes as at 30 June 2020 and 31 December 2019:

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets	31.12.2019					30.06.2020				
Cash and cash balances	501 441	501 441	501 441	-	-	754 596	754 596	754 596	-	-
Financial assets at amortised cost	17 329 196	17 796 677	2 848 142	1 128 346	13 820 188	17 933 606	19 392 943	2 973 538	1 140 196	15 279 209
Loans and advances to banks	54	54	-	-	54	12 010	12 007	-	-	12 007
Loans and advances to customers	13 792 678	13 786 999	-	-	13 786 999	14 259 347	15 233 511	-	-	15 233 511
of which: Lending for house purchase	7 968 721	7 966 527	-	-	7 966 527	8 297 728	9 032 286	-	-	9 032 286
of which: Credit for consumption	1 663 998	1 662 093	-	-	1 662 093	1 570 869	1 702 215	-	-	1 702 215
of which: Corporate loans and others	4 159 959	4 158 379	-	-	4 158 379	4 390 750	4 499 010	-	-	4 499 010
Debt securities	3 536 464	4 009 624	2 848 142	1 128 346	33 135	3 662 249	4 147 425	2 973 538	1 140 196	33 691
Finance lease receivables	213 191	210 555	-	-	210 555	227 678	229 357	-	-	229 357
Trade and other receivables	107 139	107 139	-	-	107 139	77 355	77 537	-	-	77 537
Liabilities										
Financial liabilities measured at amortised cost	16 770 901	17 022 762	501 678	1 516 307	15 004 777	17 403 033	17 461 300	507 897	1 551 450	15 401 953
Deposits from banks	263 287	260 981	-	-	260 981	801 440	810 649	-	-	810 649
Deposits from customers	14 392 424	14 610 470	-	-	14 610 470	14 358 469	14 386 941	-	-	14 386 941
Debt securities in issue	2 070 975	2 107 096	501 678	1 516 307	89 111	2 143 289	2 163 875	507 897	1 551 450	104 528
Other financial liabilities	44 215	44 215	-	-	44 215	99 835	99 835	-	-	99 835

Fair value of non-financial assets

The fair values of non-financial assets are determined by experts with recognised and relevant professional qualification.

32. Own funds and capital requirements

Regulatory scope of application

Hereby Slovenská sporiteľňa, a.s. fulfills the disclosure requirements according to the Capital Requirements Regulation issued by European Parliament and Council (EU) no.575/2013 (CRR) and Articles 437 (1) (a), (d), (e) and (f) CRR.

Regulatory requirements

Since 1 January 2014 the Group has been calculating the regulatory capital and the regulatory capital requirements according to Basel 3. The requirements were implemented within the EU by the Capital Requirements Regulation no. 575/2013 (CRR) and the Capital Requirement Directive no. 36/2013 (CRD IV) that were enacted in national law, as well as within various technical standards issued by the European Banking Authority (EBA).

All requirements as defined in the CRR and the aforementioned technical standards are fully applied by the Group for regulatory purposes and for the disclosure of regulatory information.

The Group fulfilled all regulatory capital requirements in the first half of 2020 and year 2019 consisting from Pillar 1 requirement, Pillar 2 requirement and combined buffer requirement.

Accounting principles

The financial and regulatory figures published by the Group are based on IFRS regulatory capital components. Eligible capital components derive from the balance sheet and income statement which were prepared in accordance with IFRS. Adjustments to the accounting figures are considered due to the different definitions in the scopes of consolidation for items where the regulatory treatment is not equal to the accounting requirements.

The unified reporting date of the consolidated financial statements and consolidated regulatory figures of the Group is 31 December of each respective year.

