

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 2021**

(Translated version, original version in Slovak)

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Consolidated statement of profit or loss

for the period ended 30 June 2021

EUR ths.	Notes	2020	2021
Net interest income	1	217 276	217 833
Interest income		224 592	208 963
Other similar income		8 951	24 741
Interest expense		(11 580)	(9 365)
Other similar expense		(4 687)	(6 506)
Net fee and commission income	2	67 949	79 471
Fee and commission income		79 698	89 546
Fee and commission expense		(11 749)	(10 075)
Dividend income	3	601	532
Net trading result	4	3 692	3 866
Gains/losses from financial instruments measured at fair value through profit or loss	5	(2 770)	63
Net result from equity method investments		527	952
Rental income from investment properties & other operating leases	6	159	150
Personnel expenses	7	(77 348)	(75 619)
Other administrative expenses	7	(47 237)	(55 606)
Depreciation and amortisation	7	(19 997)	(16 652)
Gains/losses from derecognition of financial assets measured at amortised cost		-	1
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(5)	(300)
Impairment result from financial instruments	8	(63 518)	(25 959)
Other operating result	9	(39 998)	(8 122)
<i>thereof Levies on banking activities</i>		(37 751)	(4 665)
Pre-tax profit from continuing operations		39 331	120 610
Taxes on income	10	(9 802)	(29 453)
Net result for the period		29 529	91 157
Net result attributable to non-controlling interests		7	29
Net result attributable to owners of the parent		29 522	91 128

Earnings per share

		2020	2021
Net result attributable to owners of the parent	EUR ths.	29 522	91 128
Number of outstanding shares	pcs.	212 000	212 000
Earnings per share	EUR	139	430

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

The notes on pages 8 to 88 are an integral part of these consolidated financial statements.

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Interim consolidated financial statements

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for the accounting period ended 30 June 2021**Consolidated statement of comprehensive income**

for the period ended 30 June 2021

EUR ths.	2020	2021
Net result for the period	29 529	91 157
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	10 504	(11)
Deferred taxes relating to items that may not be reclassified	(2 206)	3
Total	8 298	(8)
Items that may be reclassified to profit or loss		
Currency translation	(373)	600
Total	(373)	600
Total other comprehensive income	7 925	592
Total comprehensive income	37 454	91 749
Total comprehensive income attributable to non-controlling interests	7	29
Total comprehensive income attributable to owners of the parent	37 447	91 720

The notes on pages 8 to 88 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 30 June 2021

EUR ths.	Notes	31.12.2020	30.06.2021
Assets			
Cash and cash balances	11	1 717 486	3 707 306
Financial assets held for trading	12	59 994	51 644
Derivatives		59 994	51 644
Non-trading financial assets at fair value through profit or loss	13	15 287	15 587
Equity instruments		7 547	7 155
Debt securities		7 740	8 432
Financial assets at amortised cost	14	18 258 897	18 466 447
<i>thereof pledged as collateral</i>		3 540 330	4 523 537
Debt securities		3 679 704	3 803 659
Loans and advances to banks		49	12 737
Loans and advances to customers		14 579 144	14 650 051
Finance lease receivables	15	241 012	225 423
Hedge accounting derivatives	16	34 345	27 296
Property and equipment, right-of-use assets		150 155	142 321
Investment property		1 898	1 655
Intangible assets		18 947	16 699
Investments in subsidiaries and associates	18	27 773	28 908
Current tax assets		8	-
Deferred tax assets		76 980	75 975
Trade and other receivables	17	81 774	106 702
Other assets	19	21 738	41 319
Total assets		20 706 294	22 907 282
Liabilities and Equity			
Financial liabilities held for trading	12	56 524	49 393
Derivatives		56 524	49 393
Financial liabilities at amortised cost	20	18 653 506	20 835 180
Deposits from banks		1 710 255	2 973 738
Deposits from customers		14 869 015	15 636 714
Debt securities issued		2 051 731	2 099 900
Other financial liabilities		22 505	124 828
Lease liabilities		20 577	19 381
Hedge accounting derivatives	16	48 373	38 408
Provisions	21	31 836	34 830
Current tax liabilities		22 600	768
Other liabilities	22	80 584	92 886
Total liabilities		18 914 000	21 070 846
Equity attributable to non-controlling interests		29	59
Equity attributable to owners of the parent	23	1 792 265	1 836 377
Subscribed capital		212 000	212 000
Additional paid-in capital		300 000	300 000
Retained earning and other reserves		1 280 265	1 324 377
Total equity		1 792 294	1 836 436
Total liabilities and equity		20 706 294	22 907 282

The notes on pages 8 to 88 are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity

for the period ended 30 June 2021

	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 1.1.2020	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)
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 from remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
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
As of 1.1.2021	212 000	300 000	79 795	39 104	1 163 255	(3)	(194)	(1 692)	1 792 265	29	1 792 294
Dividends paid / Distribution for Investment certificate	-	-	-	-	(47 199)	-	-	-	(47 199)	-	(47 199)
Reclassification from OCI to RE	-	-	-	-	2	(2)	-	-	-	-	-
Other changes	-	-	-	-	(408)	-	-	-	(408)	-	(408)
Total comprehensive income	-	-	-	-	91 128	(8)	600	-	91 720	29	91 749
Net result for the period	-	-	-	-	91 128	-	-	-	91 128	29	91 157
Other comprehensive income	-	-	-	-	-	(8)	600	-	592	-	592
Change from remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Change in fair value reserve	-	-	-	-	-	(8)	-	-	(8)	-	(8)
Change in currency translation reserve	-	-	-	-	-	-	600	-	600	-	600
As of 30.06.2021	212 000	300 000	79 795	39 104	1 206 778	(13)	406	(1 692)	1 836 378	58	1 836 436

The notes on pages 8 to 88 are an integral part of these interim separate financial statements.

Consolidated statement of cash flows

for the period ended 30 June 2021

EUR ths.	2020	2021
Profit before income taxes	39 331	120 611
Non-cash adjustments for:		
Loss allowances for loans and advances, Provisions for off-balance sheet	63 518	25 945
Provisions for liabilities and other liabilities	(10 400)	(7 817)
Impairment of tangible and intangible assets net	(2 460)	(79)
Depreciation and amortization	19 997	16 652
Profit/(loss) on disposal of fixed assets	1 410	(88)
Gains/(losses) from measurement and derecognition of financial assets and financial liabilities	169	(112)
Accrued interest, amortisation of discount and premium	36 488	38 015
Transfer of dividends received to investing activities	(601)	(532)
Cash flows from operations before changes in operating assets and liabilities	147 452	192 595
(Increase)/decrease in operating assets:		
Minimum reserve deposits with the central bank	(274 151)	(2 009 041)
Financial assets held for trading	(10 517)	8 350
Non-trading financial assets at fair value through profit or loss	(11 388)	(35)
Equity instruments	-	504
Debt securities	(11 388)	(539)
Financial assets at fair value through other comprehensive income	5 260	-
Financial assets at amortised cost	(691 451)	(286 937)
Debt securities	(157 841)	(154 404)
Loans and advances to banks	(11 956)	(12 658)
Loans and advances to customers	(521 654)	(119 875)
Finance lease receivables	(14 487)	15 589
Hedge accounting derivatives	(11 577)	7 049
Trade and other receivables	29 784	(24 928)
Other assets from operating activities	24 150	(19 574)
Increase / (decrease) in operating liabilities:		
Financial liabilities held for trading	12 241	(7 131)
Financial liabilities measured at amortised cost	561 056	2 133 990
Deposits from banks	538 153	1 263 483
Deposits from customers	(32 717)	768 184
Other financial liabilities	55 620	102 323
Hedge accounting derivatives	1 825	(9 965)
Provisions	4 375	10 825
Other liabilities from operating activities	47 017	9 877
Net cash flows provided by / (used in) operating activities before income tax	(180 411)	20 664

Table continues on the following page.

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EUR ths.	2020	2021
Net cash flows provided by / (used in) operating activities before income tax	(180 411)	20 664
Income taxes paid	(25 568)	(47 870)
Net cash flows provided by / (used in) operating activities	(205 979)	(27 206)
Cash flows from investing activities		
Dividends received from subsidiaries, associates and other investments	601	532
Proceeds from sale of investments	66 805	-
Purchase of intangible assets, property and equipment	(6 955)	(6 486)
Proceeds from sale of intangible assets, property and equipment	2 418	343
Net cash flows provided by / (used in) investing activities	62 869	(5 611)
Cash flows from financing activities		
Dividends paid	(84 126)	(47 199)
AT1 certificate - issue	150 000	-
Issue of subordinated debt	30 000	-
Issue of the bonds	45 964	201 093
Repayment of the bonds	(14 948)	(137 178)
Lease liabilities	(3 611)	(3 601)
Net cash flows provided by / (used in) financing activities	123 279	13 115
Effect of foreign exchange rate changes on cash and cash equivalents	(1 165)	481
Net increase / (decrease) in cash and cash equivalents	(20 996)	(19 221)
Cash and cash equivalents at beginning of period	413 554	363 352
Cash and cash equivalents at end of period	392 558	344 131
Operational cash flows from interest and dividends (included in cash flow from operating activities)	224 392	239 694
Income taxes paid	(25 568)	(47 870)
Interest paid	(1 348)	22 065
Interest received	250 707	264 967
Dividends received	601	532

Cash and cash equivalents are equal to cash in hand, cash balances at central banks and other demand deposits.

The notes on pages 8 to 88 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 of 30 June 2021, DIE ERSTE oesterreichische Spar-Casse Privatstiftung ('ERSTE Foundation'), a foundation, holds together with its partners in shareholder agreements the share in Erste Group Bank AG and represents the main shareholder. Besides the direct holding of ERSTE Foundation, the indirect participation of the ERSTE Foundation is held by Sparkassen Beteiligungs GmbH & Co KG, which is an affiliated company of the ERSTE Foundation, and also by Austrian savings banks and their foundations acting together with the ERSTE Foundation and affiliated with Erste Group Bank AG through the Haftungsverbund. Further part of the subscribed capital is held by the ERSTE Foundation on the basis of a shareholder agreement with CaixaBank S.A. and residual share represents minority direct holdings held by other partners to other shareholder agreements.

The Board of Directors of the Bank had five members as at 30 June 2021:

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

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 Bank had six members as at 30 June 2021:

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

The Bank 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 interim consolidated financial statements are statements of the Bank and its subsidiaries and associates (the Group) that are disclosed in note 18.

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 for the period ended 30 June 2021 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 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 2020 were signed and authorised for issue by the Board of Directors of the Bank on 16 February 2021 and are available at its registered office or on the web page.

b) Basis of preparation

These interim consolidated financial statements have been approved by the Board of Director of the Bank and will be submitted for approval to the Supervisory Board and the General Assembly. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2020, which were signed and authorised for issue by the Board of Directors of the Bank on 16 February 2021 and are available at its registered office or on the web page.

The Group's consolidated financial statements for the prior period (the year ended 31 December 2020) were signed and authorised for issue on 16 February 2021.

The Bank holds controlling interests in the subsidiaries and significant influence in the associates described in note 19. In these consolidated financial statements the subsidiaries and associates are recognised at cost, less any impairment losses.

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

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.

These interim consolidated financial statements are presented in Euro, which is the functional currency of the Group. The functional currency represents the currency of primary economic area, in which the entity exists.

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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 consolidated financial statements are those presented in the Consolidated statement of financial positions as at 31 December 2020 and the Consolidated statement of profit or loss and the Consolidated statement of other comprehensive income for the period ended 30 June 2020.

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

These consolidated financial statements present 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' annual financial statements as of 30 June 2021.

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 year are included in the consolidated income statement and consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. The financial statements of the Group'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 in consolidation.

Non-controlling interests represent those portions of total comprehensive income and net assets that are not attributable to the owners of the Group. 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 annual financial statements as of 30 June 2021.

Investments in associates ('associates') represent entities over which the Bank 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 separate financial statements for the previous accounting period in the Note Bd).

e) Significant accounting judgements, assumptions and estimates

The 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 separate financial statements did not change. In compliance with the international accounting standard IAS 34 these interim separate 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 separate financial statements should be read in combination with the separate 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 Bank concluded that they have no significant impact on the ability of the Bank to continue as going concern. The Bank analyzed various scenarios of the coronavirus outbreak and the potential impact on profitability of the Bank. Based on the results of all scenarios analyzed the Bank is expected to report profits for the financial year ended 31 December 2021. The Bank will continue to monitor the potential impact of COVID-19 and will take all necessary steps to mitigate the negative effects on the Bank, 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.	2020	2021
Interest and other similar income		
Financial assets at amortised cost	224 592	208 963
Loans and advances	175 501	164 682
Debt securities	49 084	44 280
Interest income	224 592	208 963
Financial assets - held for trading	8 403	7 362
Derivatives - hedge accounting, interest rate risk	(4 684)	(4 389)
Other assets	2 593	2 545
Negative interest from financial liabilities	2 639	19 223
Other similar income	8 951	24 741
Total interest income	233 543	233 704
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(11 580)	(9 365)
Deposits	(3 560)	(2 415)
Debt securities in issue	(8 020)	(6 950)
Interest expenses	(11 580)	(9 365)
Financial liabilities - held for trading	(7 475)	(6 353)
Derivatives - hedge accounting, interest rate risk	2 868	3 531
Other liabilities	(10)	(15)
Negative Interest from financial assets	(70)	(3 669)
Other similar expenses	(4 687)	(6 506)
Total Interest expenses	(16 267)	(15 871)
Net interest income	217 276	217 833

Interest income for the period ended 30 June 2021 included interests related to impaired financial assets in the amount of 3,4 mil. Eur (30.06.2020: 4,1 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 at amortised cost'.

Interest expense from TLTRO, presented in line item 'Negative interest from financial liabilities' should be in general reduced if bank reach certain lending thresholds. At the TLTRO inception, the original effective interest rate is determined by considering the contractual terms and assessing whether the eligibility conditions for the reduced interest will be fulfilled. The scenario which is considered more likely is used for the original effective interest rate calculation. The Group assesses on an ongoing basis how it meets the eligibility criteria for the lower interest rate. As at 30 June 2021 the Group changed its expectations which were taken in the calculation of the original required interest rate and booked one-off catch up in amount of 12,7 mil. Eur based on the expected development of the fulfillment the conditions for favored negative interest expense on TLTRO operations.

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2. Net fee and commission income

EUR ths.	2020	2021
Fee and commission income		
Securities	2 381	2 016
Issuances	56	136
Transfer orders	1 411	440
Other	914	1 440
Asset management	-	-
Custody	1 186	1 425
Collective investment	267	366
Other	919	1 059
Payment services	45 932	49 558
Card business	17 737	17 802
Others	28 195	31 756
Customer resources distributed but not managed	21 832	26 739
Collective investment	5 072	8 430
Insurance products (as agent)	16 754	18 301
Other	6	8
Lending Business	8 128	9 563
Loan commitments given	1 487	2 099
Financial guarantees given	1 971	2 102
Other lending business	4 670	5 362
Other	239	245
Total fee and commission income	79 698	89 546
Fee and commission expense		
Securities	(753)	(316)
Transfer orders	(744)	(138)
Other	(9)	(178)
Custody	(504)	(567)
Payment services	(7 673)	(6 999)
Card business	(5 535)	(5 300)
Others	(2 138)	(1 699)
Customer resources distributed but not managed	(674)	(18)
Insurance products (as agent)	(674)	(18)
Lending Business	(2 066)	(2 141)
Financial guarantees received	(7)	(6)
Other lending business	(2 059)	(2 135)
Other	(83)	(34)
Total fee and commission expense	(11 749)	(10 075)
Net fee and commission income	67 949	79 471

3. Dividend income

EUR ths.	2020	2021
Non-trading financial assets at fair value through profit or loss	480	532
Financial assets at fair value through other comprehensive income	121	-
Dividend income	601	532

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4. Net trading result

EUR ths.	2020	2021
Securities trading	418	1 047
Derivatives trading	3 338	2 971
Result from hedge accounting	(64)	(152)
Net trading result	3 692	3 866

The line item 'Securities trading' includes net gains from the Erste Group Bank AG's market positions attributable to the Group.

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

EUR ths.	2020	2021
Result from measurement/sale of financial assets mandatorily at fair value through profit or loss	(2 770)	63
Gains/losses from financial instruments measured at fair value through profit or loss	(2 770)	63

6. Rental income from investment properties and other operating leases

EUR ths.	2020	2021
Investment properties	133	130
Other operating leases	26	20
Rental income from investment properties & other operating leases	159	150

Rental income is generated from rented premises classified as investment properties.

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7. General administrative expenses

EUR ths.	2020	2021
Personnel expenses	(77 348)	(75 619)
Wages and salaries	(56 471)	(54 559)
Compulsory social security	(19 177)	(19 139)
Other personnel expenses	(1 700)	(1 921)
Other administrative expenses	(47 237)	(55 606)
Deposit insurance contribution	(1 058)	(9 426)
IT expenses	(21 908)	(22 248)
Expenses for office premises	(6 601)	(5 995)
Office operating expenses	(5 407)	(5 739)
Advertising/marketing	(6 969)	(7 252)
Legal and consulting costs	(2 162)	(1 838)
Sundry administrative expenses	(3 132)	(3 108)
Depreciation and amortisation	(19 997)	(16 652)
Software and other intangible assets	(7 119)	(3 760)
Owner occupied real estate	(8 345)	(8 462)
Investment properties	(108)	(107)
Office furniture and equipment and sundry property and equipment	(4 425)	(4 323)
General administrative expenses	(144 582)	(147 877)

As at 30 June 2021 the Group had 3 715 employees, thereof five members of the Board of Directors. As at 30 June 2020 the Group had 4 010 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.	2020	2021
Financial assets at amortised cost	(58 997)	(20 268)
Net allocation of loss allowances	(60 012)	(17 906)
Direct write-offs	(328)	(2 824)
Recoveries recorded directly to the income statement	1 343	462
Finance lease	(1 435)	(3 162)
Net allocation of loss allowances for commitments and guarantees given	(3 086)	(2 529)
Impairment result from financial instruments	(63 518)	(25 959)

Impairment result from financial instruments relates those instruments that are accounted under IFRS 9. Additional impairment results from financial instruments that are not accounted under IFRS 9 is disclosed in note 21.

