

Slovenská sporiteľňa, a.s.

**Interim separate financial statements
prepared in accordance with International Accounting Standard
IAS 34 Interim Financial Reporting
as adopted by the European Union
for the half year ended 30 June 2019**

(Translated version, original version in Slovak)

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Separate statement of profit or loss

for the half year ended 30 June 2019

EUR ths.	Notes	30.6.2018	30.6.2019
Net interest income	1	217 728	214 078
Interest income		234 825	230 282
Other similar income		4 024	4 389
Interest expense		(14 584)	(14 717)
Other similar expense		(6 537)	(5 876)
Net fee and commission income	2	58 394	67 933
Fee and commission income		72 036	80 274
Fee and commission expense		(13 642)	(12 341)
Dividend income	3	746	751
Net trading result	4	4 738	9 435
Gains/losses from financial instruments measured at fair value through profit or loss	5	(185)	85
Rental income from investment properties & other operating leases		155	145
Personnel expenses	6	(66 830)	(67 933)
Other administrative expenses	6	(51 813)	(45 654)
Depreciation and amortisation	6	(20 116)	(24 615)
Gains/losses from derecognition of financial assets measured at amortised cost		-	70
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(1)	(459)
Impairment result from financial instruments	7	(11 690)	(18 629)
Other operating result	8	(19 134)	(18 681)
<i>thereof Levies on banking activities</i>		(17 491)	(19 044)
Pre-tax profit from continuing operations		111 992	116 526
Taxes on income	9	(25 061)	(24 427)
Net result for the period		86 931	92 099
Net result attributable to owners of the parent		86 931	92 099

Earnings per share

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

		30.6.2018	30.6.2019
Net result attributable to owners of the parent	EUR ths.	86 931	92 099
Number of outstanding shares	pcs.	212 000	212 000
Earnings per share	EUR	410	434

The notes on pages 8 to 79 are an integral part of these separate financial statements.

Slovenská sporiteľňa, a.s.

Interim separate financial statements

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for the half year ended 30 June 2019

EUR ths.	30.6.2018	30.6.2019
Net result for the period	86 931	92 099
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	13 211	21 640
Deferred taxes relating to items that may not be reclassified	(2 774)	(4 543)
Total	10 437	17 097
Items that may be reclassified to profit or loss		
Total	-	-
Total other comprehensive income	10 437	17 097
Total comprehensive income	97 368	109 196
Total comprehensive income attributable to owners of the parent	97 368	109 196

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Separate statement of financial position

as at 30 June 2019

EUR ths.	Notes	31.12.2018	30.6.2019
Assets			
Cash and cash balances	10	416 093	560 306
Financial assets held for trading	11	42 941	42 692
Derivatives		42 941	42 692
Non-trading financial assets at fair value through profit or loss	12	29 242	18 824
Equity instruments		5 620	5 620
Debt securities		23 622	13 204
Financial assets at fair value through other comprehensive income	13	56 395	78 070
Equity investments		56 395	78 070
Financial assets at amortised cost	14	16 415 865	16 883 808
<i>thereof pledged as collateral</i>		1 905 870	2 359 166
Debt securities		3 550 630	3 481 170
Loans and advances to banks		47 797	152 811
Loans and advances to customers		12 817 438	13 249 827
Finance lease receivables	15	129 516	187 911
Hedge accounting derivatives	16	9 905	29 761
Property and equipment	17	85 720	119 582
Investment property		1 879	1 912
Intangible assets		39 041	29 196
Investments in subsidiaries and associates	19	23 048	47 896
Current tax assets		4 639	0
Deferred tax assets		44 696	44 192
Trade and other receivables	18	96 012	104 482
Other assets	20	18 109	28 739
Total assets		17 413 101	18 177 371
Liabilities and Equity			
Financial liabilities held for trading		41 062	37 843
Derivatives	11	41 062	37 843
Financial liabilities at amortised cost	21	15 747 148	16 437 179
Deposits from banks		251 300	229 986
Deposits from customers		13 657 372	13 932 700
Debt securities in issue		1 803 287	2 136 707
Other financial liabilities		35 189	137 786
Finance lease liabilities	17	-	40 672
Hedge accounting derivatives	16	41 348	52 163
Provisions	22	20 677	21 066
Current tax liabilities	25	0	1 032
Other liabilities	23	82 994	91 806
Total liabilities		15 933 229	16 681 761
Equity attributable to owners of the parent	24	1 479 872	1 495 610
Subscribed capital		212 000	212 000
Additional paid-in capital		150 000	150 000
Retained earnings and other reserves		1 117 872	1 133 610
Total equity		1 479 872	1 495 610
Total liabilities and equity		17 413 101	18 177 371

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Separate statement of changes in equity

for the half year ended 30 June 2019

Statement of Changes in Equity	Subscribed capital	Other capital instruments	Legal reserve fund	Other funds	Retained earnings	Fair value reserve	Remeasurement of net liability of defined pension plans	Equity attributable to owners of the parent
EUR ths.								
As of 1.1.2018	212 000	150 000	79 795	39 104	933 889	31 133	(480)	1 445 441
Dividends paid	-	-	-	-	(148 688)	-	-	(148 688)
Total comprehensive income	-	-	-	-	86 931	10 437	-	97 368
Net result for the period	-	-	-	-	86 931	-	-	86 931
Other comprehensive income	-	-	-	-	-	10 437	-	10 437
Change in revaluation reserve	-	-	-	-	-	10 437	-	10 437
As of 30.6.2018	212 000	150 000	79 795	39 104	872 132	41 570	(480)	1 394 121
As of 1.1.2019	212 000	150 000	79 795	39 104	959 527	40 084	(638)	1 479 872
Dividends paid	-	-	-	-	(93 458)	-	-	(93 458)
Acquisition of new subsidiary (S Slovensko, spol. s r.o.)	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	92 099	17 097	-	109 196
Net result for the period	-	-	-	-	92 099	-	-	92 099
Other comprehensive income	-	-	-	-	-	17 097	-	17 097
Change in revaluation reserve	-	-	-	-	-	17 097	-	17 097
As of 30.6.2019	212 000	150 000	79 795	39 104	958 168	57 181	(638)	1 495 610

The notes on pages 8 to 79 are an integral part of these separate financial statements.