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Presentation of the scope of consolidation

The following table shows list of subsidiaries and associates, accounting treatment within the scope and classification according to CRR:

Entity Name	Sector	Relationship	Accounting treatment IFRS	Accounting treatment CRR scope	Classification
LANED a.s.	Non-financial corporations	subsidiary of Služby SLSP s.r.o.	fully consolidated	fully consolidated	Ancillary service undertaking
Realitná spoločnosť Slovenskej sporiteľne, a.s.	Non-financial corporations	subsidiary	fully consolidated	deconsolidated	Lízingová spoločnosť
Služby SLSP, s.r.o.	Other financial corporation	subsidiary	fully consolidated	fully consolidated	Financial institution
S Slovensko, spol. s r.o.	Other financial corporation	subsidiary	fully consolidated	fully consolidated	Financial institution
Prvá stavebná sporiteľňa, a.s.	Credit institutions	associated company	at equity method	at equity method	Credit institutions
Slovak Banking Credit Bureau, s.r.o.	Non-financial corporations	associated company	at equity method	at equity method	Procurement
Holding Card Service, s.r.o.	Other financial corporation	associated company	at equity method	at equity method	Financial institution
Procurement Services SK, s.r.o.	Non-financial corporations	subsidiary	fully consolidated	not consolidated according to article 19 CRR	Ancillary service undertaking
Social Financing SK, s.r.o.	Non-financial corporations	subsidiary	fully consolidated	not consolidated, not deducted	Other than Financial sector entity
Dostupný Domov j.s.a.	Non-financial corporations	associated company of Social Financing SK, s.r.o.	at equity method	not consolidated, not deducted	Other than Financial sector entity

As of 30 June 2020 the number of companies consolidated pursuant to IFRS was 10. As of 30 June 2020 the number of companies consolidated pursuant to regulatory capital requirements, except those entities which are covered by Art. 19 (1) and (2) CRR) was 6.

Three entities are part of the regulatory scope of consolidation consolidated at equity method which is equal to their treatment in the IFRS scope of consolidation. These entities are Prvá stavebná sporiteľňa, a.s. , Slovak Banking Credit Bureau, s.r.o., Holding Card Service, spol. s r. o.

In the first half of the year 2019 the Group acquired the entity S Slovensko, spol. s r. o., a new subsidiary of the Group. This investment is fully consolidated according to IFRS and CRR as well. In the first half year of 2020 there were no other changes within the fully consolidated entities within the regulatory scope of consolidation.

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Own funds

Own funds of an institution according to CRR consist of the sum of the Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital of the institution. To assess the capital adequacy, each Tier of the capital after applying all prudential filters and deductions is expressed as a percentage of the total risk exposure amount.

The following table shows the structure of own funds according to implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (the positions not relevant for the Group were excluded):

EUR ths.	Article pursuant to CRR	31.12.2019	30.6.2020
Common equity tier 1 capital (CET1)			
Capital instruments eligible as CET1	26 (1) (a) (b), 27 to 30, 36 (1) (f), 42	212 000	212 000
Own CET1 instruments	36 (1) (f), 42	-	-
Retained earnings	26 (1) (c), 26 (2)	1 013 040	1 156 059
Interim profit	26 (2)	-	-
Accumulated other comprehensive income	4 (1) (100), 26 (1) (d)	65 144	6 264
Minority interest recognised in CET1	4 (1) (120) 84	-	-
Transitional adjustments due to additional minority interests	479, 480	-	-
Prudential filter: cash flow hedge reserve	33 (1) (a)	-	-
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	33 (1) (b)	-	-
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	33 (1) (c), 33 (2)	117	117
Value adjustments due to the requirements for prudent valuation	34, 105	(3 105)	(2 126)
Goodwill	4 (1) (113), 36 (1) (b), 37	-	-
Other intangible assets	4 (1) (115), 36 (1) (b), 37 (a)	(23 755)	(18 125)
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	36 (1) (c), 38	(175)	(175)
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	(20 598)	-
Development of unaudited risk provisions during the year (EU No 183/2014)		(42 723)	(63 518)
Excess of deduction from AT1 items over AT1	36 (1) (j)	-	-
Common equity tier 1 capital (CET1)	50	1 199 945	1 290 496
Additional tier 1 capital (AT1)			
Capital instruments eligible as AT1	51 (a), 52 to 54, 56 (a), 57	150 000	300 000
Own AT1 instruments	52 (1) (b), 56 (a), 57	-	-
Instruments issued by subsidiaries that are given recognition in AT1	85, 86	-	-
Transitional adjustments due to grandfathered AT1 instruments	483 (4) (5), 484 to 487, 489, 491	-	-
AT1 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 56 (d), 59, 79	-	-
Excess of deduction from T2 items over T2	36 (1) (j)	-	-
Additional tier 1 capital (AT1)	61	150 000	300 000
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 349 945	1 590 496