9. Other operating result

EUR ths.	2020	2021
Other operating expenses	(53 963)	(19 662)
Allocation to other provisions	(12 397)	(11 612)
Levies on banking activities	(37 751)	(4 665)
Banking tax	(33 757)	-
Resolution fund	(3 994)	(4 665)
Other taxes	(175)	(159)
Other	(3 640)	(3 226)
Other operating income	13 965	11 540
Release of other provisions	11 059	10 529
Gains from derecognition of tangible and intangible assets	1 228	271
Other	1 678	740
Other operating result	(39 998)	(8 122)

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.	31.12.2020	30.06.2021
Cash on hand	352 330	339 015
Cash balances at central banks	1 354 133	3 361 520
Other demand deposits to credit institutions	11 023	6 771
Cash and cash balances	1 717 486	3 707 306

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 2021 the balances at central banks included a mandatory minimum reserve deposit in the amount of 3 632,2 mil. Eur (2020: 1 354,1 mil. Eur). For the period covering the end of June 2021 the prescribed balance of the mandatory minimum reserve deposit amounted 155,5 mil. Eur (2020: 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 minimum 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.	31.12.2020			30.06.2021		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	2 405 271	59 994	56 524	2 611 747	51 644	49 393
Interest rate derivatives	2 066 927	21 952	20 708	2 195 723	16 068	14 974
Foreign exchange derivatives	338 344	38 042	35 816	416 024	35 576	34 419
Total gross amounts	2 405 271	59 994	56 524	2 611 747	51 644	49 393

The Group disclosed derivative instruments in the banking book 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.	31.12.2020		30.06.2021	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	7 547	-	7 155
Debt securities	-	7 740	-	8 432
Other financial corporations	-	7 740	-	8 432
Non-trading financial assets at fair value through profit or loss	-	15 287	-	15 587

‘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.

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14. 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 30.06.2021											
Debt securities	3 774 961	29 794	-	-	3 804 755	(664)	(432)	-	-	(1 096)	3 803 659
General governments	3 467 608	-	-	-	3 467 608	(274)	-	-	-	(274)	3 467 334
Credit institutions	178 170	29 794	-	-	207 964	(191)	(432)	-	-	(623)	207 341
Other financial corporations	10 352	-	-	-	10 352	(22)	-	-	-	(22)	10 330
Non-financial corporations	118 831	-	-	-	118 831	(177)	-	-	-	(177)	118 654
Loans and advances to banks	12 737	2	-	-	12 739	(2)	-	-	-	(2)	12 737
Credit institutions	12 737	2	-	-	12 739	(2)	-	-	-	(2)	12 737
Loans and advances to customers	12 228 786	2 435 097	275 564	82 016	15 021 463	(31 465)	(125 917)	(157 889)	(56 141)	(371 412)	14 650 051
General governments	279 660	409	-	-	280 069	(384)	(9)	-	-	(393)	279 676
Other financial corporations	33 239	20 160	89	-	53 488	(278)	(628)	(52)	-	(958)	52 530
Non-financial corporations	2 063 789	1 607 014	65 737	78 683	3 815 223	(11 795)	(80 027)	(33 391)	(54 654)	(179 867)	3 635 356
Households	9 852 098	807 514	209 738	3 333	10 872 683	(19 008)	(45 253)	(124 446)	(1 487)	(190 194)	10 682 489
Total	16 016 484	2 464 893	275 564	82 016	18 838 957	(32 131)	(126 349)	(157 889)	(56 141)	(372 510)	18 466 447

The amounts represent the maximum exposure to credit risk. As at As at 30 June 2021 the Group had no reverse repo agreements.

As at 30 June 2021, 15 largest customers accounted for 5,3 % of the gross loan portfolio amounting to 793,5 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 31.12.2020											
Debt securities	3 680 249	-	-	-	3 680 249	(545)	-	-	-	(545)	3 679 704
General governments	3 371 752	-	-	-	3 371 752	(282)	-	-	-	(282)	3 371 470
Credit institutions	182 974	-	-	-	182 974	(113)	-	-	-	(113)	182 861
Other financial corporations	10 131	-	-	-	10 131	(21)	-	-	-	(21)	10 110
Non-financial corporations	115 392	-	-	-	115 392	(129)	-	-	-	(129)	115 263
Loans and advances to banks	47	2	-	-	49	-	-	-	-	-	49
Credit institutions	47	2	-	-	49	-	-	-	-	-	49
Loans and advances to customers	12 286 921	2 301 148	287 785	83 777	14 959 631	(29 858)	(126 974)	(166 302)	(57 353)	(380 487)	14 579 144
General governments	270 863	1 063	-	-	271 926	(368)	(40)	-	-	(408)	271 518
Other financial corporations	78 647	25 825	99	1	104 572	(380)	(787)	(60)	-	(1 227)	103 345
Non-financial corporations	2 259 994	1 413 659	56 949	80 179	3 810 781	(10 595)	(74 321)	(33 579)	(55 646)	(174 141)	3 636 640
Households	9 677 417	860 601	230 737	3 597	10 772 352	(18 515)	(51 826)	(132 663)	(1 707)	(204 711)	10 567 641
Total	15 967 217	2 301 150	287 785	83 777	18 639 929	(30 403)	(126 974)	(166 302)	(57 353)	(381 032)	18 258 897

As at 31 December 2019, 15 largest customers accounted for 5,8 % of the gross loan portfolio amounting to 863,9 mil. Eur.

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Allowances for financial assets at amortised cost

EUR ths.	01.01.2021	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	30.06.2021
Debt securities									
Stage 1	(545)	(29)	12	(102)	-	-	-	-	(664)
General governments	(282)	(9)	12	5	-	-	-	-	(274)
Credit institutions	(113)	(13)	-	(65)	-	-	-	-	(191)
Other financial corporations	(21)	-	-	(1)	-	-	-	-	(22)
Non-financial corporations	(129)	(7)	-	(41)	-	-	-	-	(177)
Stage 2	-	-	-	56	(488)	-	-	-	(432)
Credit institutions	-	-	-	56	(488)	-	-	-	(432)
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(545)	(29)	12	(46)	(488)	-	-	-	(1 096)
EUR ths.	01.01.2021	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	30.06.2021
Loans and advances to banks									
Stage 1	-	(14)	-	12	-	-	-	-	(2)
Credit institutions	-	(14)	-	12	-	-	-	-	(2)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	-	(14)	-	12	-	-	-	-	(2)

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EUR ths.	01.01.2021	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	30.06.2021
Loans and advances to customers									
Stage 1	(29 858)	(9 558)	685	(4 760)	11 899	-	127	-	(31 465)
General governments	(369)	(54)	-	29	10	-	-	-	(384)
Other financial corporations	(379)	(215)	1	43	271	-	-	-	(279)
Non-financial corporations	(10 595)	(7 332)	361	4 991	780	-	-	-	(11 795)
Households	(18 515)	(1 957)	323	(9 823)	10 838	-	127	-	(19 007)
Stage 2	(126 974)	(2 792)	642	15 546	(12 430)	-	91	-	(125 917)
General governments	(40)	-	-	37	(6)	-	-	-	(9)
Other financial corporations	(787)	(1)	-	47	113	-	-	-	(628)
Non-financial corporations	(74 321)	(2 527)	436	(442)	(3 175)	-	2	-	(80 027)
Households	(51 826)	(264)	206	15 904	(9 362)	-	89	-	(45 253)
Stage 3	(166 302)	(398)	35 908	(28 638)	(1 648)	-	3 189	-	(157 889)
Other financial corporations	(60)	-	1	7	-	-	-	-	(52)
Non-financial corporations	(33 578)	(261)	10 743	(10 326)	(356)	-	388	-	(33 390)
Households	(132 664)	(137)	25 164	(18 319)	(1 292)	-	2 801	-	(124 447)
POCI	(57 353)	-	149	774	-	-	289	-	(56 141)
Non-financial corporations	(55 646)	-	54	927	-	-	11	-	(54 654)
Households	(1 707)	-	95	(153)	-	-	278	-	(1 487)
Total allowances for loans and advances to customers	(380 487)	(12 748)	37 384	(17 078)	(2 179)	-	3 696	-	(371 412)

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. Reconciliation of such movements to income statement line „Impairment result from financial instruments“ is disclosed in note 8. More detailed information about the development of credit loss allowances due to COVID-19 is provided in note 28.

In column ‘Additions’ are disclosed increases of credit risk allowances due to the initial recognition of loans at amortised cost during the current reporting period. Releases of credit risk allowances following the derecognition of the related loans at amortised cost are reported in column ‘Derecognitions’. Use of credit risk allowances is reported in column ‘Decrease in allowance account due to write-offs’ in this table.

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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 or initial recognition date) to Stages 2 or 3 as at 31 December 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 adjustments'.

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	31.12.2020
Debt securities									
Stage 1	(384)	(43)	7	(125)	-	-	-	-	(545)
General governments	(245)	(32)	-	(5)	-	-	-	-	(282)
Credit institutions	(107)	-	7	(13)	-	-	-	-	(113)
Other financial corporations	(16)	1	-	(6)	-	-	-	-	(21)
Non-financial corporations	(16)	(12)	-	(101)	-	-	-	-	(129)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(384)	(43)	7	(125)	-	-	-	-	(545)
Loans and advances to banks									
Stage 1	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	-	-	-	-	-	-	-	-	-

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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	31.12.2020
Loans and advances to customers									
Stage 1	(34 322)	(19 343)	917	7 826	14 842	-	222	-	(29 858)
General governments	(248)	(354)	-	113	120	-	-	-	(369)
Other financial corporations	(288)	(156)	1	(236)	299	-	-	-	(380)
Non-financial corporations	(8 455)	(12 520)	220	7 947	2 212	-	1	-	(10 595)
Households	(25 331)	(6 313)	696	2	12 211	-	221	-	(18 514)
Stage 2	(36 177)	(27 588)	625	(5 600)	(58 465)	-	233	-	(126 972)
General governments	(23)	(1)	-	(6)	(9)	-	-	-	(39)
Other financial corporations	(67)	(12)	-	(165)	(543)	-	-	-	(787)
Non-financial corporations	(11 648)	(22 805)	301	(5 738)	(34 434)	-	4	-	(74 320)
Households	(24 439)	(4 770)	324	309	(23 479)	-	229	-	(51 826)
Stage 3	(212 655)	(5 373)	54 203	(5 081)	(6 385)	-	8 989	-	(166 302)
Other financial corporations	(76)	(4)	23	(3)	-	-	-	-	(60)
Non-financial corporations	(24 501)	(2 925)	5 210	(11 434)	(1 886)	-	1 956	-	(33 580)
Households	(188 078)	(2 444)	48 970	6 356	(4 499)	-	7 033	-	(132 662)
POCI	(53 150)	-	1 493	(8 510)	-	-	2 812	-	(57 355)
Non-financial corporations	(50 957)	-	1 238	(8 370)	-	-	2 443	-	(55 646)
Households	(2 193)	-	255	(140)	-	-	369	-	(1 709)
Total allowances for loans and advances to customers	(336 304)	(52 304)	57 238	(11 365)	(50 008)	-	12 256	-	(380 487)

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EUR ths.	2020	2021
Transfers between Stage 1 and Stage 2	2 014 597	760 798
To Stage 2 from Stage 1	1 954 409	561 587
To Stage 1 from Stage 2	60 188	199 211
Transfers between Stage 2 and Stage 3	61 899	65 974
To Stage 3 from Stage 2	31 620	57 373
To Stage 2 from Stage 3	30 279	8 601
Transfers between Stage 1 and Stage 3	70 322	15 958
To Stage 3 from Stage 1	56 021	7 873
To Stage 1 from Stage 3	14 301	8 085

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15. 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 30.06.2021											
General governments	1 137	-	-	-	1 137	(1)	-	-	-	(1)	1 136
Other financial corporations	104	-	-	-	104	-	-	-	-	-	104
Non-financial corporations	130 406	91 171	6 881	-	228 458	(268)	(3 365)	(4 310)	-	(7 943)	220 515
Households	2 079	1 123	1 471	-	4 673	(13)	(25)	(967)	-	(1 005)	3 668
Total	133 726	92 294	8 352	-	234 372	(282)	(3 390)	(5 277)	-	(8 949)	225 423

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 31.12.2020											
General governments	510	-	-	-	510	(1)	-	-	-	(1)	509
Other financial corporations	102	-	-	-	102	-	-	-	-	-	102
Non-financial corporations	146 690	86 430	7 262	-	240 382	(417)	(1 174)	(3 321)	-	(4 912)	235 470
Households	3 013	1 238	1 575	-	5 826	(8)	(11)	(876)	-	(895)	4 931
Total	150 315	87 668	8 837	-	246 820	(426)	(1 185)	(4 197)	-	(5 808)	241 012

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Allowances for finance lease receivables

	1.1.2021	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	30.06.2021
Stage 1	(425)	(93)	9	206	22	-	-	-	(281)
General governments	(1)	(3)	-	2	-	-	-	-	(2)
Non-financial corporations	(417)	(89)	6	213	19	-	-	-	(268)
Households	(7)	(1)	3	(9)	3	-	-	-	(11)
Stage 2	(1 186)	-	8	(2 045)	(168)	-	-	-	(3 391)
Non-financial corporations	(1 174)	-	8	(2 031)	(168)	-	-	-	(3 365)
Households	(12)	-	-	(14)	-	-	-	-	(26)
Stage 3	(4 198)	-	60	(1 101)	(38)	-	-	-	(5 277)
Non-financial corporations	(3 321)	-	42	(1 025)	(6)	-	-	-	(4 310)
Households	(877)	-	18	(76)	(32)	-	-	-	(967)
POCI	-	-	-	-	-	-	-	-	-
Total	(5 809)	(93)	77	(2 940)	(184)	-	-	-	(8 949)

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. Reconciliation of such movements to income statement line „Impairment result from financial instruments“ is disclosed in note. 8. More detailed information about the development of credit loss allowances due to COVID-19 is provided in note 28.

Detail description of columns from the above table are disclosed in the note 14.

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Eur tis.	01.01.2019	Prírastky	Odúčtovania	Čisté zmeny v dôsledku zmeny kreditného rizika	Prevody medzi úrovňami	Čisté zmeny spôsobené modifikáciami bez odúčtovania	Zníženie v opravných položkách v dôsledku odpisov	Ďalšie úpravy	31.12.2020
Úroveň 1	(253)	(983)	30	685	96	-	-	-	(425)
Vládny sektor	(1)	(1)	-	1	-	-	-	-	(1)
Ostatné finančné inštitúcie	-	-	-	-	-	-	-	-	-
Nefinančné inštitúcie	(238)	(979)	24	683	93	-	-	-	(417)
Domácnosti	(14)	(3)	6	1	3	-	-	-	(7)
Úroveň 2	(6)	-	5	(1 201)	16	-	-	-	(1 186)
Nefinančné inštitúcie	(5)	-	5	(1 189)	14	-	-	-	(1 175)
Domácnosti	(1)	-	-	(12)	2	-	-	-	(11)
Úroveň 3	(4 307)	-	500	(34)	(356)	-	-	-	(4 197)
Nefinančné inštitúcie	(3 313)	-	463	(166)	(304)	-	-	-	(3 320)
Domácnosti	(994)	-	37	132	(52)	-	-	-	(877)
POCI	-	-	-	-	-	-	-	-	-
Spolu	(4 566)	(983)	535	(550)	(244)	-	-	-	(5 808)

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Transfers of gross carrying amount between impairment stages

EUR ths.	2020	2021
Transfers between Stage 1 and Stage 2	83 440	18 495
To Stage 2 from Stage 1	83 278	18 247
To Stage 1 from Stage 2	162	248
Transfers between Stage 2 and Stage 3	541	436
To Stage 3 from Stage 2	470	391
To Stage 2 from Stage 3	71	45
Transfers between Stage 1 and Stage 3	2 618	356
To Stage 3 from Stage 1	2 552	304
To Stage 1 from Stage 3	66	52

16. Hedge accounting derivatives

	31.12.2020			30.06.2021		
EUR ths.	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	1 145 521	34 345	48 373	1 095 521	27 296	38 408
Interest rate	1 145 521	34 345	48 373	1 095 521	27 296	38 408
Total gross amounts	1 145 521	34 345	48 373	1 095 521	27 296	38 408

Fair value hedge of assets

As at 30 June 2021 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 (2020: 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 first half of the year 2021 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 8,3 mil. Eur (2020: net loss 3,2 mil. Eur). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to 8,3 mil. Eur (2020: net gain 3,4 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 20. As at 30 June 2021 the Group holds covered bonds in total nominal value of 764,3 mil. Eur (2020: 764,3 mil. Eur).

During the first half of the year 2021 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 8,8 mil. Eur (2020: net gain 10,1 mil. Eur). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to 8,6 mil. Eur (2020: net loss 8,2 mil. Eur).