Separate statement of cash flows

for the half year ended 30 June 2019

EUR ths.	30.6.2018	30.6.2019
Profit before income taxes	112 411	116 526
Adjustments for:		
Loss allowances for loans and advances, Provisions for off-balance sheet	3 872	18 603
Provisions for liabilities and other liabilities	(10 967)	(14 788)
Depreciation and amortization	20 116	24 615
Profit/(loss) on disposal of fixed assets	365	7
Transfer of interest for financing activity	7 346	6 216
Transfer of interest for investing activity	(53 587)	(53 151)
Cash flows from operations before changes in operating assets and liabilities	79 556	98 028
(Increase)/decrease in operating assets:		
Minimum reserve deposits with the central bank	(1 548)	(152 415)
Financial assets held for trading	(2 377)	249
Non-trading financial assets at fair value through profit or loss	265	10 416
Debt securities	265	10 416
Financial assets at fair value through other comprehensive income:	(156)	(35)
Financial assets at amortised cost	(564 001)	(434 283)
Debt securities	11 580	121 745
Loans and advances to banks	134 026	(105 011)
Loans and advances to customers	(709 607)	(451 017)
Finance lease receivables	(21 147)	(58 395)
Hedge accounting derivatives	(196)	(19 856)
Trade and other receivables	(41 590)	(8 470)
Other assets from operating activities	(5 297)	(5 990)
Increase / (decrease) in operating liabilities:		
Financial liabilities held for trading	3 069	(3 219)
Financial liabilities measured at amortised cost	856 920	356 610
Deposits from banks	30 842	(21 314)
Deposits from customers	822 770	275 327
Other financial liabilities	3 308	102 597
Hedge accounting derivatives	(1 773)	10 815
Provisions	(1 314)	478
Other liabilities from operating activities	20 449	18 866
Finance lease liabilities	-	40 672
Net cash flows provided by / (used in) operating activities before income tax	320 860	(146 529)

Table continues on the following page.

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EUR ths.	30.6.2018	30.6.2019
Net cash flows provided by / (used in) operating activities before income tax	320 860	(146 529)
Income taxes paid	(27 530)	(22 766)
Net cash flows provided by / (used in) operating activities	293 330	(169 295)
Cash flows from investing activities		
Dividends received from subsidiaries, associates and other investments	746	751
Purchase of share in subsidiaries and associates	(6)	(24 848)
Purchase of intangible assets, property and equipment	(7 018)	(48 877)
Proceeds from sale of intangible assets, property and equipment	446	206
Net cash flows provided by / (used in) investing activities	(5 832)	(72 768)
Cash flows from financing activities		
Dividends paid	(148 688)	(93 458)
Interest paid on subordinated debt	(534)	(29)
Issue of the bonds	52 764	162 839
Repayment of the bonds	(167 396)	(206 564)
Interest paid to the holders of the bonds	(5 566)	370 958
Net cash flows provided by / (used in) financing activities	(282 987)	233 746
Effect of foreign exchange rate changes on cash and cash equivalents	(171)	115
Net increase / (decrease) in cash and cash equivalents	4 340	(8 202)
Cash and cash equivalents at beginning of period	423 590	414 419
Cash and cash equivalents at end of period	427 930	406 217
Operational cash flows from interest and dividends (included in cash flow from operating activities)	230 444	253 952
Income taxes paid	(27 530)	(22 766)
Interest paid	(8 172)	(7 317)
Interest received	265 436	283 284
Dividends received	710	751

Cash and cash equivalents are equal to cash in hand, cash balances at central banks and other demand deposits. During the first half year of 2019 and during the year 2018 there were no significant non-cash movements from investing and financing activities.

The notes on pages 8 to 79 are an integral part of these separate financial statements.

Comparison of Quarterly results

EUR ths.	30.6.2018	30.9.2018	31.12.2018	31.3.2019	30.6.2019
Statement of Income					
Net interest income	108 908	110 810	109 607	106 692	107 386
Interest income	117 422	118 984	117 551	115 047	115 235
Other similar income	4 768	(2 998)	2 232	2 093	2 297
Interest expense	(7 480)	(7 270)	(7 742)	(7 549)	(7 169)
Other similar expense	(5 802)	2 094	(2 434)	(2 899)	(2 977)
Net fee and commission income	31 675	38 547	31 883	32 550	35 383
Fee and commission income	37 711	45 074	38 656	38 879	41 395
Fee and commission expense	(6 036)	(6 527)	(6 773)	(6 329)	(6 012)
Dividend income	99	216	102	156	595
Net trading result	1 386	2 374	2 557	2 999	6 436
Gains/losses from financial instruments measured at fair value through profit or loss	(83)	(194)	2 524	(108)	193
Rental income from investment properties & other operating leases	80	77	77	70	76
Personnel expenses	(31 726)	(35 375)	(38 825)	(35 334)	(32 599)
Other administrative expenses	(25 964)	(25 339)	(26 389)	(23 170)	(22 484)
Depreciation and amortisation	(10 147)	(9 551)	(9 396)	(12 346)	(12 269)
Other gains/losses from derecognition of financial instruments not measured at FVTPL	(1)	5	(97)	3	(462)
Impairment result from financial instruments	(4 946)	(5 657)	(6 175)	(2 433)	(16 197)
Other operating result	(8 810)	(9 461)	(11 725)	(9 553)	(9 128)
<i>Levies on banking activities</i>	(7 484)	(7 690)	(7 849)	(7 956)	(8 021)
Pre-tax profit from continuing operations	60 471	66 452	54 143	59 526	57 000
Taxes on income	(13 457)	(14 575)	(12 776)	(13 351)	(11 076)
Net result for the period	47 014	51 877	41 367	46 175	45 924
Net result attributable to owners of the parent	47 014	51 877	41 367	46 175	45 924

EUR ths.	30.6.2018	30.9.2018	31.12.2018	31.3.2019	30.6.2019
Net result for the period	47 014	51 877	41 367	46 175	45 924
Other comprehensive income					
Items that may not be reclassified to profit or loss					
Remeasurement of net liability of defined pension plans	-	-	(199)	-	-
Fair value changes of equity instruments at fair value through other comprehensive income	8 963	7 641	(9 522)	14 709	6 931
Deferred taxes relating to items that may not be reclassified	(1 882)	(1 605)	2 042	(3 088)	(1 455)
Total	7 081	6 036	(7 679)	11 621	5 476
Total other comprehensive income	7 081	6 036	(7 679)	11 621	5 476
Total comprehensive income	54 095	57 913	33 688	57 796	51 400
Total comprehensive income attributable to owners of the parent	54 095	57 913	33 688	57 796	51 400

The notes on pages 8 to 79 are an integral part of these separate financial statements.