Table continues on the following page

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continued		31.12.2019	30.6.2020
EUR ths.	Article pursuant to CRR		
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 349 945	1 590 496
Tier 2 capital (T2)			
Capital instruments and subordinated loans eligible as T2	62 (a), 63 to 65, 66 (a), 67	33 741	29 331
Own T2 instruments	63 (b) (i), 66 (a), 67	-	-
Instruments issued by subsidiaries recognised in T2	87, 88	-	-
Transitional adjustments due to additional recognition in T2 of instruments issued by subsidiaries	480	-	-
Transitional adjustments due to grandfathered T2 instruments and subordinated loans	483 (6) (7), 484, 486, 488, 490, 491	-	-
IRB excess of provisions over expected losses eligible	62 (d)	42 337	41 440
Standardised approach general credit risk adjustments	62 (c)	-	-
Other transitional adjustments to T2	476, 477, 478, 481	-	-
T2 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 66 (d), 68, 69, 79	(5 255)	(5 249)
Tier 2 capital (T2)	71	70 823	65 522
Total own funds	4 (1) (118) and 72	1 420 768	1 656 017
Capital requirement	92 (3), 95, 96, 98	657 705	643 054
CET1 capital ratio	92 (2) (a)	14.60%	16.05%
Tier 1 capital ratio	92 (2) (b)	16.42%	19.79%
Total capital ratio	92 (2) (c)	17.28%	20.60%

The Following table shows risk exposure amounts reflecting the structure according to Regulation (EU) No 575/2013:

		31.12.2019		30.6.2020	
EUR ths.	Article pursuant to CRR	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	92 (3), 95, 96, 98	8 221 309	657 705	8 038 171	643 054
Risk weighted assets (credit risk)	92 (3) (a) (f)	7 302 603	584 208	7 116 229	569 298
Standardised approach		246 454	19 716	209 574	16 766
IRB approach		7 056 149	564 492	6 906 655	552 532
Settlement Risk	92 (3) (c) (ii), 92 (4) (b)	-	-	-	-
Trading book, foreign FX risk and commodity risk	92 (3) (b) (i) and (c) (i) and (iii), 92 (4) (b)	984	79	1 109	89
Operational Risk	92 (3) (e), 92 (4) (b)	892 201	71 376	893 673	71 494
Exposure for CVA	92 (3) (d)	25 521	2 042	27 160	2 173
Other exposure amounts incl. Basel 1 floor	3, 458, 459, 500	-	-	-	-

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Balance sheet reconciliation*Disclosure requirements: Art. 437 (1) (a) CRR*

The table below represents the difference between the financial scope of consolidation and the regulatory scope of consolidation as at 30 June 2020:

EUR ths.	IFRS	Effects - scope of consolidation	CRR
Assets			
Cash and cash balances	754 596	(32)	754 564
Financial assets held for trading	51 940	-	51 940
Derivatives	51 940	-	51 940
Non-trading financial assets at fair value through profit or loss	30 852	-	30 852
Equity instruments	16 289	-	16 289
Debt securities	14 563	-	14 563
Financial assets at fair value through other comprehensive income	9 441	-	9 441
Equity investments	9 441	-	9 441
Financial assets at amortised cost	17 933 606	-	17 933 606
thereof pledged as collateral	2 946 740	-	2 946 740
Debt securities	3 662 249	-	3 662 249
Loans and advances to banks	12 010	-	12 010
Loans and advances to customers	14 259 347	-	14 259 347
Finance lease receivables	227 678	-	227 678
Hedge accounting derivatives	34 597	-	34 597
Property and equipment	147 430	-	147 430
Investment property	1 717	-	1 717
Intangible assets	18 125	-	18 125
Investments in joint ventures and associates	35 462	373	35 835
Current tax assets	260	-	260
Deferred tax assets	69 628	(34)	69 595
Trade and other receivables	77 355	(75)	77 280
Other assets	10 446	(1)	10 445
Total assets	19 403 133	231	19 403 365
Liabilities and equity			
Financial liabilities held for trading	52 265	-	52 265
Derivatives	52 265	-	52 265
Financial liabilities measured at amortised cost	17 403 033	178	17 403 211
Deposits from banks	801 440	-	801 440
Deposits from customers	14 358 469	178	14 358 647
Debt securities in issue	2 143 289	-	2 143 289
Other financial liabilities	99 835	-	99 835
Lease liabilities	18 520	-	18 520
Hedge accounting derivatives	49 866	-	49 866
Provisions	21 947	-	21 947
Current tax liabilities	11 958	-	11 958
Other liabilities	122 400	(150)	122 249
Total liabilities	17 679 989	28	17 680 016
Equity attributable to non-controlling interests	37	(37)	-
Equity attributable to owners of the parent	1 723 107	240	1 723 348
Subscribed capital	212 000	-	212 000
Additional equity instruments	300 000	-	300 000
Retained earnings and other reserves	1 211 107	240	1 211 348
Total equity	1 723 144	203	1 723 348
Total liabilities and equity	19 403 133	231	19 403 364

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The table below represents the difference between the financial scope of consolidation and the regulatory scope of consolidation as at 31 December 2019:

EUR ths.	IFRS	Effects - scope of consolidation	CRR
Assets			
Cash and cash balances	501 441	-	501 441
Financial assets held for trading	41 423	-	41 423
Derivatives	41 423	-	41 423
Non-trading financial assets at fair value through profit or loss	19 633	-	19 633
Equity instruments	16 458	-	16 458
Debt securities	3 175	-	3 175
Financial assets at fair value through other comprehensive income	89 262	-	89 262
Equity investments	89 262	-	89 262
Financial assets at amortised cost	17 329 197	-	17 329 197
thereof pledged as collateral	2 276 299	-	2 276 299
Debt securities	3 536 464	-	3 536 464
Loans and advances to banks	54	-	54
Loans and advances to customers	13 792 678	-	13 792 678
Finance lease receivables	213 191	-	213 191
Hedge accounting derivatives	23 020	-	23 020
Property and equipment	156 097	-	156 097
Investment property	1 828	-	1 828
Intangible assets	23 755	-	23 755
Investments in joint ventures and associates	33 455	278	33 733
Current tax assets	786	(23)	763
Deferred tax assets	44 727	(38)	44 689
Trade and other receivables	107 139	(88)	107 051
Other assets	34 070	(25)	34 045
Total assets	18 619 024	104	18 619 128
Liabilities and equity			
Financial liabilities held for trading	40 024	-	40 024
Derivatives	40 024	-	40 024
Financial liabilities measured at amortised cost	16 770 901	188	16 771 089
Deposits from banks	263 287	-	263 287
Deposits from customers	14 392 424	188	14 392 612
Debt securities in issue	2 070 975	-	2 070 975
Other financial liabilities	44 215	-	44 215
Hedge accounting derivatives	48 041	-	48 041
Provisions	17 514	-	17 514
Current tax liabilities	2 076	-	2 076
Other liabilities	102 140	(276)	101 863
Total liabilities	16 999 080	(88)	16 998 992
Equity attributable to non-controlling interests	30	(30)	-
Equity attributable to owners of the parent	1 619 913	223	1 620 136
Subscribed capital	212 000	-	212 000
Additional equity instruments	150 000	-	150 000
Retained earning and other reserves	1 257 913	223	1 258 136
Total equity	1 619 944	193	1 620 136
Total liabilities and equity	18 619 023	105	18 619 128

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Total equity

The following table shows equity items according to IFRS and CRR scope of consolidation and how they are affecting regulatory own funds.