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17. 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 30.06.2021											
General governments;	373	-	-	-	373	-	-	-	-	-	373
Credit institutions	1 299	-	-	-	1 299	-	-	-	-	-	1 299
Other financial corporations	2 192	-	-	-	2 192	(13)	-	-	-	(13)	2 179
Non-financial corporations	103 007	256	4 478	-	107 741	(685)	(3)	(4 202)	-	(4 890)	102 851
Households	-	-	431	-	431	-	-	(431)	-	(431)	-
Total	106 871	256	4 909	-	112 036	(698)	(3)	(4 633)	-	(5 334)	106 702

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 31.12.2020											
Credit institutions	2 013	-	-	-	2 013	-	-	-	-	-	2 013
Other financial corporations	1 615	41	-	-	1 656	(12)	(1)	-	-	(13)	1 643
Non-financial corporations	77 007	1 436	3 968	-	82 411	(424)	(8)	(3 861)	-	(4 293)	78 118
Households	-	-	431	-	431	-	-	(431)	-	(431)	-
Total	80 635	1 477	4 399	-	86 511	(436)	(9)	(4 292)	-	(4 737)	81 774

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

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Allowances for trade and other receivables

	01.01.2021	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	30.06.2021
Stage 1	(437)	(795)	-	532	-	-	-	-	(700)
Other financial corporations	(12)	(14)	-	12	-	-	-	-	(14)
Non-financial corporations	(425)	(781)	-	520	-	-	-	-	(686)
Households	-	-	-	-	-	-	-	-	-
Stage 2	(8)	-	-	6	-	-	-	-	(2)
Other financial corporations	(1)	-	-	1	-	-	-	-	-
Non-financial corporations	(7)	-	-	5	-	-	-	-	(2)
Stage 3	(4 292)	-	-	(227)	(114)	-	1	-	(4 632)
Non-financial corporations	(3 861)	-	-	(227)	(114)	-	1	-	(4 201)
Households	(431)	-	-	-	-	-	-	-	(431)
POCI	-	-	-	-	-	-	-	-	-
Total	(4 737)	(795)	-	311	(114)	-	1	-	(5 334)

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. Reconciliation of such movements to income statement line „Impairment result from financial instruments“ is disclosed in note. 8.

Detail description of columns from the above table are disclosed in the note 14.

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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	31.12.2020
Stage 1	(193)	(492)	-	251	-	-	-	-	(434)
Other financial corporations	-	(7)	-	(4)	-	-	-	-	(11)
Non-financial corporations	(193)	(468)	-	238	-	-	-	-	(423)
Stage 2	(2)	-	-	(2)	(5)	-	-	-	(9)
Non-financial corporations	(2)	-	-	(2)	(4)	-	-	-	(8)
Stage 3	(3 396)	-	8	(2 968)	(22)	-	2 084	-	(4 294)
Other financial corporations	(8)	-	8	-	-	-	-	-	-
Non-financial corporations	(2 973)	-	-	(2 951)	(22)	-	2 084	-	(3 862)
Households	(415)	-	-	(17)	-	-	-	-	(432)
POCI	-	-	-	-	-	-	-	-	-
Total	(3 591)	(492)	8	(2 719)	(27)	-	2 084	-	(4 737)

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.	2020	2021
Transfers between Stage 1 and Stage 2	1 448	256
To Stage 2 from Stage 1	1 448	256
To Stage 1 from Stage 2	-	-
Transfers between Stage 2 and Stage 3	-	313
To Stage 3 from Stage 2	-	313
To Stage 2 from Stage 3	-	-
Transfers between Stage 1 and Stage 3	1 022	143
To Stage 3 from Stage 1	1 022	143
To Stage 1 from Stage 3	-	-

18. Investments in subsidiaries and associates

The interim consolidated financial statements include subsidiaries and associates disclosed in this note.

Investments in subsidiaries of Slovenská sporiteľňa, a.s.

Business name	Place of business	Main business activity	Ownership held	Voting rights held
LANED, a.s.	Tomášikova 48 Bratislava 832 71 Slovenská republika	SPE-Real estate company	100,00%	100,00%
Procurement Services SK, s.r.o.	Tomášikova 48 Bratislava 832 75 Slovenská republika	Procurement	51,00%	51,00%
Social Financing SK, s.r.o.	Tomášikova 48 Bratislava 832 01 Slovenská republika	Advisory services	100,00%	100,00%

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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Changes during the year 2021

On 1 April 2021 the subsidiary S Slovensko, spol. s r. o. was merged with the Group.

On 28 May 2021 has been completed the liquidation of the subsidiary Služby SLSP, s. r. o. in liquidation and a liquidation residue was distributed among its shareholders. Slovenská sporiteľňa, a.s. as a shareholder with 100,0 % share received a liquidation payment in the amount of 26,0 mil. Eur.

Changes during the year 2020

In February 2020 a subsidiary, Social Financing SK, s. r. o., was established in which the Group 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 Group also acquired the ownership interest in the company LANED a.s. as a 100% share in the equity of the company at cost in the form of cash consideration in amount of 25,8 mil. EUR from its subsidiary Služby SLSP, s. r. o. In March 2020 an associate, Dostupný Domov j.s.a. was established by the Bank's subsidiary Social Financing SK, s. r. o. which has an ownership interest in the associate in the amount 1 980 ths. Eur and represents a 49,88% share of the company's share capital.

19. Other assets

EUR ths.	31.12.2020	30.06.2021
Client settlement	11 642	18 310
Personnel balances	17	18
Sundry assets	10 079	22 991
Other assets	21 738	41 319

20. Financial liabilities at amortised cost

The balance sheet line item 'Financial liabilities at amortised cost' is broken down into subcategories 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Deposits from banks

EUR ths.	31.12.2020	30.06.2021
Overnight deposits	3 859	6 218
Term deposits	1 655 547	2 917 135
Repurchase agreements	50 849	50 385
Deposits from banks	1 710 255	2 973 738

In 2020 and 2021 the Group entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank and is present under line item Term deposits. Details for respective tranches and collateral information is disclosed in note 25. As at 30 June 2021 the Bank has a liability in form of cash received in TLTRO in amount of 2,8 bil. Eur.

The Group assessed an appropriate accounting treatment of the TLTRO. The conclusion was that such instruments do not qualify as below-market interest rate loans and therefore are not related to IAS 20 government grants accounting. The reason was that the TLTRO is considered as a separate market organised by the ECB as part of its monetary policy. As a result, the IFRS 9 amortised cost accounting treatment applies.

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Deposits from customers

EUR ths.	31.12.2020	30.06.2021
Overnight deposits	9 857 419	10 625 285
Non-savings deposits	9 857 419	10 625 285
General governments	128 017	175 280
Other financial corporations	300 253	306 596
Non-financial corporations	1 801 606	1 942 486
Households	7 627 543	8 200 923
Term deposits	5 011 596	5 011 429
Deposits with agreed maturity	1 107 931	983 021
Non-savings deposits	1 107 931	983 021
General governments	478	417
Other financial corporations	25 793	11 343
Non-financial corporations	103 462	91 188
Households	978 198	880 073
Deposits redeemable at notice	3 903 665	4 028 408
Households	3 903 665	4 028 408
Deposits from customers	14 869 015	15 636 714
General governments	128 495	175 697
Other financial corporations	326 046	317 939
Non-financial corporations	1 905 068	2 033 674
Households	12 509 406	13 109 404

As at 30 June 2021, no embedded derivatives were included in deposits from customers (neither at the year end 2020).

As at 30 June 2021, no deposits from customers were collateralised by securities (neither at the year end 2020).

As at 30 June 2021 liabilities related to settlement of securities transactions and clearing of payment transactions in the amount of 124,4 mil. Eur are disclosed in the line item 'Other financial liabilities' (2020: 22,5 mil. Eur).

Debt securities issued

EUR ths.	31.12.2020	30.06.2021
Subordinated issues	63 534	64 791
Senior non-preferred bonds	30 848	30 763
Other debt securities issued	1 957 349	2 004 346
Bonds	299 719	463 668
Covered bonds	1 657 630	1 540 678
Debt securities issued	2 051 731	2 099 900

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The subordinated debt securities issued listed in the following table do not include embedded derivatives, which should be separated and disclosed under the balance sheet line item 'Financial liabilities – held for trading'.

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	2020	2021
Subordinated Bonds	August 2011	August 2021	4,30%	10 000	1 000	EUR	13 977	14 252
Subordinated Bonds	November 2011	November 2023	4,58%	4 250	1 000	EUR	5 825	5 952
Subordinated Bonds	June 2012	June 2022	5,80%	11 000	1 000	EUR	16 113	16 547
Subordinated Bonds	November 2012	November 2022	4,30%	9 000	1 000	EUR	11 858	12 123
Subordinated Bonds	September 2018	September 2028	2,88%	33	100 000	EUR	3 327	3 374
Subordinated Bonds	September 2018	September 2028	1,48%	33	100 000	EUR	3 314	3 314
Subordinated Bonds	November 2018	November 2028	2,45%	91	100 000	EUR	9 120	9 229
Total							63 534	64 791

Senior non-preferred bonds

In February 2020 the Group issued senior non-preferred bonds in the number of 300 securities with the notional value of 0,1 mil. EUR, interest rate 0,53 % and maturity date in February 2026 in the total amount as at 30 June of 30,8 mil. EUR as at 30 June 2021 (2020: 30,8 mil. EUR).

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 2021 other debt securities issued included embedded derivatives (equity and commodities) in the amount of 0,0 mil. Eur (2020: 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 stated interest rate corresponds with the actual interest costs of the Group.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2020	2021
Covered Bonds	July 2007	July 2027	4,95%	250	66 388	EUR	22 872	22 565
Covered Bonds	April 2008	April 2021	-	250	66 388	EUR	17 184	-
Covered Bonds	January 2013	January 2025	3,10%	87	50 000	EUR	4 412	4 411
Covered Bonds	June 2013	June 2028	3,00%	132	50 000	EUR	6 615	6 614
Covered Bonds	February 2014	February 2029	2,80%	97	50 000	EUR	4 899	4 898
Covered Bonds	March 2014	March 2021	-	8 204	1 000	EUR	8 249	-
Covered Bonds	March 2014	March 2022	2,00%	220	50 000	EUR	11 152	11 048
Covered Bonds	May 2014	May 2021	-	4 764	1 000	EUR	4 777	-
Covered Bonds	June 2014	June 2021	-	9 314	1 000	EUR	9 324	-
Covered Bonds	July 2014	July 2021	1,55%	3 397	1 000	EUR	3 421	3 416
Covered Bonds	February 2015	February 2022	0,88%	350	100 000	EUR	35 273	35 121
Covered Bonds	August 2015	August 2025	1,38%	100	100 000	EUR	10 020	10 092
Covered Bonds	August 2015	August 2022	1,00%	100	100 000	EUR	10 031	10 084
Covered Bonds	December 2015	December 2021	0,63%	170	100 000	EUR	17 005	17 058
Covered Bonds	February 2016	February 2021	-	500	100 000	EUR	50 223	-
Covered Bonds	March 2016	March 2021	-	6 787	1 000	EUR	6 809	-
Covered Bonds	March 2016	March 2026	1,00%	90	100 000	EUR	9 016	8 976
Covered Bonds	April 2016	April 2021	-	4 879	1 000	EUR	4 891	-
Covered Bonds	May 2016	May 2021	-	4 889	1 000	EUR	4 897	-
Covered Bonds	June 2016	June 2021	-	3 828	1 000	EUR	3 813	-
Covered Bonds	July 2016	July 2021	0,90%	4 834	1 000	EUR	4 855	4 855
Covered Bonds	August 2016	August 2021	0,80%	4 864	1 000	EUR	4 880	4 866
Covered Bonds	August 2016	August 2021	0,75%	4 760	1 000	EUR	4 772	4 731
Covered Bonds	September 2016	September 2021	0,70%	4 843	1 000	EUR	4 852	4 848
Covered Bonds	October 2016	October 2021	0,65%	4 886	1 000	EUR	4 892	4 865
Covered Bonds	November 2016	November 2021	0,25%	1 000	100 000	EUR	100 017	100 143
Covered Bonds	December 2016	December 2021	0,65%	9 591	1 000	EUR	9 593	9 578
Senior Unsecured Bonds	December 2016	December 2021	0,65%	4 090	1 000	EUR	4 091	4 082
Covered Bonds	March 2017	March 2025	0,75%	1 000	100 000	EUR	100 433	100 077
Senior Unsecured Bonds	March 2017	March 2022	0,60%	4 452	1 000	EUR	4 472	4 364
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%	4 532	1 000	EUR	4 550	4 363
Senior Unsecured Bonds	May 2017	May 2022	0,60%	4 404	1 000	EUR	4 420	4 305
Covered Bonds	June 2017	June 2022	0,38%	50	100 000	EUR	5 005	4 997
Senior Unsecured Bonds	July 2017	July 2022	0,60%	4 506	1 000	EUR	4 518	4 438
Senior Unsecured Bonds	August 2017	August 2022	0,63%	4 478	1 000	EUR	4 488	4 317
Senior Unsecured Bonds	September 2017	September 2022	0,63%	4 610	1 000	EUR	4 618	4 539
Senior Unsecured Bonds	September 2017	September 2022	0,63%	9 186	1 000	EUR	9 201	9 133
Covered Bonds	October 2017	October 2022	0,50%	1 500	100 000	EUR	150 078	150 476
Senior Unsecured Bonds	November 2017	November 2027	1,38%	44	100 000	EUR	4 402	4 432
Senior Unsecured Bonds	November 2017	November 2022	2,00%	4 863	1 000	USD	3 973	4 143
Senior Unsecured Bonds	February 2018	February 2023	2,15%	3 601	1 000	USD	2 991	3 049
Senior Unsecured Bonds	February 2018	February 2023	0,65%	9 281	1 000	EUR	9 335	9 206
Senior Unsecured Bonds	March 2018	March 2021	-	142	100 000	EUR	14 229	-

The table continues on the following page.

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EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2020	2021
Senior Unsecured Bonds	March 2018	March 2023	0,65%	9 641	1 000	EUR	9 689	9 594
Senior Unsecured Bonds	April 2018	April 2021	-	3 584	1 000	USD	2 966	-
Senior Unsecured Bonds	June 2018	June 2024	0,75%	4 885	1 000	EUR	4 904	4 735
Covered Bonds	August 2018	August 2025	0,63%	2 500	100 000	EUR	262 050	259 993
Senior Unsecured Bonds	August 2018	August 2024	0,70%	4 862	1 000	EUR	4 874	4 768
Senior Unsecured Bonds	September 2018	September 2024	0,70%	4 674	1 000	EUR	4 683	4 609
Senior Unsecured Bonds	November 2018	November 2024	0,75%	4 850	1 000	EUR	4 853	4 861
Covered Bonds	December 2018	December 2024	0,50%	2 500	100 000	EUR	258 011	256 565
Senior Unsecured Bonds	December 2018	December 2024	0,75%	4 854	1 000	EUR	4 857	4 859
Senior Unsecured Bonds	February 2019	February 2025	0,70%	9 864	1 000	EUR	9 924	9 801
Senior Unsecured Bonds	March 2019	March 2025	0,00%	100	50 000	EUR	4 857	4 873
Covered Bonds	June 2019	June 2026	0,13%	5 000	100 000	EUR	503 311	500 401
Senior Unsecured Bonds	June 2019	December 2025	0,60%	5 711	1 000	EUR	5 713	5 673
Senior Unsecured Bonds	June 2019	June 2022	2,00%	3 696	1 000	USD	3 045	3 083
Senior Unsecured Bonds	February 2020	February 2024	0,00%	170	100 000	EUR	17 000	17 000
Senior Unsecured Bonds	March 2020	March 2025	0,00%	53	2 000 000	CZK	3 842	3 979
Senior Unsecured Bonds	June 2020	June 2025	0,63%	150	100 000	EUR	15 001	4 488
Senior Unsecured Bonds	June 2020	June 2023	0,70%	5 000	1 000	EUR	5 018	5 000
Senior Unsecured Bonds	June 2020	June 2025	0,80%	5 000	1 000	EUR	5 020	4 971
Senior Unsecured Bonds	August 2020	August 2025	-	214	50 000	EUR	10 710	-
Senior Unsecured Bonds	August 2020	August 2023	0,35%	5 000	1 000	EUR	5 006	5 015
Senior Unsecured Bonds	October 2020	October 2025	0,25%	1 000	100 000	EUR	99 457	99 643
Senior Unsecured Bonds	March 2021	March 2027	0,48%	1 000	100 000	EUR	-	102 564
Senior Unsecured Bonds	June 2021	June 2024	0,60%	1 299	1 000	USD	-	1 093
Senior Unsecured Bonds	June 2021	June 2028	0,38%	1 000	100 000	EUR	-	99 684
Total							1 957 349	2 004 346

In May 2020 the Group 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 recognize this bond in the balance sheet. Subsequently this covered bond was used as collateral for obtaining term deposit from TLTRO. For more details please refer to note 25.