Notes to the separate financial statements

A. General information

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

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

As at 30 June 2019 the sole shareholder of the Bank was Erste Group Bank AG with the registered office located at: Am Belvedere 1, 1100 Vienna, Austria. The financial statements of Erste Group Bank AG (the parent) will be available after their completion on the Austrian court Firmenbuchgericht Wien, Marxergasse 1a, Vienna 1030.

The Board of Directors of the Bank had five members as at 30 June 2019:

Ing. Peter Krutil (chairman), Mag. Alexandra Habeler-Drabek (member), Mgr. Ing. Zdeněk Románek, MBA (member), Ing. Pavel Cetkovský (member) a RNDr. Milan Hain, PhD. (member).

As at 30 June 2019 Alexandra Habeler-Drabek abandoned her function of member of the Board of Directors in Slovenská sporiteľňa, a.s. by reason of her election to the member of Board of Directors in Erste Group Bank AG effective from 1 July 2019.

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 2019:

Mag. Gernot Mittendorfer (chairman), Mag. Jan Homan (vice-chairman), Mgr. Tatiana Knošková (member), Paul Formanko, MBA (member), Mgr. Alena Adamcová (member) and JUDr. Beatrice Melichárová (member).

As at 30 June 2019 Mag. Genrot Mittendorfer abandoned his function of member of the Supervisory Board in Slovenská sporiteľňa, a.s.

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 Bank operates under a direct supervision of the European Central Bank within a Single Supervision Mechanism.

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 separate financial statements for the half year ended 30 June 2019 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 and certain hedge accounting requirements under IAS 39 which have not been endorsed by the EU. The Bank has assessed that the standards not endorsed by the EU would not impact significantly these separate financial statements if they were applicable as at the presented balance sheet date.

These interim separate 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 separate financial statements for the previous accounting period. The separate financial statements for the year ended 31 December 2018 were signed and authorised for issue by the Board of Directors of the Bank on 13 February 2019 and are available at its registered office or on the web page.

b) Basis of preparation

These interim separate financial statements do not include consolidation of assets, liabilities and operational results of subsidiaries. As required by the law, the Bank issued Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2018, which were signed and authorised for issue by the Board of Directors of the Bank on 13 February 2019 and are available at its registered office or on the web page.

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

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

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

These interim separate financial statements are presented in Euro, which is the functional currency of the Bank. The functional currency represents the currency of primary economic area, in which the entity exists. The measurement unit is thousands of Eur ('Eur ths.'), unless stated otherwise. The amounts in parentheses represent negative values. The tables in these separate financial statements and notes may contain rounding differences.

The comparative amounts presented in these interim separate financial statements are those presented in the Separate statement of financial positions as at 31 December 2018 and the Separate statement of profit or loss and the Separate statement of other comprehensive income for the half year ended 30 June 2018.

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'.

c) Subsidiaries and associates

These interim separate financial statements were prepared based on equal accounting principles, accounting and measurement methods that were used as the basis for the preparation of the separate financial statements for the previous accounting period. During current accounting period for the half year ended 30 June 2019 there were no changes in the accounting principles, accounting and measurement methods used. In compliance with the international accounting standard IAS 34 these interim separate financial statements do not comprise all information and disclosures as required in the separate financial statements as at year end. The complete set of disclosures related to subsidiaries and associates is presented in the separate financial statements for the previous accounting period in the Note Bc).

d) Accounting and measurement methods

Accounting and measurement methods that were used as the basis for the preparation of the 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 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, assumption and estimates

The separate 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).

f) Application of new and amended IAS / IFRS

The Bank 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.	30.6.2018	30.6.2019
Interest and other similar income		
Financial assets at amortised cost	234 825	230 282
Loans and advances	181 813	177 995
Debt securities	53 012	52 284
Interest income	234 825	230 282
Non-trading financial assets at fair value through profit or loss	77	87
Financial assets - held for trading	7 303	7 093
Derivatives - hedge accounting, interest rate risk	(4 600)	(4 549)
Other assets	799	1 528
Negative interest from financial liabilities	445	230
Other similar income	4 024	4 389
Total interest income	238 849	234 671
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(14 584)	(14 717)
Deposits	(6 807)	(6 274)
Debt securities in issue	(7 777)	(8 443)
Interest expenses	(14 584)	(14 717)
Financial liabilities - held for trading	(6 910)	(6 607)
Derivatives - hedge accounting, interest rate risk	432	2 227
Other liabilities	(59)	(1 496)
Other similar expenses	(6 537)	(5 876)
Total interest expenses	(21 121)	(20 593)
Net interest income	217 728	214 078

Interest income for the half year ended 30 June 2019 included interests related to impaired financial assets in the amount of 4,3 mil. Eur (2018: 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 measured at amortised cost'.

The line item 'Other liabilities' comprises impact of implementation of new standard IFRS 16 Leases effective from 1 January 2019.

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2. Net fee and commission income

EUR ths.	30.6.2018	30.6.2019
Fee and commission income		
Securities	1 288	968
Issuances	465	28
Transfer orders	251	441
Other	572	499
Asset management	3 888	3 953
Custody	580	580
Collective investment	211	214
Other	369	366
Payment services	48 033	47 925
Card business	18 140	18 872
Others	29 893	29 053
Customer resources distributed but not managed	8 806	15 466
Collective investment	-	-
Insurance products (as agent)	8 795	15 458
Other	11	8
Lending Business	9 173	10 836
Loan commitments given	1 427	1 312
Financial guarantees given	1 745	1 908
Other lending business	6 001	7 616
Other	268	546
Total fee and commission income	72 036	80 274
Fee and commission expense		
Securities	(241)	(542)
Transfer orders	(236)	(539)
Other	(5)	(3)
Custody	(416)	(505)
Payment services	(8 240)	(7 605)
Card business	(6 045)	(5 561)
Others	(2 195)	(2 044)
Customer resources distributed but not managed	(986)	(696)
Insurance products (as agent)	(986)	(696)
Lending Business	(3 739)	(2 975)
Financial guarantees received	(8)	(8)
Other lending business	(3 731)	(2 967)
Other	(20)	(18)
Total fee and commission expense	(13 642)	(12 341)
Net fee and commission income	58 394	67 933

3. Dividend income

EUR ths.	30.6.2018	30.6.2019
Non-trading financial assets at fair value through profit or loss	588	537
Financial assets at fair value through other comprehensive income	158	214
Dividend income	746	751

4. Net trading result

EUR ths.	30.6.2018	30.6.2019
Securities and derivatives trading	4 765	9 416
Foreign exchange transactions	(12)	25
Result from hedge accounting	(15)	(6)
Net trading result	4 738	9 435