Total equity as at 30 June 2020:

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
30.6.2020						
Subscribed capital		212 000	-	212 000	-	212 000
Capital reserve		118 899	-	118 899	-	118 899
AT1 capital instruments and the related share premium accounts	a	300 000	-	300 000	-	300 000
Retained earnings	b	1 056 451	194	1 056 645	(19 485)	1 037 160
Other comprehensive income (OCI)	c	6 235	29	6 264	-	6 264
Fair value reserve	h	7 455	-	7 455	-	7 455
Currency translation		(329)	29	(300)	-	(300)
Remeasurement of net liability of defined pension plans		(891)	-	(891)	-	(891)
Profit or loss attributable to equity holders of the parent		29 522	18	29 539	(29 539)	-
Equity attributable to the owners of the parent		1 723 107	240	1 723 348	(49 024)	1 674 323
Equity attributable to non-controlling interests	d	37	(37)	-	-	-
Total equity		1 723 144	203	1 723 348	(49 024)	1 674 323

Total equity as at 31 December 2019:

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
31.12.2019						
Subscribed capital		212 000	-	212 000	-	212 000
Capital reserve		118 899	-	118 899	-	118 899
AT1 capital instruments and the related share premium accounts	a	150 000	-	150 000	-	150 000
Retained earnings	b	893 959	182	894 141	-	894 141
Other comprehensive income (OCI)	c	65 115	29	65 144	-	65 145
Cash flow hedge reserve	g	-	-	-	-	-
Available for sale reserve		83 497	-	83 497	-	83 497
unrealized gains according to Art. 35 CRR	h	83 497	-	83 497	-	83 497
unrealized losses according to Art. 35 CRR		-	-	-	-	-
other		-	-	-	-	-
Currency translation		44	29	73	-	73
Remeasurement of net liability of defined pension plans		(1 128)	-	(1 128)	-	(1 128)
Deferred tax		(17 297)	-	(17 297)	-	(17 297)
Profit or loss attributable to equity holders of the parent		179 940	12	179 952	(179 952)	-
Other		-	-	-	-	-
Equity attributable to the owners of the parent		1 619 913	223	1 620 136	(179 952)	1 440 185
Equity attributable to non-controlling interests	d	30	(30)	-	-	-
Total equity		1 619 943	193	1 620 136	(179 952)	1 440 185

Further details regarding the development of IFRS equity are disclosed under "Group Statement of Changes in Total Equity".

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Intangible assets

The following tables show intangible assets and amount of deduction of regulatory own funds:

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
30.6.2020						
Intangible assets	e	18 125	-	18 125	-	18 125

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
31.12.2019						
Intangible assets	e	23 755	-	23 755	-	23 755
deductible from CET1 acc. to transitional provisions	-	-	-	-	-	-
deductible from AT1 acc. to transitional provisions	-	-	-	-	-	-
Intangible assets	e	23 755	-	23 755	-	23 755

Deferred taxes

The following table shows deferred taxes according to IFRS and CRR scope of consolidation.

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR / Own funds	Regulatory adjustments	Own funds
30.6.2020						
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	f	175	-	175	-	175
Deferred tax assets that rely on future profitability and arise from temporary differences		69 454	(34)	69 420	-	69 420
Deferred tax assets		69 628	(34)	69 595	-	69 595

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR / Own funds	Regulatory adjustments	Own funds
31.12.2019						
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	f	175	-	175	-	175
related DTA allocated on or after Jan 14 for which 100% deduction is required according to CRR transitional provisions		-	-	-	-	-
related DTA allocated before Jan 14 for which 0% deduction from CET1 is required according to CRR transitional provisions		-	-	-	-	-
Deferred tax assets that rely on future profitability and arise from temporary differences		44 553	(38)	44 514	-	44 514
Deferred tax assets		44 727	(38)	44 689	-	44 689

Based on the threshold definition according to Article 48 CRR deferred tax assets that rely on future profitability and arise from temporary differences are not deductible for the Group at the year end 2019. In accordance with Article 48 (4) CRR the non-deductible amount is risk weighted with 250% and considered within the credit risk.