21. Provisions

EUR ths.	31.12.2020	30.06.2021
Commitments and guarantees given	16 284	18 827
Long-term employee benefits provisions	7 620	7 620
Pending legal issues and tax litigation	5 553	6 313
Other provisions	2 379	2 070
Restructuring	1 547	908
Other	832	1 162
Provisions	31 836	34 830

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.	01.01.2021	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	30.06.2021
Provisions for commitments and guarantees given						
Stage 1	3 814	11 246	(8 072)	(2 843)	(434)	4 145
Stage 2	11 657	-	(4 567)	6 689	5 197	13 779
Stage 3	539	-	(135)	253	152	657
POCI	274	-	(27)	(1)	-	246
Total	16 284	11 246	(12 801)	4 098	4 915	18 827

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	31.12.2020
Provisions for contingent credit risk liabilities						
Stage 1	3 363	30 837	(9 906)	(20 463)	(19)	3 812
Stage 2	1 718	-	(2 548)	3 994	8 494	11 658
Stage 3	957	-	(336)	(203)	121	539
POCI	170	-	(59)	164	-	275
Total	6 208	30 837	(12 849)	(16 508)	8 596	16 284

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 of the credit loss allowances and reclassifications between stages.

In column 'Additions' increases of credit risk allowances due to the initial recognition of commitments and guarantees given during the current reporting period are disclosed. Releases of credit risk allowances following the derecognition of the related commitments and guarantees given are reported in column 'Derecognitions'.

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 calculation was not disclosed and the value of long-term employee pension provisions remained unchanged. Complete disclosures related to long-term employee pension provisions as at 30 June 2021 are presented in the individual financial statements for the previous reporting period in the note 25.

Provisions for pending legal issues and tax litigation and other provisions

Provisions for legal issues relate to legal cases where the Group is sued and which arose from normal banking activities. During the reporting period the Group does not participate in any new passive legal cases.

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 2021 were paid in full amount, therefore the Group does not disclose these items as other provisions.

In the line item „Other provisions“ the Bank discloses the provision for commitments and guarantees given that are not treated based on the standard IFRS 9 and the amount of this provision as at 30 June 2021 is in the amount of 1,2 mil. EUR (2020: 0,8 mil. EUR).

22. Other liabilities

EUR ths.	31.12.2020	30.06.2021
Client settlement	2 716	14 184
Trade payables	39 004	33 441
Personnel balances and social fund	32 550	25 830
State budget, social and health insurance, taxes	6 314	5 220
Other liabilities	80 584	92 886

23. Equity

Share capital

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

	31.12.2020	30.06.2021
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 distribution of individual profits of the Bank for the year 2020:

Profit distribution	31.12.2020	30.06.2021
Profit for the year (in EUR ths.)	114 633	114 633
Distribution for Investment certificate 2015 SLSP AT1 PNC5	-	-
Distribution for Investment certificate SLSP AT1 PNC5 2020	6 225	6 225
Distribution for Investment certificate SLSP AT1 PNC5 2020 II	7 230	7 230
Dividends paid to shareholder from profit for the year	40 471	40 471
Transfer to retained earnings	60 707	60 707
Number of shares with nominal value of EUR 1 000 (in pcs.)	212 000	212 000
Dividend per share (in EUR)	191	191

Dividends for the year 2020 were paid in March 2021 following the resolution of General Assembly of the Bank dated 24 March 2021.

Other capital instruments

During the year 2015 the Group has issued an investment certificate (2015 SLSP AT1 PNC5) 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 (SLSP AT1 PNC5 2020) in the amount of 150 mil. Eur which is classified similarly. This certificate is also a perpetual instrument with the agreed interest rate of 4,15% p.a. paid semi-annually.

Additionally in 2020, the Group recalled investment certificate from 2015 (2015 SLSP AT1 PNC5) and replaced it by new investment certificate (SLSP AT1 PNC5 2020 II) with same contractual features, however with new interest rate of 4,82% p.a. paid semi-annually. This replacement does not represent cash flow transaction and as such is not disclosed in the consolidated statement of cash flows.

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 2021 Legal reserve fund amounted to 79,8 mil. Eur (2020: 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 2021 Statutory fund amounted 39,1 mil. Eur (2020: 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 2021 the revaluation of financial assets measured at fair value through other comprehensive income amounted to 0,0 mil. Eur (2020: 0,0 mil. Eur), net of deferred tax.

Remeasurements of defined benefit pension liabilities

This equity component reflects the results of actuarial calculations related to the pension provision. As at 30 June 2021 the remeasurement of the pension provision amounted 1,7 mil. Eur (2020: 1,7 mil. Eur), net of deferred tax.

24. 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 Bank is controlled by the only shareholder Erste Group Bank AG, which directly owns 100% share on the voting rights of the Bank. 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 Bank.

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.

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

	Erste Group Bank AG		Companies of Erste Group		Associates	
EUR ths.	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Assets						
Cash and cash balances	7 681	4 018	3 155	258	-	-
Derivatives	7 996	6 218	-	-	-	-
Derivatives – Hedge accounting	28 095	21 310	-	-	-	-
Securities	-	-	-	-	5 255	5 254
Loans and advances to banks	1 934	10 127	85	378	3	-
Loans and advances to customers	-	-	1 904	1 593	-	-
Total	45 706	41 673	5 144	2 229	5 258	5 254
Liabilities						
Derivatives held for trading	48 043	42 462	2	4	-	-
Deposits from banks	51 410	57 858	470	1 304	213	474
Deposits from customers	-	-	3 185	4 577	-	-
Debt securities issued	679 377	686 400	3 020	3 002	-	-
Derivatives – hedge accounting	48 373	38 408	-	-	-	-
Other liabilities	251	298	1 567	3 293	-	-
Total	827 454	825 426	8 244	12 180	213	474

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

	Erste Group Bank AG		Companies of Erste Group		Associates	
EUR ths.	2020	2021	2020	2021	2020	2021
Interest income	(2 995)	(4 300)	232	4	72	50
Interest expense	(158)	766	(7)	(4)	-	(1)
Net fee and commission income	22	100	3 543	5 661	1	-
Net trading and fair value result	2 036	8 510	379	(499)	-	-
General administrative expenses	(2 050)	(1 893)	(8 050)	(8 115)	-	-
Other operating result	84	404	319	225	3	4
Total	(3 061)	3 587	(3 584)	(2 715)	76	53

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.

All issued investment certificates disclosed as AT1 instruments in equity at 30 June 2021 were purchased by Erste Group Bank AG (see note 23).

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 (2020: 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 2021 in the maximum amount of the guarantee was 9,0 mil. Eur (2020: 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).

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As at 30 June 2021 the Group owned a share in real estate fund Sporo realitny fond SPF of Asset Management Slovenskej sporiteľne, a.s. in the amount of 1,7 mil. Eur (2019: 3,2 mil. Eur).

As at 30 June 2021 and in 2020, the Group did not receive any dividends from its associates.

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25. 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 14.

Collaterals received

As at 30 June 2021 the Group had collateralized loans in the amount of 10 459,8 mil. Eur (2020: 10 475,7 mil. Eur). The uncollateralized loans amounted 4 943,5 mil. Eur (2020: 4 843,7 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:

30.06.2021	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	6 771	-	-	-	-	-	6 771
Financial assets at amortised cost	18 838 957	148 982	239 600	8 420 172	194 563	8 854 333	9 984 623
Loans and advances to banks	12 739	-	35	-	-	35	12 704
Loans and advances to customers	15 021 463	148 982	211 210	8 420 172	194 563	8 825 943	6 195 519
of which: Lending for house purchase	8 813 699	118 581	-	7 510 078	23	7 510 100	1 303 598
'of which: Credit for consumption	1 485 489	158	-	172	30	201	1 485 288
'of which: Corporate loans and others	4 722 275	30 243	211 210	909 922	194 510	1 315 642	3 406 633
Debt securities	3 804 755	-	28 355	-	-	28 355	3 776 400
Finance lease receivables	234 372	4 101	-	-	160 829	160 829	73 543
Trade and other receivables	112 036	-	-	-	-	-	112 036
Non-trading financial assets at fair value through profit or loss - Debt securities	8 432	-	-	-	-	-	8 432
Financial assets - held for trading	51 644	-	-	-	-	-	51 644
Positive fair value of derivatives	27 296	-	-	-	-	-	27 296
Total credit risk exposure on-balance	19 279 508	153 083	239 600	8 420 172	355 392	9 015 162	10 264 345
Off-balance	2 200 276	95	35 803	85 306	40 936	162 046	2 038 230
Total credit risk exposure	21 479 784	153 178	275 403	8 505 478	396 328	9 177 208	12 302 575

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31.12.2020	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	11 023	-	-	-	-	-	11 023
Financial assets at amortised cost	18 639 930	139 824	158 225	8 411 398	247 271	8 816 895	9 823 033
Loans and advances to banks	49	-	41	-	-	41	8
Loans and advances to customers	14 959 631	139 824	140 173	8 411 398	247 271	8 798 843	6 160 787
of which: Lending for house purchase	8 618 372	120 024	-	7 519 339	23	7 519 362	1 099 009
'of which: Credit for consumption	1 587 560	100	-	114	56	171	1 587 389
'of which: Corporate loans and others	4 753 699	19 700	140 173	891 945	247 192	1 279 310	3 474 389
Debt securities	3 680 250	-	18 011	-	-	18 011	3 662 238
Finance lease receivables	246 820	5 100	-	-	171 736	171 736	75 084
Trade and other receivables	86 511	-	-	-	-	-	86 511
Non-trading financial assets at fair value through profit or loss - 'Debt securities	7 740	-	-	-	-	-	7 740
Financial assets - held for trading	59 994	-	-	-	-	-	59 994
Positive fair value of derivatives	34 345	-	-	-	-	-	34 345
Total credit risk exposure on-balance	19 086 363	144 924	158 225	8 411 398	419 007	8 988 631	10 097 730
Off-balance	1 961 286	71	42 325	76 939	31 238	150 502	1 810 784
Total credit risk exposure	21 047 649	144 995	200 550	8 488 337	450 245	9 139 133	11 908 514

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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 31.12.2020								
Financial assets at amortised cost								
Debt securities	1 156 351	45 350	47 391	114 757	948 853	1 187 403	50 849	1 136 554
Loans and advances to customers	2 383 979	-	-	1 831 526	552 453	2 096 767	-	2 096 767
Assets pledged as collateral	3 540 330	45 350	47 391	1 946 283	1 501 306	3 284 170	50 849	3 233 321

	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 2021 the Group has a liability in form of cash received in TLTRO shown within other associated liabilities (500 mil. EUR). The Group has pledged SK government bond (70,8 mil. Eur) and own retained covered bond (500 mil. Eur) where mortgage loans are shown as encumbered assets (549,0 mil. Eur) as collateral to TLTRO. The collateral is shown within other transferred assets.

In September 2020, the Group entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank in the amount of 1 bil. Eur which is shown within other associated liabilities. The Group has pledged SK government bonds (929,1 mil. EUR) as collateral to TLTRO. The collateral is shown within other transferred assets.

In March 2021, the Bank entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank in the amount of 1 bil. Eur which is shown within other associated liabilities. The Group has pledged SK government bonds (849,0 mil. Eur) as collateral to TLTRO. The collateral is shown within other transferred assets.

In June 2021, the Bank entered into Targeted Long Term Refinancing Operation (TLTRO) with central bank in the amount of 250 mil. Eur which is shown within other associated liabilities. The Group has pledged SK government bonds (218,3 mil. Eur) as collateral to TLTRO. The collateral is shown within other transferred assets.

As at 30 June 2021 the Bank has a liability in form of cash received in TLTRO in amount of 2,8 bil. Eur.

26. 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 financial statements.

As at 30 June 2021 the Group held assets for collective investment undertakings in the amount 5 503,4 mil. Eur (2020: 4 909,2 mil. Eur).

As at 30 June 2021 the Group also held assets for customers other than collective investment undertakings in the amount of 7 106,9 mil. Eur (2020: 7 220,9 mil. Eur).

27. 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 of the year 2021 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 individual financial statements for the previous year in note 32.

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Business Segments	Retail		Corporates		Group markets		Asset Liability Management, Local Corporate Center and Free Capital		Total	
EUR ths.	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	164 343	134 813	41 534	43 980	1 121	360	10 279	38 681	217 276	217 834
Net fee and commission income	56 093	63 948	9 556	11 212	3 818	6 103	(1 517)	(1 792)	67 949	79 471
Dividend income	-	-	-	-	-	-	601	532	601	532
Net trading result	1 661	1 962	631	1 062	912	1 361	489	(520)	3 692	3 866
Gains/losses from financial instruments measured at FVPL	-	-	-	-	-	-	(2 770)	63	(2 770)	63
Net result from equity method investments	530	-	-	-	-	-	-	952	527	952
Rental income from investment properties & other operating leases	-	-	-	-	-	-	159	150	159	150
General administrative expenses	(125 275)	(124 890)	(17 003)	(18 588)	(2 601)	(2 301)	295	(2 097)	(144 582)	(147 876)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	-	-	-	1	-	1
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(5)	(300)	(5)	(300)
Impairment result from financial instruments	(25 798)	(12 726)	(37 819)	(12 668)	4	66	95	(631)	(63 518)	(25 959)
Other operating result	(24 562)	(423)	(5 214)	(885)	(1 475)	(332)	(8 747)	(6 482)	(39 998)	(8 124)
Levies on banking activities	(24 553)	(423)	(3 354)	(559)	(1 489)	(328)	(8 355)	(3 354)	(37 751)	(4 665)
Pre-tax profit from continuing operations	46 992	62 684	(8 315)	24 113	1 779	5 257	(1 121)	28 557	39 331	120 610
Taxes on income	(9 734)	(13 164)	1 748	(5 065)	(374)	(1 104)	(1 442)	(10 121)	(9 802)	(29 453)
Net result for the period	37 258	49 520	(6 567)	19 048	1 405	4 153	(2 563)	18 436	29 529	91 157
Net result attributable to non-controlling interests	-	-	-	-	-	-	(7)	(29)	(7)	(29)
Net result attributable to owners of the parent	37 258	49 520	(6 567)	19 048	1 405	4 153	(2 556)	18 465	29 536	91 186
Operating income	222 626	200 723	51 721	56 255	5 850	7 824	7 241	38 066	287 437	302 868
Operating expenses	(125 275)	(124 890)	(17 003)	(18 588)	(2 601)	(2 301)	295	(2 097)	(144 583)	(147 877)
Operating result	97 351	75 833	34 718	37 667	3 249	5 523	7 536	35 969	142 854	154 991
Risk-weighted assets (credit risk, eop)*	2 716 276	2 978 471	3 890 115	4 064 423	26 146	10 172	472 812	148 068	7 105 349	7 201 134
Average allocated capital**	420 414	447 866	353 782	432 479	6 927	4 834	326 023	338 354	1 107 146	1 223 532
Cost/income ratio	56,27%	62,22%	32,87%	33,04%	44,45%	29,41%	-4,07%	5,51%	50,30%	48,83%
Return on allocated capital	8,86%	11,06%	-1,86%	4,40%	20,29%	85,92%	-0,79%	5,44%	2,67%	7,45%
Total assets (eop)	10 619 439	10 937 952	4 120 085	4 188 072	27 487	29 418	4 636 124	7 751 840	19 403 135	22 907 282
Total liabilities excluding equity (eop)	12 561 809	13 813 707	1 529 197	1 566 948	439 840	339 756	3 130 622	5 350 435	17 661 468	21 070 846
Impairments										
Net impairment loss on financial instruments AC	(25 649)	(11 832)	(33 257)	(7 884)	-	66	-	(68)	-	(19 718)
Net impairment loss on financial instruments Leasing	(368)	(380)	(1 073)	(2 762)	11	-	-	(21)	(3 086)	(3 162)
Impairments and provisions for commitments and guarantees given	218	(514)	(3 316)	(2 016)	-	-	-	1	-	(2 529)
Net impairment on other non-financial assets	-	-	-	(6)	-	-	-	(544)	-	(550)

* 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.

28. Risk management

Risk strategy and policy

During the first half of the year 2021 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 individual financial statements for the previous year in note 33.

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) without taking into account loan loss allowances, provisions for guarantees, any collateral held (including risk transfer to guarantors), other credit enhancements or credit risk mitigating transactions.

The gross carrying amount of the credit risk exposure increased by 2,05% to 21,48 bil. EUR (2020: 21,048 mld. EUR).

Off-balance sheet exposures

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.

The following table presents off-balance sheet credit exposures:

Eur tis.	31.12.2020	30.06.2021
Financial guarantees	9 198	8 805
Other Commitments	374 523	419 319
Loan Commitments	1 577 565	1 772 151
Total	1 961 286	2 200 276

As at 30 June 2021 the value of payment guarantees represented 145,40 mil. Eur (2020: 128,52 mil. Eur), the value of non-payment guarantees represented 258,36 mil. Eur (2020: 239,84 mil. Eur) and the value of other guarantees represented 10,42 mil. Eur (2020: 8,82 mil. Eur).

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Reconciliation between the gross carrying amount and the carrying amount of the separate components of the credit risk exposure:

30.06.2021 EUR ths.	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash balances - other demand deposits	6 771	-	-	-	-	-	6 771
Financial assets at amortised cost	18 838 957	32 130	126 349	157 888	56 141	-	18 466 447
Loans and advances to banks	12 739	2	-	-	-	-	12 737
Loans and advances to customers	15 021 463	31 464	125 917	157 888	56 141	-	14 650 051
<i>of which: Lending for house purchase</i>	8 813 699	14 932	26 852	67 043	165	-	8 704 707
<i>of which: Credit for consumption</i>	1 485 489	3 095	14 406	49 648	83	-	1 418 256
<i>of which: Corporate loans and others</i>	4 722 275	13 437	84 659	41 197	55 893	-	4 527 088
Debt securities	3 804 755	664	432	-	-	-	3 803 659
Finance lease receivables	234 372	283	3 390	5 276	-	-	225 423
Trade and other receivables	112 036	698	3	4 633	-	-	106 702
Non-trading financial assets at fair value through profit or loss - Debt securities	8 432	-	-	-	-	-	8 432
Financial assets - held for trading	51 644	-	-	-	-	-	51 644
Positive fair value of derivatives-hedge accounting	27 296	-	-	-	-	-	27 296
Total credit risk exposure on-balance	19 279 508	33 111	129 742	167 797	56 141	-	18 892 715
Off-balance	2 200 276	4 145	13 780	657	246	1 162	2 180 286
Total credit risk exposure	21 479 784	37 256	143 522	168 454	56 387	1 162	21 073 001

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. More detailed information about COVID-19 is provided in note 28.