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

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

EUR ths.	30.6.2018	30.6.2019
Result from measurement/sale of financial assets designated at fair value through profit or loss	(187)	-
Result from measurement/sale of financial assets mandatorily at fair value through profit or loss	2	85
Gains/losses from financial instruments measured at fair value through profit or loss	(185)	85

6. General administrative expenses

EUR ths.	30.6.2018	30.6.2019
Personnel expenses	(66 830)	(67 933)
Wages and salaries	(47 706)	(49 332)
Compulsory social security	(16 863)	(16 951)
Other personnel expenses	(2 261)	(1 650)
Other administrative expenses	(51 813)	(45 654)
Deposit insurance contribution	(866)	(962)
IT expenses	(18 512)	(19 009)
Expenses for office space	(14 688)	(7 063)
Office operating expenses	(5 414)	(5 339)
Advertising/marketing	(7 100)	(7 260)
Legal and consulting costs	(1 843)	(2 010)
Sundry administrative expenses	(3 390)	(4 011)
Depreciation and amortisation	(20 116)	(24 615)
Software and other intangible assets	(12 283)	(10 967)
Owner occupied real estate	(3 599)	(9 084)
Investment properties	(106)	(107)
Office furniture and equipment and sundry property and equipment	(4 128)	(4 457)
General administrative expenses	(138 759)	(138 202)

As at 30 June 2019 the Bank had 4 058 employees, thereof five members of the Board of Directors.
As at 30 June 2018 the Bank had 4 168 employees, thereof four members of the Board of Directors.

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In connection with the implementation of new standard IFRS 16 Leases the Bank presents rental costs (in 2018 included in the line 'Other administrative expenses') as a part of depreciation costs of real estates occupied by the owner (in the line item 'Depreciation and amortisation').

The Bank 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 Bank's customer deposit liabilities. The contribution to the Deposit Protection Fund was paid in June 2019.

7. Impairment result from financial instruments

EUR ths.	30.6.2018	30.6.2019
Financial assets at amortised cost	(11 830)	(16 250)
Net allocation to risk provisions	(14 329)	(21 863)
Direct write-offs	(392)	(578)
Recoveries recorded directly to the income statement	2 891	6 191
Finance lease	10	(1 985)
Net allocation of provisions for commitments and guarantees given	130	(394)
Impairment result from financial instruments	(11 690)	(18 629)

8. Other operating result

EUR ths.	30.6.2018	30.6.2019
Other operating expenses	(19 460)	(20 092)
Allocation to other provisions	(55)	(904)
Levies on banking activities	(17 491)	(19 044)
Banking tax	(14 767)	(15 977)
Resolution fund	(2 724)	(3 067)
Other taxes	(70)	(144)
Other	(1 844)	-
Other operating income	326	1 411
Gains from derecognition of tangible and intangible assets (other than goodwill)	326	136
Other	-	311
Other operating result	(19 134)	(18 681)

The Bank is legally obliged to make a contribution to the National resolution fund ('Resolution fund'), which is accounted for in accordance with the IFRIC 21. Estimated amount of contribution is during the year recorded on the balance sheet line item 'Provisions'. The contribution to the Resolution fund was paid in May 2019.

9. Taxes on income

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

10. Cash and cash balances

EUR ths.	31.12.2018	30.6.2019
Cash on hand	407 193	352 819
Cash balances at central banks	1 704	156 748
Other demand deposits to credit institutions	7 196	50 739
Cash and cash balances	416 093	560 306

As at 30 June 2019 the balances at central banks included a mandatory reserve deposit in the amount of 137,3 mil. Eur. The Bank anticipates that the prescribed average balance of mandatory reserve deposit will be satisfied, however it is not possible to determine the actual fulfilment because monitored period ends after the issuance of these interim separate financial statements. For the period ending 31 December 2018 the prescribed average balance of the mandatory reserve deposit amounted to 134,4 mil. Eur and the actual fulfilment was 100,05 %.

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

11. Derivatives held for trading

EUR ths.	31.12.2018			30.6.2019		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	1 733 868	42 272	40 368	1 820 955	42 440	37 590
Interest rate derivatives	1 434 030	10 285	8 468	1 578 968	14 978	12 608
Equity derivatives	1 451	-	-	-	-	-
Foreign exchange derivatives	298 387	31 987	31 900	241 987	27 462	24 982
Commodity derivatives	-	-	-	-	-	-
Derivatives held in the banking book	65 771	669	693	98 921	252	252
Interest rate derivatives	-	-	-	-	-	-
Equity derivatives	65 088	669	669	98 921	252	252
Foreign exchange derivatives	683	-	24	-	-	-
Total gross amounts	1 799 639	42 941	41 061	1 919 876	42 692	37 842

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

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

EUR ths.	31.12.2018		30.6.2019	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	5 620	-	5 620
Debt securities	-	23 622	-	13 204
Credit institutions	-	20 170	-	10 089
Other financial corporations	-	3 452	-	3 115
Non-trading financial assets at fair value through profit or loss	-	29 242	-	18 824

Debt securities classified under category 'Mandatorily at fair value' represents financial assets, which do not comply with the SPPI criteria under IFRS 9. For 'Equity Instruments' presented under category 'Mandatorily at fair value' the Bank apply the same criteria with combination of business model.

13. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include only Equity Instruments in amount of 78,1 mil. Eur that the Bank holds for strategic business decisions and are not subject to any impairment requirements. All the accumulated fair value movements for these investments are presented solely in other comprehensive income (OCI) with no subsequent presentation in Profit or loss at any time point allowed.

14. Financial assets at amortised cost

Gross carrying amounts and credit loss allowances

	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 30.6.2019											
Debt securities	3 481 552	-	-	-	3 481 552	(382)	-	-	-	(382)	3 481 170
General governments	3 188 839	-	-	-	3 188 839	(244)	-	-	-	(244)	3 188 595
Credit institutions	172 829	-	-	-	172 829	(104)	-	-	-	(104)	172 725
Other financial corporations	25 472	-	-	-	25 472	(16)	-	-	-	(16)	25 456
Non-financial corporations	94 412	-	-	-	94 412	(18)	-	-	-	(18)	94 394
Loans and advances to banks	152 817	2	-	-	152 819	(8)	-	-	-	(8)	152 811
Credit institutions	152 817	2	-	-	152 819	(8)	-	-	-	(8)	152 811
Loans and advances to customers	12 634 922	507 231	346 745	96 564	13 585 462	(33 140)	(35 324)	(223 675)	(43 496)	(335 635)	13 249 827
General governments	225 110	94	-	-	225 204	(201)	(2)	-	-	(203)	225 001
Other financial corporations	118 411	184	54	-	118 649	(305)	(14)	(35)	-	(354)	118 295
Non-financial corporations	2 842 807	262 762	42 425	91 821	3 239 815	(7 945)	(10 148)	(26 231)	(40 822)	(85 146)	3 154 669
Households	9 448 594	244 191	304 266	4 743	10 001 794	(24 689)	(25 160)	(197 409)	(2 674)	(249 932)	9 751 862
Total	16 269 291	507 233	346 745	96 564	17 219 833	(33 530)	(35 324)	(223 675)	(43 496)	(336 025)	16 883 808

The amounts represent the maximum exposure to credit risk. As at 30 June 2019 the Bank had no reverse repo agreements.