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Subordinated liabilities

The following table shows subordinated liabilities according to IFRS and CRR scope of consolidation:

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
30.6.2020						
Tier 2 capital instruments (including related share premium) issued by the parent company	k	76 851	-	76 851	(47 520)	29 331
Subordinated liabilities		76 851	-	76 851	(47 520)	29 331

EUR ths.	Own funds disclosure table - reference	IFRS	Effects - scope of consolidation	CRR	Regulatory adjustments	Own funds
31.12.2019						
Subordinated issues and deposits and supplementary capital		75 366	-	75 366	(41 625)	33 741
Tier 2 capital instruments (including related share premium) issued by the parent company	k	75 366	-	75 366	(41 625)	33 741
Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third party	l	-	-	-	-	-
instruments issued by subsidiaries	m	-	-	-	-	-
Hybrid issues		-	-	-	-	-
Subordinated liabilities		75 366	-	75 366	(41 625)	33 741

Transitional provisions

The Transitional Provisions are not applied by the Group.

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Own funds template

Disclosure requirements: Art. 437 (1) (d) (e) CRR

The Group does not consider Art. 437 (1) (f) CRR for the calculation of own funds

The table below presents the composition of the regulatory capital based on the Implementing Technical Standards on the disclosure of own funds published in the Official Journal of the EU. There are no transitional provisions that would affect the calculation of the own funds. The table is presenting own funds according to Basel 3 fully loaded regime.

The following table shows Own funds disclosure template according to Article 5 in Commission implementing regulation (EU) No 1423/2013:

EUR ths.	REFERENCE TO RECONCILIATION TABLES	31.12.2019	30.6.2020
Common equity tier 1 (CET1) capital: instruments and reserves			
1 Common equity tier 1 (CET1) capital: instruments and reserves	a	212 000	212 000
thereof ordinary shares	a	212 000	212 000
2 Retained earnings	b	1 013 040	1 156 059
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	c	65 144	6 264
3a Fund for general banking risk		-	-
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		-	-
Public sector capital injections grandfathered until Jan 18		-	-
5 Minority interests (amount allowed in consolidated CET1)	d	-	-
5a Independently reviewed interim profits net of any foreseeable charge or dividend		-	-
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments		1 290 184	1 374 323

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2019	30.6.2020
EUR ths.			
Common Equity Tier 1 (CET1) capital before regulatory adjustments			
7 Additional value adjustments (negative amount)		(3 105)	(2 126)
8 Intangible assets (net of related tax liability) (negative amount)	e	(23 755)	(18 125)
9 Empty Set in the EU		-	-
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	f	(175)	(175)
11 Fair value reserves related to gains or losses on cash flow hedges	g	-	-
12 Negative amounts resulting from the calculation of expected loss amounts		(20 598)	-
13 Any increase in equity that results from securitised assets (negative amount)		-	-
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		116	116
15 Defined-benefit pension fund assets (negative amount)		-	-
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		-	-
17 Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
18 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
20 Empty Set in the EU		-	-
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		-	-
20b of which: qualifying holdings outside the financial sector (negative amount)		-	-
20c of which: securitisation positions (negative amount)		-	-
20d of which: free deliveries (negative amount)		-	-
21 Deferred tax assets arising from temporary differences (amount above 10 % threshold , net of related tax liability where the conditions in 38 (3) are met) (negative amount)		-	-
22 Amount exceeding the 15% threshold (negative amount)		-	-
23 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		-	-
24 Empty Set in the EU		-	-
25 of which: deferred tax assets arising from temporary differences		-	-
25a Losses for the current financial year (negative amount)		-	-
25b Foreseeable tax charges relating to CET1 items (negative amount)		-	-
26 Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment		-	-
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		-	-
unrealised loss		-	-
unrealised gain		-	-
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR		-	-
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		-	-
CET1 other deductions		(42 723)	(63 518)
28 Total regulatory adjustments to Common equity Tier 1 (CET1)		(90 239)	(83 828)
29 Common Equity Tier 1 (CET1) capital		1 199 945	1 290 495