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31.12.2020 EUR ths.	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash balances - other demand deposits	11 023	-	-	-	-	-	11 023
Financial assets at amortised cost	18 639 930	30 403	126 974	166 302	57 354	-	18 258 897
Loans and advances to banks	49	-	-	-	-	-	49
Loans and advances to customers	14 959 631	29 857	126 974	166 302	57 354	-	14 579 144
of which: Lending for house purchase	8 618 372	14 480	29 517	61 976	141	-	8 512 258
of which: Credit for consumption	1 587 560	3 020	18 440	62 702	85	-	1 503 312
of which: Corporate loans and others	4 753 699	12 357	79 017	41 624	57 128	-	4 563 574
Debt securities	3 680 250	546	-	-	-	-	3 679 704
Finance lease receivables	246 820	426	1 185	4 197	-	-	241 012
Trade and other receivables	86 511	435	9	4 293	-	-	81 774
Non-trading financial assets at fair value through profit or loss - Debt securities	7 740	-	-	-	-	-	7 740
Financial assets - held for trading	59 994	-	-	-	-	-	59 994
Positive fair value of derivatives-hedge accounting	34 345	-	-	-	-	-	34 345
Total credit risk exposure on-balance	19 086 363	31 264	128 168	174 792	57 354	-	18 694 785
Off-balance	1 961 286	3 813	11 657	539	274	832	1 944 171
Total credit risk exposure	21 047 649	35 077	139 825	175 331	57 628	832	20 638 956

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 107,428 mil. EUR, the non-defaulted part to 20,598 mil. EUR.

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

- counterparty sector and financial instrument;
- financial instrument and risk category;
- financial instrument and IFRS 9 stage;
- industry and financial instrument;
- industry and risk category;
- industry and IFRS 9 stage;
- region and financial instrument;
- region and risk category;
- region and IFRS 9 stage;
- impairment view;
- neither past due, not impaired;
- Basel 3 exposure class and financial instrument.

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Credit risk exposure by counterparty sector and financial instrument:

EUR ths.	Central banks	General governemnts	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
30.06.2021							
Cash and cash balances - other demand deposits	-	-	6 771	-	-	-	6 771
Financial assets at amortised cost	-	3 747 677	220 704	63 839	3 934 054	10 872 683	18 838 957
Loans and advances to banks	-	-	12 739	-	-	-	12 739
Loans and advances to customers	-	280 070	-	53 487	3 815 223	10 872 683	15 021 463
of which: Lending for house purchase	-	-	-	-	-	8 813 699	8 813 699
of which: Credit for consumption	-	-	-	-	-	1 485 489	1 485 489
of which: Corporate loans and others	-	280 070	-	53 487	3 815 223	573 495	4 722 275
Debt securities	-	3 467 607	207 965	10 352	118 831	-	3 804 755
Finance lease receivables	-	1 137	-	104	228 458	4 674	234 373
Trade and other receivables	-	373	1 299	2 192	107 741	431	112 036
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	8 432	-	-	8 432
Derivatives - held for trading	-	-	6 560	178	44 901	4	51 643
Positive fair value of derivatives - hedge accounting	-	-	27 296	-	-	-	27 296
Total credit risk exposure on-balance	-	3 749 187	262 630	74 745	4 315 154	10 877 792	19 279 508
Off-balance	-	52 233	44 402	13 423	1 605 046	485 172	2 200 276
Total credit risk exposure	-	3 801 420	307 032	88 168	5 920 200	11 362 964	21 479 784

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EUR ths.	Central banks	General governemnts	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
31.12.2020							
Cash and cash balances - other demand deposits	-	-	11 023	-	-	-	11 023
Financial assets at amortised cost	-	3 643 677	183 023	114 703	3 926 174	10 772 353	18 639 930
Loans and advances to banks	-	-	49	-	-	-	49
Loans and advances to customers	-	271 925	-	104 572	3 810 781	10 772 353	14 959 631
of which: Lending for house purchase	-	-	-	-	-	8 618 372	8 618 372
of which: Credit for consumption	-	-	-	-	-	1 587 560	1 587 560
of which: Corporate loans and others	-	271 925	-	104 572	3 810 781	566 421	4 753 699
Debt securities	-	3 371 752	182 974	10 131	115 393	-	3 680 250
Finance lease receivables	-	510	-	102	240 382	5 826	246 820
Trade and other receivables	-	-	2 013	1 655	82 411	431	86 510
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	7 740	-	-	7 740
Derivatives - held for trading	-	-	8 347	16	51 539	93	59 995
Positive fair value of derivatives - hedge accounting	-	-	34 345	-	-	-	34 345
Total credit risk exposure on-balance	-	3 644 187	238 751	124 216	4 300 506	10 778 703	19 086 363
Off-balance	-	33 299	44 914	9 611	1 423 288	450 174	1 961 286
Total credit risk exposure	-	3 677 486	283 665	133 827	5 723 794	11 228 877	21 047 649

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Credit risk exposure by financial instrument and risk category:

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.06.2021					
Cash and cash balances - other demand deposits	6 771	-	-	-	6 771
Financial assets at amortised cost	16 450 803	1 225 867	824 900	337 387	18 838 957
Loans and advances to banks	12 737	2	-	-	12 739
Loans and advances to customers	12 633 311	1 225 865	824 900	337 387	15 021 463
of which: Lending for house purchase	7 909 751	513 886	251 538	138 524	8 813 699
of which: Credit for consumption	1 144 042	175 933	103 131	62 383	1 485 489
of which: Corporate loans and others	3 579 518	536 046	470 231	136 480	4 722 275
Debt securities	3 804 755	-	-	-	3 804 755
Finance lease receivables	173 295	39 138	13 588	8 351	234 372
Trade and other receivables	81 945	4 753	20 429	4 909	112 036
Non-trading financial assets at fair value through profit or loss - Debt securities	6 687	-	1 745	-	8 432
Derivatives - held for trading	12 770	37 550	1 324	-	51 644
Positive fair value of derivatives - hedge accounting	27 296	-	-	-	27 296
Total credit risk exposure on-balance	16 759 567	1 307 308	861 986	350 647	19 279 508
Off-balance	1 843 597	162 358	147 543	46 778	2 200 276
Total credit risk exposure	18 603 164	1 469 666	1 009 529	397 425	21 479 784

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2020					
Cash and cash balances - other demand deposits	11 023	-	-	-	11 023
Financial assets at amortised cost	15 909 733	1 193 277	1 185 972	350 948	18 639 930
Loans and advances to banks	47	2	-	-	49
Loans and advances to customers	12 229 436	1 193 275	1 185 972	350 948	14 959 631
of which: Lending for house purchase	7 682 483	555 906	240 975	139 008	8 618 372
of which: Credit for consumption	1 194 071	195 969	115 282	82 239	1 587 561
of which: Corporate loans and others	3 352 882	441 400	829 715	129 701	4 753 698
Debt securities	3 680 250	-	-	-	3 680 250
Finance lease receivables	192 425	29 671	15 887	8 837	246 820
Trade and other receivables	63 446	4 208	14 458	4 399	86 511
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	7 740	-	7 740
Derivatives - held for trading	13 130	41 860	5 003	1	59 994
Positive fair value of derivatives - hedge accounting	34 345	-	-	-	34 345
Total credit risk exposure on-balance	16 224 102	1 269 016	1 229 060	364 185	19 086 363
Off-balance	1 518 402	169 759	226 479	46 646	1 961 286
Total credit risk exposure	17 742 504	1 438 775	1 455 539	410 831	21 047 649

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Credit risk exposure by financial instrument and IFRS 9 stage:

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
30.06.2021						
Cash and cash balances - other demand deposits	6 771	-	-	-	-	6 771
Financial assets at amortised cost	16 016 484	2 464 893	275 564	82 016	-	18 838 957
Loans and advances to banks	12 737	2	-	-	-	12 739
Loans and advances to customers	12 228 786	2 435 097	275 564	82 016	-	15 021 463
of which: Lending for house purchase	8 135 110	538 928	138 144	1 517	-	8 813 699
of which: Credit for consumption	1 210 557	212 461	62 283	188	-	1 485 489
of which: Corporate loans and others	2 883 119	1 683 708	75 137	80 311	-	4 722 275
Debt securities	3 774 961	29 794	-	-	-	3 804 755
Finance lease receivables	133 726	92 295	8 351	-	-	234 372
Trade and other receivables	106 871	256	4 909	-	-	112 036
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	8 432	8 432
Derivatives - held for trading	-	-	-	-	51 644	51 644
Positive fair value of derivatives - hedge accounting	-	-	-	-	27 296	27 296
Total credit risk exposure on-balance	16 263 852	2 557 444	288 824	82 016	87 372	19 279 508
Off-balance	1 339 350	394 518	1 080	46 010	419 318	2 200 276
Total credit risk exposure	17 603 202	2 951 962	289 904	128 026	506 690	21 479 784

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2020						
Cash and cash balances - other demand deposits	11 023	-	-	-	-	11 023
Financial assets at amortised cost	15 967 218	2 301 151	287 784	83 777	-	18 639 930
Loans and advances to banks	47	2	-	-	-	49
Loans and advances to customers	12 286 921	2 301 149	287 784	83 777	-	14 959 631
of which: Lending for house purchase	7 927 684	550 414	138 640	1 634	-	8 618 372
of which: Credit for consumption	1 247 428	257 796	82 135	201	-	1 587 560
of which: Corporate loans and others	3 111 809	1 492 939	67 009	81 942	-	4 753 699
Debt securities	3 680 250	-	-	-	-	3 680 250
Finance lease receivables	150 316	87 668	8 837	-	-	246 821
Trade and other receivables	80 635	1 476	4 399	-	-	86 510
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	7 740	7 740
Derivatives - held for trading	-	-	-	-	59 994	59 994
Positive fair value of derivatives - hedge accounting	-	-	-	-	34 345	34 345
Total credit risk exposure on-balance	16 209 192	2 390 295	301 020	83 777	102 079	19 086 363
Off-balance	1 221 327	318 487	926	46 024	374 522	1 961 286
Total credit risk exposure	17 430 519	2 708 782	301 946	129 801	476 601	21 047 649

“Not subject to IFRS 9 impairment” means that those balance sheet items are out of IFRS9 rules.

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Credit risk exposure by industry and financial instrument:

30.06.2021	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							
Agriculture and forestry	-	-	-	-	150 014	-	21 018	274	-	84	38 634	210 024
Mining	-	-	-	-	66 772	-	1 681	555	-	14	29 550	98 572
Manufacturing	-	-	-	-	792 811	9 202	46 255	70 039	-	752	382 037	1 301 096
Energy and water supply	-	-	-	-	380 890	20 015	4 538	1 241	-	37 606	143 327	587 617
Construction	-	-	-	-	237 367	-	4 437	1 735	-	94	256 754	500 387
Development of building projects	-	-	-	-	24 502	-	-	-	-	-	106	24 608
Trade	-	-	-	-	528 013	-	13 849	27 351	-	612	220 618	790 443
Transport and communication	-	-	-	-	432 063	89 614	126 687	2 206	-	1 554	160 565	812 689
Hotels and restaurants	-	-	-	-	90 911	-	168	102	-	620	7 462	99 263
Financial and insurance services	6 771	12 739	-	-	52 002	218 316	104	3 491	8 432	34 034	55 083	390 972
Holding companies	-	-	-	-	33 748	-	75	612	-	49	5 104	39 588
Real estate and housing	-	-	-	-	1 336 133	-	1 383	585	-	3 522	345 560	1 687 183
Services	-	-	-	-	180 432	-	6 944	3 809	-	11	69 799	260 995
Public administration	-	-	-	-	276 851	3 467 608	1 132	-	-	-	52 176	3 797 767
Education, health and art	-	-	-	-	130 888	-	6 032	648	-	35	13 659	151 262
Private households	-	-	8 813 699	1 485 489	66 917	-	144	-	-	4	424 987	10 791 240
Other	-	-	-	-	209	-	-	-	-	-	65	274
Total Credit risk exposure	6 771	12 739	8 813 699	1 485 489	4 722 273	3 804 755	234 372	112 036	8 432	78 942	2 200 276	21 479 784

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31.12.2020	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								
Agriculture and forestry	-	-	-	-	143 880	-	25 066	443	-	25	23 600	193 014	
Mining	-	-	-	-	46 683	-	1 927	136	-	12	21 289	70 047	
Manufacturing	-	-	-	-	994 434	9 356	49 226	43 784	-	1 081	330 122	1 428 003	
Energy and water supply	-	-	-	-	437 725	-	4 339	882	-	41 956	108 828	593 730	
Construction	-	-	-	-	199 723	-	4 564	2 847	-	135	237 579	444 848	
Development of building projects	-	-	-	-	25 780	-	-	-	-	-	85	25 865	
Trade	-	-	-	-	515 585	-	15 177	26 239	-	813	220 774	778 588	
Transport and communication	-	-	-	-	429 475	90 876	129 625	4 144	-	2 165	154 878	811 163	
Hotels and restaurants	-	-	-	-	87 558	-	190	98	-	771	11 464	100 081	
Financial and insurance services	11 023	49	-	-	102 836	208 265	136	3 668	7 740	42 708	97 606	474 031	
Holding companies	-	-	-	-	39 604	15 160	85	568	-	-	49 136	104 553	
Real estate and housing	-	-	-	-	1 196 766	-	1 526	337	-	4 510	245 169	1 448 308	
Services	-	-	-	-	161 197	-	7 804	3 263	-	19	72 720	245 003	
Public administration	-	-	-	-	271 614	3 371 752	510	-	-	-	33 299	3 677 175	
Education, health and art	-	-	-	-	99 767	-	6 590	671	-	51	13 659	120 738	
Private households	-	-	8 618 372	1 587 560	66 079	-	140	-	-	92	390 237	10 662 480	
Other	-	-	-	-	377	-	-	-	-	-	63	440	
Total Credit risk exposure	11 023	49	8 618 372	1 587 560	4 753 699	3 680 249	246 820	86 512	7 740	94 338	1 961 287	21 047 649	

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EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
30.06.2021					
Agriculture and forestry	110 065	25 637	49 775	24 549	210 026
Mining	98 101	470	-	-	98 571
Manufacturing	1 103 449	78 428	99 739	19 480	1 301 096
Energy and water supply	413 125	164 587	8 976	928	587 616
Construction	317 082	105 325	73 486	4 494	500 387
Development of building projects	14 399	10 206	-	3	24 608
Trade	604 460	105 302	64 361	16 320	790 443
Transport and communication	709 853	74 391	24 121	4 325	812 690
Hotels and restaurants	44 272	20 183	33 117	1 691	99 263
Financial and insurance services	378 997	8 490	3 382	103	390 972
Holding companies	32 480	6 495	612	-	39 587
Real estate and housing	1 314 038	55 076	213 788	104 281	1 687 183
Services	178 902	25 545	41 475	15 071	260 993
Public administration	3 777 539	17 972	2 256	-	3 797 767
Education, health and art	94 814	40 300	15 896	252	151 262
Private households	9 458 455	747 920	378 934	205 931	10 791 240
Other	12	40	223	-	275
Total	18 603 164	1 469 666	1 009 529	397 425	21 479 784

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2020					
Agriculture and forestry	91 517	23 895	51 591	26 011	193 014
Mining	69 837	104	106	-	70 047
Manufacturing	1 236 855	82 378	103 170	5 600	1 428 003
Energy and water supply	407 736	160 807	24 279	908	593 730
Construction	248 593	79 505	112 411	4 339	444 848
Development of building projects	14 901	47	10 913	3	25 864
Trade	607 571	105 454	41 047	24 515	778 587
Transport and communication	731 899	55 950	19 473	3 843	811 165
Hotels and restaurants	32 000	9 078	57 379	1 624	100 081
Financial and insurance services	455 604	9 280	9 049	99	474 032
Holding companies	96 447	7 770	336	-	104 553
Real estate and housing	712 856	27 519	602 987	104 945	1 448 307
Services	144 242	41 270	47 281	12 211	245 004
Public administration	3 675 357	967	851	-	3 677 175
Education, health and art	70 901	40 357	9 171	308	120 737
Private households	9 257 524	801 957	376 571	226 428	10 662 480
Other	14	254	171	-	439
Total	17 742 506	1 438 775	1 455 537	410 831	21 047 649

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EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
30.06.2021						
Agriculture and forestry	119 254	63 814	24 162	1 360	1 434	210 024
Mining	4 468	93 960	-	-	144	98 572
Manufacturing	648 551	550 851	19 198	777	81 719	1 301 096
Energy and water supply	407 530	120 721	928	-	58 438	587 617
Construction	245 366	94 674	4 027	487	155 833	500 387
Development of building projects	14 424	10 182	3	-	-	24 609
Trade	430 696	289 257	14 721	4 877	50 892	790 443
Transport and communication	527 586	248 552	4 117	237	32 197	812 689
Hotels and restaurants	2 176	81 126	1 690	13 624	647	99 263
Financial and insurance services	250 575	48 312	103	20	91 962	390 972
Holding companies	16 435	18 077	-	-	5 076	39 588
Real estate and housing	1 156 162	415 978	1 539	102 750	10 754	1 687 183
Services	108 658	116 244	14 411	1 232	20 450	260 995
Public administration	3 795 256	409	-	-	2 101	3 797 766
Education, health and art	92 424	58 449	251	23	115	151 262
Private households	9 814 298	769 542	204 757	2 639	4	10 791 240
Other	202	73	-	-	-	275
Total	17 603 202	2 951 962	289 904	128 026	506 690	21 479 784