As at 30 June 2019, 15 largest customers accounted for 5,3 % of the gross loan portfolio amounting to 719,5 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 31.12.2018											
Debt securities	3 551 013	-	-	-	3 551 013	(383)	-	-	-	(383)	3 550 630
General governments	3 301 947	-	-	-	3 301 947	(263)	-	-	-	(263)	3 301 684
Credit institutions	127 676	-	-	-	127 676	(75)	-	-	-	(75)	127 601
Non-financial corporations	96 113	-	-	-	96 113	(20)	-	-	-	(20)	96 093
Loans and advances to banks	47 819	1	-	-	47 820	(23)	-	-	-	(23)	47 797
Credit institutions	47 819	1	-	-	47 820	(23)	-	-	-	(23)	47 797
Loans and advances to customers	12 398 239	327 849	338 895	102 781	13 167 764	(35 401)	(33 865)	(229 723)	(51 337)	(350 326)	12 817 438
General governments	230 021	111	-	-	230 132	(193)	(2)	-	-	(195)	229 937
Other financial corporations	154 560	93	10	-	154 663	(164)	(12)	(8)	-	(184)	154 479
Non-financial corporations	2 734 873	73 359	25 040	97 682	2 930 954	(6 972)	(4 084)	(16 906)	(48 396)	(76 358)	2 854 596
Households	9 278 785	254 286	313 845	5 099	9 852 015	(28 072)	(29 767)	(212 809)	(2 941)	(273 589)	9 578 426
Total	15 997 071	327 850	338 895	102 781	16 766 597	(35 807)	(33 865)	(229 723)	(51 337)	(350 732)	16 415 865

As at 31 December 2018, 15 largest customers accounted for 5,3 % of the gross loan portfolio amounting to 693,8 mil. Eur.

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Allowances for financial assets at amortised cost

EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Debt securities									
Stage 1	(383)	(24)	17	(3)	11	-	-	-	(382)
General governments	(262)	(3)	10	11	-	-	-	-	(244)
Credit institutions	(75)	(21)	7	(15)	-	-	-	-	(104)
Other financial corporations	(26)	-	-	3	7	-	-	-	(16)
Non-financial corporations	(20)	-	-	(2)	4	-	-	-	(18)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(383)	(24)	17	(3)	11	-	-	-	(382)
EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Loans and advances to banks									
Stage 1	(23)	(1 057)	1 191	(119)	-	-	-	-	(8)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	(23)	(1 057)	1 191	(119)	-	-	-	-	(8)

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EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Loans and advances to customers									
Stage 1	(35 401)	(13 096)	577	4 457	10 436	-	17	(128)	(33 138)
General governments	(193)	(28)	-	32	(12)	-	-	-	(201)
Other financial corporations	(164)	(811)	-	668	2	-	-	-	(305)
Non-financial corporations	(6 972)	(6 232)	143	3 990	1 221	-	-	(94)	(7 944)
Households	(28 072)	(6 025)	434	(233)	9 225	-	17	(34)	(24 688)
Stage 2	(33 865)	(3 182)	256	16 028	(13 838)	-	72	(796)	(35 325)
General governments	(2)	-	-	-	-	-	-	-	(2)
Other financial corporations	(12)	(16)	1	19	(6)	-	-	-	(14)
Non-financial corporations	(4 084)	(1 171)	27	2 273	(6 473)	-	5	(726)	(10 149)
Households	(29 767)	(1 995)	228	13 736	(7 359)	-	67	(70)	(25 160)
Stage 3	(229 724)	(2 737)	58 421	(41 669)	(6 148)	-	3 236	(5 057)	(223 678)
General governments	-	-	-	-	-	-	-	-	-
Other financial corporations	(8)	-	8	(35)	-	-	-	-	(35)
Non-financial corporations	(16 905)	(1 289)	3 538	(6 236)	(869)	-	43	(4 514)	(26 232)
Households	(212 811)	(1 448)	54 875	(35 398)	(5 279)	-	3 193	(543)	(197 411)
POCI	(51 336)	-	227	5 963	-	-	1 652	-	(43 494)
Other financial corporations	-	-	-	-	-	-	-	-	-
Non-financial corporations	(48 396)	-	6	6 057	-	-	1 512	-	(40 821)
Households	(2 940)	-	221	(94)	-	-	140	-	(2 673)
Total allowances for loans and advances to customers	(350 326)	(19 015)	59 481	(15 221)	(9 550)	-	4 977	(5 981)	(335 635)

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

In 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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EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	31.12.2018
Debt securities									
Stage 1	(459)	(25)	21	77	3	-	-	-	(383)
General governments	(306)	(2)	3	43	-	-	-	-	(262)
Credit institutions	(71)	(15)	18	(7)	-	-	-	-	(75)
Other financial corporations	-	(8)	-	19	(37)	-	-	-	(26)
Non-financial corporations	(82)	-	-	22	40	-	-	-	(20)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for debt securities	(459)	(25)	21	77	3	-	-	-	(383)
EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	31.12.2018
Loans and advances to banks									
Stage 1	-	(1 971)	1 992	(44)	-	-	-	-	(23)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-
Total allowances for loans and advances to banks	-	(1 971)	1 992	(44)	-	-	-	-	(23)