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2019	30.6.2020
EUR ths.			
Additional Tier 1 (AT1) capital: instruments			
30 Capital instruments and the related share premium accounts	i	150 000	300 000
31 of which: classified as equity under applicable accounting standards		150 000	300 000
32 of which: classified as liabilities under applicable accounting standards		-	-
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	i	-	-
Public sector capital injections grandfathered until 1 January 2019		-	-
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties		-	-
35 of which: instruments issued by subsidiaries subject to phase out		-	-
36 Additional Tier 1 (AT1) capital before regulatory adjustments	i	150 000	300 000
Additional Tier 1 (AT1) capital: regulatory adjustments			
37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	i	-	-
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
39 Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
40 Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)		-	-
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie. CRR residual amounts)		-	-
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		-	-
41b Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc		-	-
41c Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR		-	-
Of which: ... possible filter for unrealised losses		-	-
Of which: ... possible filter for unrealised gains		-	-
Of which: ...		-	-
42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		-	-
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital		-	-
44 Additional Tier 1 (AT1) capital		150 000	300 000
45 Tier 1 capital (T1 = CET1 + AT1)		1 349 945	1 590 495

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2019	30.6.2020
EUR ths.			
Tier 2 (T2) capital: Instruments and provisions			
46 Capital instruments and the related share premium accounts	l	33 741	29 331
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		-	-
Public sector capital injections grandfathered until 1 January 2019		-	-
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	m	-	-
49 of which: instruments issued by subsidiaries subject to phase out		-	-
50 Credit risk adjustments		42 337	41 440
51 Tier 2 (T2) capital before regulatory adjustments		76 078	70 771
Tier 2 (T2) capital: regulatory adjustments			
52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	l	-	-
53 Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
54 Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		-	-
54a Of which new holdings not subject to transitional arrangements		-	-
54b Of which holdings existing before 1 January 2013 and subject to transitional arrangements		-	-
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		(5 255)	(5 249)
56 Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		-	-
56a Residual amounts deducted from T2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		-	-
56b Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc		-	-
56c Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR		-	-
Of which: ... possible filter for unrealised losses		-	-
Of which: ... possible filter for unrealised gains		-	-
Of which: ...		-	-
57 Total regulatory adjustments to Tier 2 (T2) capital		(5 255)	(5 249)
58 Tier 2 (T2) capital		70 823	65 522
59 Total capital (TC = T1 + T2)		1 420 768	1 656 017

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EUR ths.			
59a Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		-	-
Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		-	-
Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)		-	-
Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		-	-
60 Total risk-weighted assets		8 221 309	8 038 171
Capital ratios and buffers			
61 Common Equity Tier 1 (as a percentage of risk exposure amount)		14.6%	16.1%
62 Tier 1 (as a percentage of total risk exposure amount)		16.4%	19.8%
63 Total capital (as a percentage of total risk exposure amount)		17.3%	20.6%
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		5.9%	6.0%
65 of which: capital conservation buffer requirement		2.5%	2.5%
66 of which: countercyclical buffer requirement		1.4%	1.5%
67 of which: systemic risk buffer requirement		1.0%	1.0%
67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		1.0%	1.0%
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		10.1%	11.6%
69 [non-relevant in EU regulation]		-	-
70 [non-relevant in EU regulation]		-	-
71 [non-relevant in EU regulation]		-	-
Capital ratios and buffers			
72 Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		-	-
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		-	-
74 Empty Set in the EU		-	-
75 Deferred tax assets arising from temporary differences (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)		44 514	69 420

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EUR ths.			
Applicable caps on the inclusion of provisions in Tier 2			
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		-	-
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach		-	-
78 Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)		45 940	73 936
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		42 337	41 440
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80 Current cap on CET1 instruments subject to phase-out arrangements		-	-
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		-	-
82 Current cap on AT1 instruments subject to phase out arrangements		-	-
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		-	-
84 Current cap on T2 instruments subject to phase out arrangements		-	-
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		-	-

Slovenská sporiteľňa, a.s.

Interim consolidated financial statements

prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting
for the accounting period ended 30 June 2020

33. Events after the reporting period

Since 30 June 2020 up to the date of issue of these interim consolidated financial statements there were no events identified that would require adjustments or disclosure.

These interim consolidated financial statements were signed and authorised for issue by the Board of Directors of the Bank on 28 July 2020.

Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer

Ing. Pavel Cetkovský

Member of the Board of Directors
and Deputy of Chief Executive Officer