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2020						
Agriculture and forestry	106 911	58 945	25 977	954	227	193 014
Mining	66 455	3 500	-	-	92	70 047
Manufacturing	816 909	536 018	4 161	1 934	68 981	1 428 003
Energy and water supply	414 017	115 275	908	-	63 530	593 730
Construction	231 512	66 423	4 050	581	142 282	444 848
Development of building projects	14 914	10 948	3	-	-	25 865
Trade	439 282	273 780	22 791	4 615	38 120	778 588
Transport and communication	553 658	226 218	3 532	310	27 445	811 163
Hotels and restaurants	2 710	80 860	1 512	14 170	828	100 080
Financial and insurance services	345 877	23 997	99	20	104 039	474 032
Holding companies	72 528	23 415	-	-	8 609	104 552
Real estate and housing	996 993	338 304	2 043	102 911	8 057	1 448 308
Services	103 446	105 866	11 513	1 321	22 857	245 003
Public administration	3 676 286	889	-	-	-	3 677 175
Education, health and art	68 278	52 078	308	23	51	120 738
Private households	9 607 937	826 437	225 052	2 963	92	10 662 481
Other	247	192	-	-	-	439
Total	17 430 518	2 708 782	301 946	129 802	476 601	21 047 649

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Credit risk exposure by region and financial instrument:

30.06.2021		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	8 778 153	1 480 801	4 679 056	3 452 176	234 372	71 433	1 733	44 753	2 161 702	20 904 208
Central and Eastern Europe	4 276	12 706	14 363	2 793	14 034	47 927	-	17 406	-	28 203	33 640	175 348
Austria	4 017	8 852	2 099	288	12	-	-	2 932	-	27 870	13 513	59 583
Czech Republic	61	3 854	4 036	306	13 924	47 927	-	11 000	-	333	18 452	99 893
Hungary	168	-	215	132	25	-	-	2 423	-	-	1 204	4 167
Croatia	10	-	-	29	1	-	-	507	-	-	2	549
Romania	20	-	480	146	18	-	-	470	-	-	16	1 150
Serbia	-	-	7 533	1 892	54	-	-	74	-	-	453	10 006
Other EU	2 392	2	1 042	170	25 407	299 450	-	21 225	-	5 986	2 508	358 182
Other industrialised countries	103	-	2 813	196	3 707	5 202	-	833	6 699	-	38	19 591
Emerging markets	-	2	17 328	1 529	69	-	-	1 139	-	-	2 388	22 455
Total	6 771	12 739	8 813 699	1 485 489	4 722 273	3 804 755	234 372	112 036	8 432	78 942	2 200 276	21 479 784

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31.12.2020	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	-	29	8 613 332	1 586 587	4 700 694	3 336 786	246 820	57 889	1 718	51 544	1 926 373	20 521 772	
Central and Eastern Europe	10 837	10	2 051	358	12 257	46 878	-	15 197	-	36 545	27 459	151 592	
Austria	7 681	8	39	47	2	-	-	3 576	-	36 442	9 861	57 656	
Czech Republic	2 979	2	1 360	206	12 235	46 878	-	9 443	-	103	16 688	89 894	
Hungary	169	-	114	17	18	-	-	1 633	-	-	901	2 852	
Croatia	5	-	110	39	-	-	-	214	-	-	1	369	
Romania	3	-	256	20	1	-	-	253	-	-	5	538	
Serbia	-	-	172	29	1	-	-	78	-	-	3	283	
Other EU	144	8	1 174	169	40 121	291 508	-	12 124	12	6 250	6 899	358 409	
Other industrialised countries	42	-	274	95	602	5 078	-	147	6 010	-	4	12 252	
Emerging markets	-	2	1 541	351	25	-	-	1 154	-	-	551	3 624	
Total	11 023	49	8 618 372	1 587 560	4 753 699	3 680 250	246 820	86 511	7 740	94 339	1 961 286	21 047 649	

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Credit risk exposure by region and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.06.2021					
Slovakia	18 076 820	1 456 912	992 823	377 653	20 904 208
Central and Eastern Europe	165 469	2 802	6 504	573	175 348
Austria	59 178	6	395	4	59 583
Czech Republic	93 070	1 452	5 070	301	99 893
Hungary	4 093	33	2	39	4 167
Croatia	544	-	-	4	548
Romania	954	34	79	83	1 150
Serbia	7 630	1 277	958	142	10 007
Other EU	325 894	6 766	6 575	18 947	358 182
Other industrialised countries	18 425	130	861	175	19 591
Emerging markets	16 556	3 056	2 766	77	22 455
Total	18 603 164	1 469 666	1 009 529	397 425	21 479 784

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2020					
Slovakia	17 259 162	1 428 574	1 442 693	391 343	20 521 772
Central and Eastern Europe	146 083	750	4 413	346	151 592
Austria	57 642	-	14	-	57 656
Czech Republic	84 437	740	4 399	318	89 894
Hungary	2 840	10	-	2	2 852
Croatia	369	-	-	-	369
Romania	533	-	-	5	538
Serbia	262	-	-	21	283
Other EU	329 448	7 689	2 344	18 928	358 409
Other industrialised countries	6 031	8	6 010	203	12 252
Emerging markets	1 781	1 756	76	11	3 624
Total	17 742 505	1 438 777	1 455 536	410 831	21 047 649

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EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
30.06.2021						
Slovakia	17 146 494	2 922 194	289 048	109 106	437 366	20 904 208
Central and Eastern Europe	99 441	21 097	559	17	54 234	175 348
Austria	17 945	344	4	2	41 288	59 583
Czech Republic	67 115	19 830	293	8	12 646	99 892
Hungary	3 814	14	36	3	300	4 167
Croatia	545	-	4	-	-	549
Romania	1 020	47	82	1	-	1 150
Serbia	9 002	862	140	3	-	10 007
Other EU	324 314	7 121	46	18 902	7 799	358 182
Other industrialised countries	12 374	328	175	-	6 714	19 591
Emerging markets	20 579	1 222	76	1	577	22 455
Total	17 603 202	2 951 962	289 904	128 026	506 690	21 479 784

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2020						
Slovakia	17 026 966	2 682 780	301 363	110 897	399 766	20 521 772
Central and Eastern Europe	76 064	17 650	342	3	57 533	151 592
Austria	11 357	-	-	-	46 299	57 656
Czech Republic	60 820	17 522	315	3	11 234	89 894
Hungary	2 851	-	1	-	-	2 852
Croatia	241	128	-	-	-	369
Romania	533	-	5	-	-	538
Serbia	262	-	21	-	-	283
Other EU	318 609	8 079	26	18 902	12 793	358 409
Other industrialised countries	6 038	-	203	-	6 010	12 251
Emerging markets	2 842	272	11	-	500	3 625
Total	17 430 519	2 708 781	301 945	129 802	476 602	21 047 649

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Credit risk exposure according to impairment view:

30.06.2021	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	-	-	-	-	-	-	6 771	-	6 771
Financial assets at amortised cost	282 256	251 570	17 084	8 625	3 948	1 029	18 219 314	337 387	18 838 957
Loans and advances to banks	45	45	-	-	-	-	12 694	-	12 739
Loans and advances to customers	282 211	251 525	17 084	8 625	3 948	1 029	14 401 865	337 387	15 021 463
of which: Lending for house purchase	102 601	88 908	7 283	2 764	2 923	722	8 572 573	138 524	8 813 699
of which: Credit for consumption	51 897	45 368	3 921	1 497	932	179	1 371 210	62 383	1 485 489
of which: Corporate loans and others	127 713	117 249	5 880	4 364	93	128	4 458 082	136 480	4 722 275
Debt securities	-	-	-	-	-	-	3 804 755	-	3 804 755
Finance lease receivables	4 672	3 918	691	-	62	-	221 349	8 351	234 372
Trade and other receivables	7 385	7 028	331	26	-	-	99 741	4 909	112 036
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	8 432	-	8 432
Financial assets - held for trading	-	-	-	-	-	-	51 644	-	51 644
Positive fair value of derivatives	-	-	-	-	-	-	27 296	-	27 296
Total credit risk exposure on-balance	294 313	262 516	18 106	8 651	4 010	1 029	18 634 547	350 647	19 279 508
Off-balance	-	-	-	-	-	-	2 153 590	46 686	2 200 276
Total credit risk exposure	294 313	262 516	18 106	8 651	4 010	1 029	20 788 137	397 333	21 479 784

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31.12.2020	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		
EUR ths.									
Cash and cash balances - other demand deposits	-	-	-	-	-	-	11 023	-	11 023
Financial assets at amortised cost	264 431	241 674	12 279	6 087	2 631	1 759	18 024 550	350 948	18 639 930
Loans and advances to banks	49	49	-	-	-	-	-	-	49
Loans and advances to customers	264 382	241 625	12 279	6 087	2 631	1 759	14 344 300	350 948	14 959 631
of which: Lending for house purchase	78 659	66 836	7 044	2 064	1 644	1 070	8 400 704	139 008	8 618 372
of which: Credit for consumption	48 831	42 445	3 526	1 692	851	318	1 456 490	82 239	1 587 560
of which: Corporate loans and others	136 892	132 344	1 709	2 331	136	371	4 487 106	129 701	4 753 699
Debt securities	-	-	-	-	-	-	3 680 250	-	3 680 250
Finance lease receivables	9 266	8 953	231	82	-	-	228 718	8 837	246 820
Trade and other receivables	6 677	4 975	1 339	211	153	-	75 434	4 399	86 511
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	7 740	-	7 740
Financial assets - held for trading	-	-	-	-	-	-	59 994	-	59 994
Positive fair value of derivatives	-	-	-	-	-	-	34 345	-	34 345
Total credit risk exposure on-balance	280 374	255 602	13 849	6 380	2 784	1 759	18 441 804	364 184	19 086 363
Off-balance	-	-	-	-	-	-	1 914 638	46 648	1 961 286
Total credit risk exposure	280 374	255 602	13 849	6 380	2 784	1 759	20 356 442	410 832	21 047 649

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Credit quality for exposures, which are neither past due nor impaired:

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
30.06.2021					
Cash and cash balances - other demand deposits	6 771	-	-	-	6 771
Financial assets at amortised cost	16 393 006	1 178 776	647 532	-	18 219 314
Loans and advances to banks	12 694	-	-	-	12 694
Loans and advances to customers	12 575 557	1 178 776	647 532	-	14 401 865
of which: Lending for house purchase	7 896 748	493 901	181 925	-	8 572 574
of which: Credit for consumption	1 140 895	167 938	62 376	-	1 371 209
of which: Corporate loans and others	3 537 914	516 937	403 231	-	4 458 082
Debt securities	3 804 755	-	-	-	3 804 755
Finance lease receivables	170 517	38 169	12 663	-	221 349
Trade and other receivables	76 007	4 329	19 405	-	99 741
Non-trading financial assets at fair value through profit or loss - Debt securities	6 687	-	1 745	-	8 432
Derivatives - held for trading	12 770	37 550	1 324	-	51 644
Positive fair value of derivatives - hedge accounting	27 296	-	-	-	27 296
Total credit risk exposure on-balance	16 693 054	1 258 824	682 669	-	18 634 547
Off-balance	1 843 596	162 358	147 542	94	2 153 590
Total credit risk exposure	18 536 650	1 421 182	830 211	94	20 788 137

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
31.12.2020					
Cash and cash balances - other demand deposits	11 023	-	-	-	11 023
Financial assets at amortised cost	15 860 466	1 147 193	1 016 892	-	18 024 551
Loans and advances to banks	-	-	-	-	-
Loans and advances to customers	12 180 216	1 147 193	1 016 892	-	14 344 301
of which: Lending for house purchase	7 676 067	541 466	183 172	-	8 400 705
of which: Credit for consumption	1 191 600	189 110	75 780	-	1 456 490
of which: Corporate loans and others	3 312 549	416 617	757 940	-	4 487 106
Debt securities	3 680 250	-	-	-	3 680 250
Finance lease receivables	188 394	26 437	13 886	-	228 717
Trade and other receivables	58 135	3 695	13 604	-	75 434
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	7 740	-	7 740
Derivatives - held for trading	13 131	41 860	5 003	-	59 994
Positive fair value of derivatives - hedge accounting	34 345	-	-	-	34 345
Total credit risk exposure on-balance	16 165 494	1 219 185	1 057 125	-	18 441 804
Off-balance	1 518 400	169 760	226 478	-	1 914 638
Total credit risk exposure	17 683 894	1 388 945	1 283 603	-	20 356 442

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Credit risk exposure by Basel 3 exposure class and financial instrument:

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
30.06.2021					
Cash and cash balances - other demand deposits	-	6 771	-	-	6 771
Financial assets at amortised cost	3 747 678	220 704	3 741 559	11 129 016	18 838 957
Loans and advances to banks	-	12 739	-	-	12 739
Loans and advances to customers	280 070	-	3 612 377	11 129 016	15 021 463
of which: Lending for house purchase	-	-	-	8 813 699	8 813 699
of which: Credit for consumption	-	-	-	1 485 489	1 485 489
of which: Corporate loans and others	280 070	-	3 612 377	829 828	4 722 275
Debt securities	3 467 608	207 965	129 182	-	3 804 755
Finance lease receivables	1 137	-	220 446	12 789	234 372
Trade and other receivables	373	-	111 094	569	112 036
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	8 432	-	8 432
Derivatives - held for trading	-	6 560	45 080	4	51 644
Positive fair value of derivatives - hedge accounting	-	27 296	-	-	27 296
Total credit risk exposure on-balance	3 749 188	261 331	4 126 611	11 142 378	19 279 508
Off-balance	52 233	44 407	1 551 071	552 565	2 200 276
Total credit risk exposure	3 801 421	305 738	5 677 682	11 694 943	21 479 784

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
31.12.2020					
Cash and cash balances - other demand deposits	-	11 023	-	-	11 023
Financial assets at amortised cost	3 644 081	183 023	3 818 782	10 994 044	18 639 930
Loans and advances to banks	-	49	-	-	49
Loans and advances to customers	272 329	-	3 693 258	10 994 044	14 959 631
of which: Lending for house purchase	-	-	-	8 618 372	8 618 372
of which: Credit for consumption	-	-	-	1 587 560	1 587 560
of which: Corporate loans and others	272 329	-	3 693 258	788 112	4 753 699
Debt securities	3 371 752	182 974	125 524	-	3 680 250
Finance lease receivables	517	-	230 635	15 668	246 820
Trade and other receivables	330	2 013	83 522	646	86 511
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	7 740	-	7 740
Derivatives - held for trading	-	8 347	51 554	93	59 994
Positive fair value of derivatives - hedge accounting	-	34 345	-	-	34 345
Total credit risk exposure on-balance	3 644 928	238 751	4 192 233	11 010 451	19 086 363
Off-balance	33 299	44 919	1 362 531	520 537	1 961 286
Total credit risk exposure	3 678 227	283 670	5 554 764	11 530 988	21 047 649

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.

Covid-19

The Covid-19 pandemic has been causing high uncertainty in the global economy and on the global markets. Social distancing rules and lockdown restrictions imposed by governments led to economic slow-down and a significant drop of revenues across industries. Unprecedented state aid packages (e.g. state guarantees, bridge financing, the state temporarily paying workers' salaries to avoid redundancies, hardship funds for one-person and micro businesses) and moratoria programs were introduced to support citizens and companies (similar measures have been introduced also for other markets where parent company of the Group operates). While such measures mitigate the negative economic effects, they complicate a timely reflection of a potential deterioration of the loan portfolios.

Effect on customers

Immediately upon the crisis showing severe economic impacts in our region (governmental decisions on lockdowns), initiatives were started aiming to, on the one hand support Bank's clients to the utmost extent, and on the other hand, manage the respective risks and bearing the responsibility of Bank towards all stakeholders in mind.

In these circumstances, in order to minimize the medium- and long-term economic impacts of the efforts taken to contain the COVID-19 pandemic, Slovak government have implemented several support measures. These measures introduced in Act. 67/2020 include moratorium on payments of credit obligations (1. EBA-compliant legislative moratoria) or giving financial support through loans with state guarantee (2. Public guarantee schemes). In cases where clients did not meet all predefined criteria required by legislation, individual solutions could be agreed (3. Other Covid-19 related measures).

In order to qualify moratorium on payments as EBA-compliant moratoria several conditions must be met:

- The moratorium was launched in response to the COVID-19 pandemic,
- The moratorium has to be broadly applied,
- The moratorium has to apply to a broad range of obligors,
- The same moratorium offers the same conditions,
- The moratorium changes only schedule of payments,
- The moratorium does not apply to new loans granted after the launch of the moratorium.