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Loans and advances to customers									
Stage 1	(35 603)	(28 573)	1 439	11 187	16 109	-	40	-	(35 401)
General governments	(189)	(76)	-	22	50	-	-	-	(193)
Other financial corporations	(210)	(655)	3	699	(1)	-	-	-	(164)
Non-financial corporations	(8 570)	(15 292)	420	13 934	2 536	-	-	-	(6 972)
Households	(26 634)	(12 550)	1 016	(3 468)	13 524	-	40	-	(28 072)
Stage 2	(39 736)	(6 410)	460	19 591	(7 915)	-	145	-	(33 865)
General governments	(3)	(16)	-	17	-	-	-	-	(2)
Other financial corporations	(5)	(8)	1	6	(6)	-	-	-	(12)
Non-financial corporations	(6 148)	(1 785)	68	5 715	(1 952)	-	18	-	(4 084)
Households	(33 580)	(4 601)	391	13 853	(5 957)	-	127	-	(29 767)
Stage 3	(223 927)	(4 692)	3 752	(25 188)	(32 262)	-	52 593	-	(229 724)
General governments	(1)	-	-	-	-	-	1	-	-
Other financial corporations	(19)	(6)	-	3	-	-	14	-	(8)
Non-financial corporations	(26 355)	(1 763)	17	1 147	(2 656)	-	12 705	-	(16 905)
Households	(197 552)	(2 923)	3 735	(26 338)	(29 606)	-	39 873	-	(212 811)
POCI	(59 539)	-	896	1 317	-	-	5 990	-	(51 336)
Other financial corporations	(281)	-	-	281	-	-	-	-	-
Non-financial corporations	(54 834)	-	663	194	-	-	5 581	-	(48 396)
Households	(4 424)	-	233	842	-	-	409	-	(2 940)
Total allowances for loans and advances to customers	(358 805)	(39 675)	6 547	6 907	(24 068)	-	58 768	-	(350 326)

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EUR ths.	31.12.2018	30.6.2019
Transfers between Stage 1 and Stage 2	356 656	414 217
To Stage 2 from Stage 1	171 369	317 019
To Stage 1 from Stage 2	185 287	97 198
Transfers between Stage 2 and Stage 3	63 831	51 559
To Stage 3 from Stage 2	47 228	43 345
To Stage 2 from Stage 3	16 603	8 214
Transfers between Stage 1 and Stage 3	82 636	47 147
To Stage 3 from Stage 1	63 029	37 667
To Stage 1 from Stage 3	19 607	9 480

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15. Finance lease receivables

The Bank acquired finance lease receivables as a result of the merger of the former subsidiary Leasing Slovenskej sporiteľne, a.s. in 2015. 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 30.6.2019											
General governments	133	-	-	-	133	(1)	-	-	-	(1)	132
Other financial corporations	190	7	-	-	197	-	-	-	-	-	197
Non-financial corporations	165 468	9 080	7 232	-	181 780	(462)	(130)	(5 766)	-	(6 358)	175 422
Households	9 015	2 950	874	-	12 839	(10)	(8)	(661)	-	(679)	12 160
Total	174 806	12 037	8 106	-	194 949	(473)	(138)	(6 427)	-	(7 038)	187 911

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 31.12.2018											
General governments	57	-	-	-	57	-	-	-	-	-	57
Other financial corporations	349	-	-	-	349	-	-	-	-	-	349
Non-financial corporations	127 569	168	289	-	128 026	(80)	-	(107)	-	(187)	127 839
Households	1 261	11	3	-	1 275	(1)	-	(3)	-	(4)	1 271
Total	129 236	179	292	-	129 707	(81)	-	(110)	-	(191)	129 516

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Allowances for finance lease receivables

EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Stage 1	(81)	(45)	-	(255)	-	-	-	(92)	(473)
Other financial corporations	-	-	-	-	-	-	-	-	-
Non-financial corporations	(80)	(45)	-	(284)	-	-	-	(53)	(462)
Households	(1)	-	-	29	-	-	-	(39)	(11)
Stage 2	-	-	-	113	-	-	-	(251)	(138)
Stage 3	(110)	-	2	(1 795)	-	-	44	(4 568)	(6 427)
Non-financial corporations	(107)	-	2	(1 501)	-	-	33	(4 193)	(5 766)
Households	(3)	-	-	(294)	-	-	11	(375)	(661)
POCI	-	-	-	-	-	-	-	-	-
Total	(191)	(45)	2	(1 937)	-	-	44	(4 911)	(7 038)

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

EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	31.12.2018
Stage 1	(196)	(98)	2	211	-	-	-	-	(81)
Other financial corporations	(1)	(1)	-	2	-	-	-	-	-
Non-financial corporations	(194)	(96)	-	210	-	-	-	-	(80)
Households	(1)	(1)	2	(1)	-	-	-	-	(1)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	(541)	-	-	217	(28)	-	242	-	(110)
Non-financial corporations	(493)	-	-	183	(28)	-	231	-	(107)
Households	(48)	-	-	34	-	-	11	-	(3)
POCI	-	-	-	-	-	-	-	-	-
Total	(737)	(98)	2	428	(28)	-	242	-	(191)

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Transfers of gross carrying amount between impairment stages

EUR ths.	31.12.2018	30.6.2019
Transfers between Stage 1 and Stage 2	475	6 122
To Stage 2 from Stage 1	475	6 122
To Stage 1 from Stage 2	-	-
Transfers between Stage 2 and Stage 3	-	1 287
To Stage 3 from Stage 2	-	1 287
To Stage 2 from Stage 3	-	-
Transfers between Stage 1 and Stage 3	159	-
To Stage 3 from Stage 1	159	-
To Stage 1 from Stage 3	-	-

As at 30 June 2019 the accumulated allowances for uncollectible minimum lease payments receivable amounted to 6,4 mil. Eur (31.12.2018: 0,2 mil. Eur).

16. Hedge accounting derivatives

EUR ths.	31.12.2018			30.6.2019		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	895 521	9 905	41 348	1 145 521	29 761	52 163
Interest rate	895 521	9 905	41 348	1 145 521	29 761	52 163
Cash flow hedges	-	-	-	-	-	-
Total gross amounts	895 521	9 905	41 348	1 145 521	29 761	52 163

Fair value hedge of assets

As at 30 June 2019 the Bank held in portfolio of financial assets at amortised cost fixed rate bonds denominated in Eur with nominal value of 381,2 mil. Eur (2018: 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 Bank entered into interest rate swap deals in order to hedge the changes of fair value caused by changes of risk-free interest rates, paying fixed and receiving floating rates.

During the year 2019 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net loss on the hedging instruments in the amount of 12,0 mil. Eur (2018: net gain 0,6 mil. Eur). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to 11,9 mil. Eur (2018: net loss 0,6 mil. Eur).

Fair value hedge of liabilities

In July 2007 the Bank for the first time issued fixed rate mortgage bonds with maturity in July 2027, the list of bonds is disclosed in the note 21. As at 30 June 2019 the Bank holds covered bonds (former mortgage bonds) in total notional value of 764,3 mil. Eur (2018: 514,3 mil. Eur).