Credit risk exposure of non-financial corporations by industry – measures applied in response to the COVID-19 crisis

	Loans and advances subject to EBA-compliant moratoria	Other loans and advances subject to Covid-19-related forbearance measures	Newly originated loans and advances subject to public guarantee schemes in the context of the Covid-19 crisis
EUR ths.			
30.06.2021			
Agriculture and forestry	1 725	1 268	6 187
Mining	-	-	711
Manufacturing	842	269	57 385
Energy and water supply	-	-	3 171
Construction	1 203	365	34 554
Trade	1 606	2 304	65 678
Transport and communication	215	206	21 257
Hotels and restaurants	3 550	14 653	8 792
Financial and insurance services	-	-	-
Real estate and housing	13 890	1 069	3 746
Services	720	401	16 417
Public administration	-	-	-
Education, health and art	-	46	3 400
Total	23 751	20 580	221 298

Loans and advances of non-financial corporations to which the measures applied in the response to Covid-19 were granted and are currently valid (have not been expired), amounted to 266 mil. EUR as of 30 June 2021. Measures mostly refer to EBA-compliant moratoria.

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Credit risk exposure of households and other financial institutions – measures applied in response to the COVID-19 crisis:

EUR ths.	Loans and advances subject to EBA-compliant moratoria	Other loans and advances subject to Covid-19-related forbearance measures	Newly originated loans and advances subject to public guarantee schemes in the context of the Covid-19 crisis
30.06.2021			
Private households	812	201 085	10 584
Financial and insurance services	0	0	308
Total	812	201 085	10 892

Loans and advances of households to which the measures applied in the response to Covid-19 were granted and are currently valid (have not been expired), amounted to 212 mil. EUR, which is significantly lower than 1 079 mil. EUR as of 31 December 2020. Most of the measures expired during January and February 2021.

For clients with expired measures and still having difficulties going back to normal payment calendar, the Bank provides opportunity to lower loan payments to 25% of original loan payment for 6 months. This lowering of loan payments will be subject to standard forbearance assessment.

Loans and advances to which the measures applied in the response to Covid-19 have been treated as modified from the view of IFRS 9. However the effect of the modified contractual cash flows discounted by original effective interest rate compared to net present value of original cash flows was considered as immaterial. Due to this the Bank does not recognize any modification gain or loss.

Effect on business

In March 2020, Risk and Business divisions started a joint initiative aiming to quickly provide a harmonized guidance for a focused industry approach within Erste Group, reflecting the changed economic environment. Industries and sub-industries were categorized into critical, high, medium and low expected impacts due to Covid-19 creating an "Industry Heat Map". Critical and high industries equal to "High risk" category that is further used in tables presented below. The categorization is based on a combination of research material, feedback collected from client meetings and single name analyses, both centrally as well as in the entities. The Industry Heat Map is reassessed on quarterly basis.

Main drivers for assigning corresponding green (low impact), yellow (medium impact), amber (high impact) and red (critical impact) industry classification was the assessment of both, short-term as well as medium-term impacts of the crisis on the specific (sub)industry. E.g. a complete lock-down of businesses like hotels or passenger air transport resulted in "red" classification on short-term view and based on expected re-opening/recovery remained on "amber" or "red" or was assessed as "yellow" or "green" on medium-term view. A respective business and risk strategy for the (sub)industries was formulated based on the assessment. The assessed risk for the specific (sub)industry can lead to strategic recommendations (e.g. to temporarily limit financing for specific categories to existing clients only) and/or the revision of underwriting standards.

In order to address COVID-19 pandemic induced crisis, the Group introduced COVID-19 SICR overlays (described in detail below in section Effect on Expected Credit Loss) where exposures were moved from Stage 1 to Stage 2 based on certain rules. Compared to 2019 this movement created specific situation where exposures with worse rating grades moved from Stage 1 to Stage 2 thus lowering the provision coverage ratio in Stage 1. However, these exposures that moved from Stage 1 to Stage 2 have better rating grades than exposures that would be in Stage 2 without the COVID-19 SICR overlays which resulted in lower provision coverage also in Stage 2. This situation is observed on Retail portfolio whereas provision coverage on Corporate portfolio remained same in Stage 2 and is significantly higher in Stage 1. Overall the movement caused by COVID-19 SICR overlays caused increase in the total coverage ratio due to high provision creation. Stage 3 coverage remains stable and overall NPL coverage increased due to high provision creation.

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Credit risk exposure and credit loss allowances by industry and IFRS9 treatment – industry heatmap:

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total	Credit loss allowances
30.06.2021								
Agriculture and forestry	119 254	63 814	24 162	1 360	208 589	1 436	210 025	19 879
Mining	4 467	93 960	0	0	98 428	144	98 571	908
Manufacturing	648 551	550 851	19 198	777	1 219 377	81 719	1 301 096	28 501
Energy and water supply	407 529	120 721	928	0	529 179	58 438	587 616	16 636
Construction	245 366	94 674	4 027	487	344 555	155 833	500 387	11 487
Trade	430 695	289 257	14 721	4 877	739 551	50 892	790 443	27 986
Transport and communication	527 586	248 552	4 118	237	780 493	32 197	812 690	13 731
Hotels and restaurants	2 176	81 127	1 690	13 624	98 616	647	99 263	7 745
Financial and insurance services	250 575	48 312	103	20	299 011	91 962	390 972	1 621
Real estate and housing	1 156 162	415 978	1 539	102 749	1 676 428	10 754	1 687 182	72 506
Services	108 657	116 244	14 411	1 232	240 544	20 450	260 994	16 307
Public administration	3 795 256	409	0	0	3 795 665	2 101	3 797 767	757
Education, health and art	92 424	58 449	251	23	151 147	115	151 262	4 566
Private households	9 814 298	769 542	204 757	2 639	10 791 235	4	10 791 239	184 138
Other	202	73	0	0	274	0	274	12
Total	17 603 199	2 951 962	289 905	128 026	20 973 092	506 691	21 479 783	406 782
31.12.2020								
Agriculture and forestry	106 910	58 945	25 977	954	192 787	227	193 014	18 576
Mining	66 454	3 500	0	0	69 954	92	70 046	176
Manufacturing	816 909	536 018	4 161	1 934	1 359 022	68 981	1 428 003	24 692
Energy and water supply	414 016	115 275	908	0	530 199	63 530	593 729	16 749
Construction	231 513	66 423	4 050	581	302 567	142 282	444 849	9 398
Trade	439 282	273 780	22 791	4 615	740 468	38 120	778 588	30 596
Transport and communication	553 659	226 218	3 533	310	783 720	27 445	811 165	11 930
Hotels and restaurants	2 710	80 860	1 512	14 170	99 252	828	100 080	7 325
Financial and insurance services	345 877	23 997	99	20	369 993	104 039	474 032	1 424
Real estate and housing	996 992	338 304	2 043	102 911	1 440 250	8 057	1 448 307	71 267
Services	103 445	105 866	11 513	1 321	222 145	22 857	245 002	13 597
Public administration	3 676 286	889	0	0	3 677 175	0	3 677 175	733
Education, health and art	68 278	52 078	308	23	120 687	51	120 738	4 006
Private households	9 607 937	826 436	225 052	2 963	10 662 388	92	10 662 480	198 201
Other	247	192	0	0	439	0	439	23
Total	17 430 516	2 708 781	301 947	129 802	20 571 046	476 601	21 047 647	408 693

Effect on Expected Credit Loss

The Group kept its model for ECL (expected credit loss) consistent with prior periods. The Group has enhanced few areas mainly in the credit risk parameters and SICR (significant increase in credit risk) assessment process in order to address COVID-19 pandemic induced crisis.

Credit risk parameters were affected by the macroeconomic development. The Group is using macro shift translation models which the Group has implemented for purposes of external and internal stress test to translate macro variables to parameters' shifts. Unprecedented state support measures lead to a significant delay in the observed defaults. Therefore, the Group decided to adjust credit risk parameters to a different point in time (PiT) value – financial crisis 2008-2009. Additionally, various expected macroeconomic developments are incorporated as forward-looking information (FLI).

The Group uses three scenarios as a basis for the credit risk parameters' shift incorporation. The Baseline scenario is constructed by the Erste Group macro research team which leverages on the network of local macroeconomic experts in our core markets. The baseline scenario is generally aligned with other available external forecasts (e.g.: ECB, IMF, EU Commission).

Upside and downside scenarios are generated using internal statistical methodology based on the long-time horizon time series of macroeconomic variables.

Erste Group has also used its internal COVID-19 related stress test scenario in constructing the downside scenarios. Due to higher volatility of the macro predictions, for the first time, the Group assigned for year 2021 equal or higher probability to the downside scenario rather than to the baseline scenario.

The Eurozone assumptions by Erste Group used for the forward-looking-information calculation are broadly aligned with the published December ECB forecasts for the Eurozone. Although these assumptions are broadly aligned with other external forecasts, there might be certain differences on individual country level. Nevertheless, stronger relative drop/increase in one year usually implies also stronger/lower relative increase in the subsequent year, decreasing differences between the cumulative multiple years impact. Also, external forecasts typically fall within the FLI scenario range between the downside and upside scenarios.

For years 2021-2023, the projected growth is relatively high from the historical perspective (considering strong real GDP drop in 2020 and strong base effect) and in this case model assigns higher probability to downside scenarios. Assignment of higher probabilities to the downside scenarios also reflects pronounced downside risks reflected in more severe probability weighted scenarios compared to the sole baseline scenario.

The Group uses a 1-year period forward looking prediction to be incorporated into credit risk parameters. After the first year the Bank reverses to using through the cycle observed values. During current ECL estimation the Group used point in time shift from crisis in 2008-2009 and as forward-looking prediction we used macro prediction for 2021.

The Group has kept all the standard triggers for SICR assessment and has added additional ones such as COVID-19 SICR overlays. In order to properly identify portfolios with higher risk of default and addressing drawbacks in SICR identification due to the current COVID-19 situation and COVID-19 measures, the Group has decided to implement COVID-19 SICR overlays. They follow standard SICR assessment process and identify additional portfolios to be migrated to lifetime ECL measurement - Stage 2 (they cannot be used to over-ride standard stage 2 migrations back to stage 1).

In order to quantify COVID-19 SICR overlay, the Group uses 3 negative information:

1. COVID-19 flag
2. Industry Heat Map information (not relevant for private individuals)
3. the level of the current 1Y IFRS PD

as factors which combination leads to COVID-19 SICR overlay assessment.

The Group established a COVID-19 flag in the systems. The COVID-19 flag indicates any supporting measure granted to the customer irrespective whether legal or private moratorium, EBA guideline compliant or not. All these flags are considered as relevant and are referred to as COVID-19 flag for the purpose of COVID-19 SICR overlay. Applying for COVID-19 measures, even if not by itself, in combination with other negative information would point to current weakness and higher vulnerability to default in our view.

In order to distinguish between opportunistic applicants and those who really need the measure to cover a worsened situation, the Group set 1Y IFRS PD threshold of 250 bps as second negative information (i.e. if the Group has only industry heat map negative information or COVID-19 flag as the negative information). In case there exists already a combination of two negative information, the Group does not need any PD discriminator – i.e. COVID-19 flag and high-risk industry combination would result to Stage 2 migration irrespective of current PD. Critical industry segment designation is the only criteria that would lead to Stage 2 on its own.

To summarize COVID-19 SICR overlay rules that would result to Stage 2 migration are as follows:

1. Private individuals
 - a. COVID-19 flag + PD
2. Non-private individuals
 - a. COVID-19 flag + medium risk industry + PD
 - b. COVID-19 flag + high risk industry (irrespective of PD)
 - c. High risk industry + PD (irrespective of COVID-19 flag)
 - d. Critical risk industry (irrespective of PD and COVID-19 flag)

After moratoria will end for clients, the Group will still keep SICR overlays active for some time in order to compensate for lacking information. In case of private individuals we are addressing via these overlays mainly lacking information for the score-card variables on the delinquency. That means, once moratoria is lifted, and scorecard shall get complete information for sufficiently long time we would be releasing overlays.

In case of non-private individuals we are addressing increased risk specific to certain industry and lack of information due to lagging of the financial information captured in current financial statements (that serves as basis for rating assessment). In case of moratoria we have set up therefore observation period in order to have possibility to monitor delinquency. Corporate business and their default probabilities are tied to development of the economy. We are observing GDP in the regular FLI process. Therefore, we have selected second criteria for non-private individuals SICR overlays release improvement of the economy in the degree expected when the ECL estimate for crises coverage was built.

List of considerations to be followed before stage overlays are lifted is listed below.

Non-private individuals

Additional observations necessary prior the Stage Overlays rules cancelation:

- two quarters of realized macro recovery and confirmation of the continuous recovery in the next years -> this means:
 - two consecutive quarters of positive GDP development;
 - in those two quarters forecast for end of the year and next year cannot be significantly below baseline FLI estimates for the same period
- AND
- minimum of 6-12 months period since moratoria expiration if customer was covered by moratoria.

Private individuals

- minimum of 6 months period after moratoria expiration

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In case of private individuals the Group already sees release of ECL where the 6 month period after moratoria expiration already passed. Most of the moratoria expired in January and February so the Group is expecting the biggest releases of ECL in July and August 2021.

The sensitivity analyses tables below present staging splits of the current performing exposures and ECL. Movements of exposures between Stage 1 and Stage 2 and resulting changes in ECL triggered by effect of Covid-19 SICR overlays and FLI macro overlays is shown. Effects on industry segments and high-risk industry subsegments (high risk and critically impacted industries) are disclosed. For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. For Exposure a positive sign (+) equals increase of exposure while a negative sign (-) equals decrease of exposure. Values presented as sensitivities are results of internal simulations.

Sensitivity analyses – Forward looking information (FLI) and stage overlays due to the Covid-19 pandemic**Impact on credit risk exposure by industry**

EUR ths.	Current status – parameters (FLI shifted)		Current status without stage overlays due to Covid-19		Point in time parameters (before FLI shift)	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
30.06.2021						
Agriculture and forestry	119 254	63 814	26 613	-26 613	14 529	-14 529
Mining	4 467	93 960	4 330	-4 330	89 740	-89 740
of which high risk	534	0	10	-10	0	0
Manufacturing	648 551	550 851	372 099	-372 099	29 655	-29 655
of which high risk	141 202	349 911	292 500	-292 500	15 739	-15 739
Energy and water supply	407 529	120 721	12 358	-12 358	691	-691
Construction	245 366	94 674	39 003	-39 003	16 982	-16 982
Trade	430 695	289 257	234 322	-234 322	21 895	-21 895
of which high risk	81 737	148 702	119 224	-119 224	9 925	-9 925
Transport and communication	527 542	248 552	196 118	-196 118	5 289	-5 289
of which high risk	107 247	84 004	79 698	-79 698	406	-406
Hotels and restaurants	2 157	81 127	62 043	-62 043	2 148	-2 148
of which high risk	2 157	81 127	62 043	-62 043	2 148	-2 148
Financial and insurance services	250 575	48 312	11 616	-11 616	30 342	-30 342
Real estate and housing	1 178 877	415 978	337 768	-337 768	4 349	-4 349
of which high risk	549 183	383 847	319 371	-319 371	4 197	-4 197
Services	108 657	116 244	109 237	-109 237	2 996	-2 996
of which high risk	25 310	108 196	103 397	-103 397	1 905	-1 905
Public administration	3 795 256	409	0	0	0	0
Education, health and art	92 424	58 449	27 634	-27 634	791	-791
of which high risk	36 007	23 001	21 037	-21 037	475	-475
Households	9 814 298	769 542	278 877	-278 877	-2 148	2 148
Other	202	73	0	0	0	0
Total	17 625 851	2 951 962	1 712 019	-1 712 019	217 258	-217 258

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EUR ths.	Current status – parameters (FLI shifted)		Current status without stage overlays due to Covid-19		Point in time parameters (before FLI shift)	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
30.06.2021						
Agriculture and forestry	1 086	6 148	-913	1 929	760	2 385
Mining	16	892	-18	64	-204	824
Manufacturing	3 065	19 352	-3 430	8 560	2 929	3 784
of which high risk	500	11 809	-2 613	6 670	1 516	2 195
Energy and water supply	1 408	14 529	-119	396	608	1 986
Construction	2 307	5 405	-568	1 253	1 134	1 639
Trade	2 567	12 453	-2 050	6 888	2 107	2 469
of which high risk	242	5 305	-1 043	3 505	921	1 172
Transport and communication	1 366	9 187	-2 089	6 783	1 710	821
of which high risk	199	2 173	-536	1 977	411	58
Hotels and restaurants	8	4 772	-732	2 617	205	195
of which high risk	8	4 772	-732	2 617	205	195
Financial and insurance services	511	1 034	-26	60	252	548
Real estate and housing	3 772	17 237	-2 840	8 817	779	715
of which high risk	2 220	13 976	-2 730	8 696	768	701
Services	637	5 349	-1 066	3 708	646	606
of which high risk	258	4 756	-949	3 405	390	485
Public administration	730	9	0	0	-16	0
Education, health and art	352	4 007	-257	980	-570	424
of which high risk	129	799	-129	609	-679	96
Households	19 423	43 141	-1 854	10 423	4 739	-4 001
Other	7	5	0	0	0	0
Total	37 256	143 522	-15 961	52 479	15 078	12 396

In case of FLI macro shifts and PiT parameters the Group was given a choice either to use 2020 macro values for year 2021 for FLI or adjust PiT parameters to a crisis period and use standard FLI. The Group decided to opt for the second option and adjusted PiT parameters to latest observed crisis in years 2008-2009.

The following tables present sensitivity analyses taking into consideration only changes due to the different values of PDs according to the baseline, upside and downside FLI scenarios. Covid-19 SICR overlays are ignored. Sensitivities of these scenarios are calculated in comparison to current production i.e. - weighted scenarios FLI shifted (weights and scenarios are disclosed in the “Expected credit loss measurement” section above). In tables below the Group is showing impacts of different scenarios on exposure and ECL, where each particular scenario has 100% weight.