During the year 2019 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net gain on the hedging instruments in the amount of 18,0 mil. Eur (2018: net loss 0,2 mil. Eur). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to 18,0 mil. Eur (2018: net gain 0,2 mil. Eur).

17. Property and equipment

Increase in the value of Property and equipment relates to initial application of international accounting standard IFRS 16 Leases, which became effective as at 1 January 2019. As at the date of transition to IFRS 16 the Bank recorded the right of use to the property in the amount of 45,1 mil. Eur into the Property and equipment. The value of asset represents the financial valuation of all leasing contracts that relates to real estates used by the Bank. On the liabilities side the Bank recorded liabilities from financial leases in the equal amount. The value of asset is depreciated during the lifetime of the asset. As at 30 June 2019 the value of right of use represents 40,3 mil. Eur and the value of liabilities from financial leases is of 40,7 mil. Eur.

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

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.6.2019											
General governments	38	-	-	-	38	-	-	-	-	-	38
Other financial corporations	617	-	157	-	774	-	-	(8)	-	(8)	766
Non-financial corporations	102 301	920	2 996	-	106 217	(349)	(3)	(2 776)	-	(3 128)	103 089
Households	1	-	405	-	406	-	-	(404)	-	(404)	2
Total	103 544	920	3 558	-	108 022	(349)	(3)	(3 188)	-	(3 540)	104 482

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 31.12.2018											
Non-financial corporations	93 520	2 281	3 111	-	98 912	(307)	(8)	(2 855)	-	(3 171)	95 742
Households	105	-	397	-	502	-	-	(397)	-	(397)	105
Total	93 725	2 346	3 508	-	99 579	(307)	(8)	(3 252)	-	(3 568)	96 012

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

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Allowances for trade and other receivables

EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	30.6.2019
Stage 1	(307)	-	1	(43)	-	-	-	-	(349)
Non-financial corporations	(307)	-	1	(43)	-	-	-	-	(349)
Stage 2	(8)	-	-	6	-	-	-	-	(2)
Non-financial corporations	(8)	-	-	6	-	-	-	-	(2)
Stage 3	(3 253)	(14)	-	(13)	(100)	-	546	(355)	(3 189)
Other financial corporations	-	-	-	92	(100)	-	-	-	(8)
Non-financial corporations	(2 856)	(7)	-	(105)	-	-	546	(355)	(2 777)
Households	(397)	(7)	-	-	-	-	-	-	(404)
POCI	-	-	-	-	-	-	-	-	-
Total	(3 568)	(14)	1	(50)	(100)	-	546	(355)	(3 540)

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.

EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	Net changes due to modifications without derecognition	Decrease in allowance account due to write-offs	Other adjustments	31.12.2018
Stage 1	(247)	(3 008)	2 066	882	-	-	-	-	(307)
General governments	-	(3)	-	3	-	-	-	-	-
Other financial corporations	-	(4)	-	4	-	-	-	-	-
Non-financial corporations	(247)	(2 969)	2 055	854	-	-	-	-	(307)
Households	-	(32)	11	21	-	-	-	-	-
Stage 2	-	-	-	(8)	-	-	-	-	(8)
Non-financial corporations	-	-	-	(8)	-	-	-	-	(8)
Stage 3	(3 206)	-	-	(232)	(2)	-	187	-	(3 253)
Non-financial corporations	(2 826)	-	-	(215)	(2)	-	187	-	(2 856)
Households	(380)	-	-	(17)	-	-	-	-	(397)
POCI	-	-	-	-	-	-	-	-	-
Total	(3 453)	(3 008)	2 066	642	(2)	-	187	-	(3 568)

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EUR ths.	31.12.2018	30.6.2019
Transfers between Stage 1 and Stage 2	1 597	0
To Stage 2 from Stage 1	1 597	-
To Stage 1 from Stage 2	-	-
Transfers between Stage 2 and Stage 3	-	78
To Stage 3 from Stage 2	-	78
To Stage 2 from Stage 3	-	-
Transfers between Stage 1 and Stage 3	388	117
To Stage 3 from Stage 1	388	117
To Stage 1 from Stage 3	-	-

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19. Investments in subsidiaries and associates

EUR ths.	31.12.2018	30.6.2019
Investment in subsidiaries	14 906	39 754
Investment in associate	8 142	8 142
Total	23 048	47 896

The following table presents the carrying amounts of investments in subsidiaries and associates:

EUR ths.	Cost		Impairment		Net book value	
	31.12.2018	30.6.2019	31.12.2018	30.6.2019	31.12.2018	30.6.2019
Subsidiaries	14 906	39 754	-	-	14 906	39 754
Procurement Services SK, s.r.o.	3	3	-	-	3	3
Služby SLSP, s. r. o.	14 903	14 903	-	-	14 903	14 903
S Slovensko, spol. s r.o.	-	24 848	-	-	-	24 848
Associates	8 142	8 142	-	-	8 142	8 142
Prvá stavebná sporiteľňa, a.s.	1 093	1 093	-	-	1 093	1 093
Slovak Banking Credit Bureau, s.r.o.	3	3	-	-	3	3
Holding Card Service, spol. s r. o.	7 046	7 046	-	-	7 046	7 046
Total	23 048	47 896	-	-	23 048	47 896

The Bank performs impairment review of investments in subsidiaries and associates. Impairment losses and their reversals are recognized in the income statement line item 'Other operating result'.

Investments in subsidiaries of Slovenská sporiteľňa, a.s.

Business name	Place of business	Main business activity	Ownership held	Voting rights held
Služby SLSP, s.r.o.	Tomášikova 48 Bratislava 832 01 Slovenská republika	Ancillary bank services	100,00%	100,00%
Realitná spoločnosť Slovenskej sporiteľne, a.s. (100 % subsidiary of Služby SLSP, s.r.o.)	Tomášikova 48 Bratislava 832 10 Slovenská republika	Real estate agency	100,00%	100,00%
Laned, a.s. (100 % subsidiary of Služby SLSP, s.r.o.)	Tomášikova 48 Bratislava 832 71 Slovenská republika	Real estate company	100,00%	100,00%
S Slovensko, spol. s r.o.	Tomášikova 48 Bratislava 831 04 Slovenská republika	Leasing company	100,00%	100,00%
S Rail Lease, s.r.o. (97 % subsidiary of S Slovensko, spol. s r.o., 3 % direct participation of Slovenská sporiteľňa, a.s.)	Tomášikova 48 Bratislava 831 04 Slovenská republika	Leasing company	100,00%	100,00%
Procurement Services SK, s.r.o.	Tomášikova 48 Bratislava 832 75 Slovenská republika	Procurement	51,00%	51,00%

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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%

Changes during the year 2019

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

As at 12 April 2019 the Bank acquired part of a business from its subsidiary S Slovensko, spol. s r.o. and took over total assets amounting 142,5 mil. Eur (out of which: loans and advances to customers in amount of 96,3 mil. Eur and finance lease receivables in amount of 44,8 mil. Eur) and total liabilities amounting to 125,1 mil. Eur.