Total exposure in Stage 2 decreases by 217 mil. EUR before the PiT adjustment and ECL decreases by 27,5 mil. EUR (values shown in tables refer to PiT risk parameters before the adjustment to the latest observed crisis). In case of baseline and upside scenarios total exposure in Stage 2 decreases by 4,4 mil. EUR and 8,2 mil. EUR respectively and ECL decreases by 2,5 mil. EUR and 4,6 mil. EUR respectively. In case of downside scenario total exposure in Stage 2 increases by 4,3 mil. EUR and ECL increases by 4,8 mil. EUR.

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Sensitivity analyses – Different probabilities of default (PD)

Impact of different scenarios on credit risk exposure by industry

EUR ths.	Point in time parameters (before FLI shift)		Upside scenario		Baseline scenario		Downside scenario	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
30.06.2021								
Agriculture and forestry	14 529	-14 529	619	-619	496	-496	-556	556
Mining	89 740	-89 740	0	0	0	0	0	0
Manufacturing	29 655	-29 655	152	-152	94	-94	-79	79
of which high risk	15 739	-15 739	52	-52	46	-46	-45	45
Energy and water supply	691	-691	0	0	0	0	0	0
Construction	16 982	-16 982	333	-333	221	-221	-362	362
Trade	21 895	-21 895	629	-629	367	-367	-600	600
of which high risk	9 925	-9 925	280	-280	159	-159	-213	213
Transport and communication	5 289	-5 289	660	-660	378	-378	-73	73
of which high risk	406	-406	54	-54	0	0	-35	35
Hotels and restaurants	2 148	-2 148	37	-37	7	-7	-33	33
of which high risk	2 148	-2 148	37	-37	7	-7	-33	33
Financial and insurance services	30 342	-30 342	2	-2	2	-2	0	0
Real estate and housing	4 349	-4 349	249	-249	249	-249	-34	34
of which high risk	4 197	-4 197	227	-227	227	-227	-34	34
Services	2 996	-2 996	62	-62	44	-44	-265	265
of which high risk	1 905	-1 905	22	-22	9	-9	-146	146
Public administration	0	0	0	0	0	0	0	0
Education, health and art	791	-791	40	-40	0	0	-20	20
of which high risk	475	-475	40	-40	0	0	0	0
Households	-2 148	2 148	5 398	-5 398	2 575	-2 575	-2 275	2 275
Other	0	0	0	0	0	0	0	0
Total	217 258	-217 258	8 182	-8 182	4 433	-4 433	-4 297	4 297

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Impact of different scenarios on credit loss allowances by industry

EUR ths.	Point in time (before FLI shift)		Upside scenario		Baseline scenario		Downside scenario	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
30.06.2021								
Agriculture and forestry	760	2 385	5	73	-5	57	-23	-37
Mining	-204	824	0	0	0	0	0	-1
Manufacturing	2 929	3 784	34	36	17	19	-44	-31
of which high risk	1 516	2 195	14	17	6	11	-18	-16
Energy and water supply	608	1 986	1	1	1	1	-2	-1
Construction	1 134	1 639	31	58	14	34	-37	-63
Trade	2 107	2 469	40	108	20	63	-49	-107
of which high risk	921	1 172	17	40	8	24	-20	-40
Transport and communication	1 710	821	7	56	2	35	-30	-28
of which high risk	411	58	1	4	1	1	-2	-3
Hotels and restaurants	205	195	13	15	7	7	-16	-14
of which high risk	205	195	13	15	7	7	-16	-14
Financial and insurance services	252	548	1	1	1	1	-1	-1
Real estate and housing	779	715	4	23	-1	20	-10	-11
of which high risk	768	701	4	21	-1	18	-9	-10
Services	646	606	27	30	14	16	-23	-42
of which high risk	390	485	16	19	9	10	-14	-29
Public administration	-16	0	0	0	0	0	0	0
Education, health and art	-570	424	7	7	4	3	-9	-7
of which high risk	-679	96	1	2	1	1	-2	-1
Households	4 739	-4 001	2 539	1 476	1 430	781	-2 890	-1 357
Other	0	0	0	0	0	0	0	0
Total	15 078	12 396	2 709	1 884	1 505	1 037	-3 134	-1 701

29. 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 individual financial statements should be read in combination with individual financial statements for the previous year in note 33.

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	
	31.12.2020				30.06.2021			
Assets								
Financial assets - held for trading	-	59 994	-	59 994	-	51 644	-	51 644
Derivatives	-	59 994	-	59 994	-	51 644	-	51 644
Non-trading financial assets at fair value through profit or loss	-	-	15 287	15 287	-	-	15 587	15 587
Equity instruments	-	-	7 547	7 547	-	-	7 155	7 155
Debt securities	-	-	7 740	7 740	-	-	8 432	8 432
Hedge accounting derivatives	-	34 345	-	34 345	-	27 296	-	27 296
Total assets	-	94 339	15 287	109 626	-	78 940	15 587	94 527
Liabilities								
Financial liabilities - held for trading	-	56 524	-	56 524	-	49 393	-	49 393
Derivatives	-	56 524	-	56 524	-	49 393	-	49 393
Hedge accounting derivatives	-	48 373	-	48 373	-	38 408	-	38 408
Total liabilities	-	104 897	-	104 897	-	87 801	-	87 801

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 of financial Instruments rated at fair value

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

	01.01.2021	Gain/loss in profit or loss	Gain/loss in other compre- hensive income	Purchases	Sales	Settlement s	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translatio n	30.06.2021
EUR ths.												
Assets												
Non-trading financial assets at fair value through profit or loss	15 287	266	-	-	-	-	-	-	-	-	34	15 587
Equity instruments	7 547	(426)	-	-	-	-	-	-	-	-	34	7 155
Debt securities	7 740	692	-	-	-	-	-	-	-	-	-	8 432
Total assets	15 287	266	-	-	-	-	-	-	-	-	34	15 587
Liabilities												
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-

	01.01.2020	Gain/loss in profit or loss	Gain/loss in other comprehensiv e income	Purchases	Sales	Settlement s	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translatio n	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

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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.	30.06.2020	30.06.2021
Assets		
Non-trading financial assets at fair value through profit or loss	(2 703)	266
Equity instruments	(168)	(426)
Debt securities	(2 535)	692
Total assets	(2 703)	266
Liabilities		
Financial liabilities - held for trading	-	-
Derivatives	-	-
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 2021 and 31 December 2020:

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets	31.12.2020					30.06.2021				
Cash and cash balances	1 717 486	1 717 486	1 717 486	-	-	3 707 306	3 707 306	3 707 306	-	-
Financial assets at amortised cost	18 258 897	20 206 626	2 673 284	1 474 376	16 058 966	18 466 447	19 690 799	3 150 324	996 477	15 543 999
Loans and advances to banks	49	49	-	-	49	12 737	12 739	-	-	12 739
Loans and advances to customers	14 579 144	15 992 602	-	-	15 992 602	14 650 051	15 441 324	-	-	15 441 324
of which: Lending for house purchase	8 512 258	9 557 547	-	-	9 557 547	8 704 706	9 304 853	-	-	9 304 853
of which: Credit for consumption	1 503 312	1 678 086	-	-	1 678 086	1 418 256	1 509 595	-	-	1 509 595
of which: Corporate loans and others	4 563 574	4 756 969	-	-	4 756 969	4 527 089	4 626 876	-	-	4 626 876
Debt securities	3 679 704	4 213 975	2 673 284	1 474 376	66 315	3 803 659	4 236 736	3 150 324	996 477	89 936
Finance lease receivables	241 012	251 748	-	-	251 748	225 423	230 934	-	-	230 934
Trade and other receivables	81 774	81 927	-	-	81 927	106 702	106 418	-	-	106 418
Liabilities										
Financial liabilities measured at amortised cost	18 653 506	18 828 256	511 497	1 365 149	16 951 610	20 835 180	20 817 651	507 048	1 297 232	19 013 371
Deposits from banks	1 710 255	1 722 698	-	-	1 722 698	2 973 738	2 971 520	-	-	2 971 520
Deposits from customers	14 869 015	14 993 431	-	-	14 993 431	15 636 714	15 593 492	-	-	15 593 492
Debt securities in issue	2 051 731	2 089 622	511 497	1 365 149	212 976	2 099 900	2 127 811	507 048	1 297 232	323 531
Other financial liabilities	22 505	22 505	-	-	22 505	124 828	124 828	-	-	124 828

Fair value of non-financial assets

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

30. 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) and (e) 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 legislation, 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 during the first half of the year 2021 and throughout the year 2020 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 of consolidation and classification according to CRR:

Entity Name	Sector	Relationship	Accounting treatment IFRS	Accounting treatment CRR scope	Classification acc to Article 4 (27) CRR
LANED a.s.	Non-financial corporations	subsidiary	fully consolidated	fully consolidated	Ancillary service undertaking
Prva stavebna sporitelna, 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	Ancillary service undertaking
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	at equity method	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	at equity method	Other than Financial sector entity

As of 30 June 2021 the number of companies consolidated pursuant to IFRS was 7. As of 30 June 2021 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.

Five entities are part of the regulatory scope of consolidation consolidated at equity method. Four of them are consolidated at equity also 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. and Dostupný Domov j.s.a.

In February 2020, Social Financing SK, s. r.o. was established as a subsidiary of the Bank fully consolidated in IFRS scope of consolidation. This entity is not Financial sector entity and is consolidated at equity in regulatory scope of consolidation.

In March 2020 an associate, Dostupný Domov j.s.a. was established by the Bank's subsidiary Social Financing SK, s. r. o. which has an ownership interest in the associate 49,88 % share of the company's share capital. Dostupný Domov j.s.a. is consolidated at equity by the Bank's subsidiary Social Financing SK, s. r. o.

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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	31.12.2020	30.06.2021
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)	1 171 261	1 231 968
Interim profit	26 (2)	-	-
Accumulated other comprehensive income	4 (1) (100), 26 (1) (d)	(1 860)	(1 270)
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)	(629)	(1 053)
Value adjustments due to the requirements for prudent valuation	34, 105	(3 441)	(4 306)
Goodwill	4 (1) (113), 36 (1) (b), 37	-	-
Other intangible assets	4 (1) (115), 36 (1) (b), 37 (a)	(18 947)	(16 699)
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	36 (1) (c), 38	-	-
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	-	-
Securitisation positions which can alternatively be subject to a 1.250% risk weight	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	-	(11 119)
Insufficient coverage for non-performing exposures	36 (1) (m)	-	-
Additional deductions of CET1 Capital due to Article 3 CRR	3	-	(34 295)
Development of unaudited risk provisions during the year (EU No 183/2014)		(107 939)	(25 959)
Excess of deduction from AT1 items over AT1	36 (1) (j)	-	-
Common equity tier 1 capital (CET1)	50	1 250 445	1 349 267
Additional tier 1 capital (AT1)			
Capital instruments eligible as AT1	51 (a), 52 to 54, 56 (a), 57	300 000	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	300 000	300 000
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 550 445	1 649 267

Table continues on the following page.

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continued		31.12.2020	30.06.2021
EUR ths.	Article pursuant to CRR		
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 550 445	1 649 267
Tier 2 capital (T2)			
Capital instruments and subordinated loans eligible as T2	62 (a), 63 to 65, 66 (a), 67	25 699	22 304
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)	45 219	41 590
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	(5 248)	(5 240)
Tier 2 capital (T2)	71	65 670	58 654
Total own funds	4 (1) (118) and 72	1 616 113	1 707 922
Capital requirement	92 (3), 95, 96, 98	690 281	649 692
CET1 capital ratio	92 (2) (a)	14,49%	16,61%
Tier 1 capital ratio	92 (2) (b)	17,97%	20,31%
Total capital ratio	92 (2) (c)	18,73%	21,03%

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

		31.12.2020		30.06.2021	
EUR ths.	Article pursuant to CRR	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	92 (3), 95, 96, 98	8 628 518	690 281	8 121 148	649 692
Risk weighted assets (credit risk)	92 (3) (a) (f)	7 745 417	619 633	7 280 040	582 404
Standardised approach		208 979	16 718	244 796	19 584
IRB approach		7 536 438	602 915	6 931 709	554 537
Securitisation positions		-	-	103 535	8 283
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)	390	31	938	75
Operational Risk	92 (3) (e), 92 (4) (b)	858 202	68 656	828 380	66 270
Exposure for CVA	92 (3) (d)	24 509	1 961	11 790	943
Other exposure amounts incl. Basel 1 floor	3, 458, 459, 500	-	-	-	-

The Group uses AMA model for calculation of RWA and capital requirements arising from operational risk. The calculation is performed on ERSTE Group level.

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The table below represents the difference between the financial scope of consolidation and the regulatory scope of consolidation as at 30 June 2021:

EUR ths.	IFRS	Effects - scope of consolidation	CRR
Assets			
Cash and cash balances	3 707 306	-	3 707 306
Financial assets held for trading	51 644	-	51 644
Derivatives	51 644	-	51 644
Non-trading financial assets at fair value through profit or loss	15 587	-	15 587
Equity instruments	7 155	-	7 155
Debt securities	8 432	-	8 432
Financial assets at fair value through other comprehensive income	-	-	-
Equity investments	-	-	-
Financial assets at amortised cost	18 466 447	-	18 466 447
thereof pledged as collateral	4 523 536	-	4 523 536
Debt securities	3 803 659	-	3 803 659
Loans and advances to banks	12 737	-	12 737
Loans and advances to customers	14 650 051	-	14 650 051
Finance lease receivables	225 423	-	225 423
Hedge accounting derivatives	27 296	-	27 296
Property and equipment	142 321	-	142 321
Investment property	1 655	-	1 655
Intangible assets	16 699	-	16 699
Investments in joint ventures and associates	28 907	47	28 956
Current tax assets	-	-	-
Deferred tax assets	75 975	(14)	75 960
Trade and other receivables	106 702	(45)	106 658
Other assets	41 320	-	41 320
Total assets	22 907 282	(12)	22 907 272
Liabilities and equity			
Financial liabilities held for trading	49 393	-	49 393
Derivatives	49 393	-	49 393
Financial liabilities at amortised cost	20 835 181	186	20 835 367
Deposits from banks	2 973 738	-	2 973 738
Deposits from customers	15 636 715	186	15 636 901
Debt securities in issue	2 099 900	-	2 099 900
Other financial liabilities	124 828	-	124 828
Finance lease liabilities	19 381	-	19 381
Hedge accounting derivatives	38 408	-	38 408
Provisions	34 830	-	34 830
Current tax liabilities	768	-	768
Other liabilities	92 885	(82)	92 804
Total liabilities	21 070 846	104	21 070 951
Equity attributable to non-controlling interests	59	(59)	-
Equity attributable to owners of the parent	1 836 377	(57)	1 836 321
Subscribed capital	212 000	-	212 000
Additional equity instruments	300 000	-	300 000
Retained earnings and other reserves	1 324 377	(57)	1 324 321
Total equity	1 836 436	(116)	1 836 321
Total liabilities and equity	22 907 282	(12)	22 907 272

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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 2020:

EUR ths.	IFRS	Effects - scope of consolidation	CRR
Assets			
Cash and cash balances	1 717 486	-	1 717 486
Financial assets held for trading	59 994	-	59 994
Derivatives	59 994	-	59 994
Non-trading financial assets at fair value through profit or loss	15 287	-	15 287
Equity instruments	7 547	-	7 547
Debt securities	7 740	-	7 740
Financial assets at fair value through other comprehensive income	-	-	-
Equity investments	-	-	-
Financial assets at amortised cost	18 258 897	-	18 258 897
thereof pledged as collateral	3 540 330	-	3 540 330
Debt securities	3 679 704	-	3 679 704
Loans and advances to banks	49	-	49
Loans and advances to customers	14 579 144	-	14 579 144
Finance lease receivables	241 012	-	241 012
Hedge accounting derivatives	34 345	-	34 345
Property and equipment	150 155	-	150 155
Investment property	1 898	-	1 898
Intangible assets	18 947	-	18 947
Investments in joint ventures and associates	27 773	26 009	53 782
Current tax assets	8	-	8
Deferred tax assets	76 980	(31)	76 949
Trade and other receivables	81 774	(95)	81 680
Other assets	21 738	(21)	21 718
Total assets	20 706 294	25 862	20 732 158
Liabilities and equity			
Financial liabilities held for trading	56 524	-	56 524
Derivatives	56 524	-	56 524
Financial liabilities at amortised cost	18 653 506	26 171	18 679 678
Deposits from banks	1 710 255	-	1 710 255
Deposits from customers	14 869 015	26 171	14 895 187
Debt securities in issue	2 051 731	-	2 051 731
Other financial liabilities	22 505	-	22 505
Hedge accounting derivatives	48 373	-	48 373
Provisions	31 836	-	31 836
Current tax liabilities	22 600	(4)	22 596
Other liabilities	80 584	(250)	80 335
Total liabilities	18 914 000	25 917	18 939 919
Equity attributable to non-controlling interests	29	(29)	-
Equity attributable to owners of the parent	1 792 265	(26)	1 792 239
Subscribed capital	212 000	-	212 000
Additional equity instruments	300 000	-	300 000
Retained earning and other reserves	1 280 265	(26)	1 280 239
Total equity	1 792 294	(55)	1 792 239
Total liabilities and equity	20 706 294	25 862	20 732 158

31. Events after the reporting period

From 30 June 2021 until the date of issue of these consolidated financial statements, no events have been identified that would require adjustment or recognition.

These consolidated financial statements were signed and authorised for issue by the Board of Directors of the Group on 27 July 2021.

Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer

Mgr. Ing. Zdeněk Románek

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