Changes during the year 2018

In January 2018 the share in the company Holding Card Service, spol. s r.o. decreased from 30,99 % to 24,62 %. The value of share represents 7 046 ths. Eur as at 31 December 2018. Change of share related to increase in equity of the company Holding Card Service, spol. s r.o. because of the additional contribution to the funds and transfer of 10 % share owned by Česká spořitelna, a. s. from Global Payments, s. r. o. to Holding Card Service, spol. s r.o. The sole depositor was Česká spořitelna, a. s.

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20. Other assets

EUR ths.	31.12.2018	30.6.2019
Client settlement	10 956	8 252
Trade receivables	-	-
Personnel balances	5 256	6 444
State budget, social and health insurance, taxes	1 274	12 134
Sundry assets	623	1 909
Other assets	18 109	28 739

21. Financial liabilities measured at amortised cost**Deposits from banks**

EUR ths.	31.12.2018	30.6.2019
Overnight deposits	4 710	4 408
Term deposits	195 744	175 198
Repurchase agreements	50 846	50 380
Deposits from banks	251 300	229 986

Deposits from customers

EUR ths.	31.12.2018	30.6.2019
Overnight deposits	7 880 091	8 322 671
Non-savings deposits	7 880 091	8 322 671
General governments	73 317	87 284
Other financial corporations	256 347	419 686
Non-financial corporations	1 622 482	1 566 659
Households	5 927 945	6 249 042
Term deposits	5 777 280	5 610 029
Deposits with agreed maturity	2 560 462	2 144 384
Non-savings deposits	2 560 462	2 144 384
General governments	491 455	101 760
Other financial corporations	319 321	417 573
Non-financial corporations	217 545	263 904
Households	1 532 141	1 361 147
Deposits redeemable at notice	3 216 818	3 465 645
Households	3 216 818	3 465 645
Deposits from customers	13 657 372	13 932 700
General governments	564 772	189 044
Other financial corporations	575 668	837 259
Non-financial corporations	1 840 027	1 830 563
Households	10 676 905	11 075 834

As at 30 June 2019, no embedded derivatives were included in deposits from customers (neither at the year end 2018).
As at 30 June 2019, no deposits from customers were collateralised by securities (neither at the year end 2018).

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Debt securities issued

EUR ths.	31.12.2018	30.6.2019
Subordinated issues	72 792	74 212
Other debt securities issued	1 730 495	2 062 495
Bonds	248 580	166 223
Mortgage covered bonds	1 481 915	1 896 272
Debt securities issued	1 803 287	2 136 707

Subordinated debt securities issued

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

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2018	2019
Subordinated Bonds	August 2010	August 2020	4,30%	10 000	1 000	EUR	13 453	13 712
Subordinated Bonds	August 2011	August 2021	4,30%	10 000	1 000	EUR	12 918	13 172
Subordinated Bonds*	November 2011	November 2023	4,58%	4 250	1 000	EUR	5 341	5 457
Subordinated Bonds*	June 2012	June 2022	5,80%	11 000	1 000	EUR	14 475	14 865
Subordinated Bonds*	November 2012	November 2022	4,30%	9 000	1 000	EUR	10 844	11 087
Subordinated Bonds	September 2018	September 2028	2,88%	33	100 000	EUR	3 326	3 374
Subordinated Bonds	September 2018	September 2028	1,77%	33	100 000	EUR	3 316	3 317
Subordinated Bonds	November 2018	November 2028	2,45%	91	100 000	EUR	9 119	9 229
Total							72 792	74 212

The subordinated debt securities issued listed in the following table and marked as 'Subordinated bonds*' included embedded derivatives, which were separated and disclosed on the balance sheet line item 'Financial liabilities – held for trading'. As at 30 June 2019 the fair value of these derivatives amounted 0,0 mil. Eur (2018: 0,0 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 2019 other debt securities issued included embedded derivatives (equity and commodities) in the amount of 0,2 mil. Eur (2018: -0,7 mil. Eur), which were separated and disclosed in the line items 'Financial assets – held for trading' and 'Financial liabilities – held for trading'.

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

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EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2018	2019
Covered Bonds	July 2007	July 2027	4,95%	250	66 388	EUR	22 928	23 999
Covered Bonds	April 2008	April 2021	5,00%	250	66 388	EUR	17 183	16 765
Covered Bonds	December 2012	December 2019	2,50%	66	50 000	EUR	3 305	3 304
Covered Bonds	January 2013	January 2025	3,10%	87	50 000	EUR	4 412	4 411
Covered Bonds	February 2013	February 2019	-	-	1 000	EUR	4 954	-
Covered Bonds	March 2013	March 2019	-	-	1 000	EUR	4 857	-
Covered Bonds	April 2013	April 2019	-	0	1 000	EUR	4 867	-
Covered Bonds	June 2013	June 2028	3,00%	132	50 000	EUR	6 615	6 614
Covered Bonds	June 2013	December 2019	2,00%	4 133	1 000	EUR	4 156	4 136
Covered Bonds	July 2013	January 2020	2,00%	2 223	1 000	EUR	2 244	2 244
Covered Bonds	August 2013	August 2019	2,00%	2 459	1 000	EUR	2 559	2 479
Covered Bonds	August 2013	August 2019	2,00%	4 234	1 000	EUR	4 267	4 264
Covered Bonds	September 2013	September 2019	2,00%	6 353	1 000	EUR	6 422	6 387
Covered Bonds	October 2013	October 2019	2,00%	5 779	1 000	EUR	5 851	5 801
Covered Bonds	November 2013	November 2019	2,00%	6 651	1 000	EUR	6 666	6 666
Senior Unsecured Bonds	December 2013	December 2019	0,00%	572	1 000	EUR	624	593
Covered Bonds	December 2013	December 2019	2,05%	70	50 000	EUR	3 504	3 504
Covered Bonds	December 2013	December 2019	2,00%	9 550	1 000	EUR	9 585	9 556
Covered Bonds	February 2014	August 2020	2,00%	9 847	1 000	EUR	9 955	9 925
Covered Bonds	February 2014	February 2029	2,80%	97	50 000	EUR	4 899	4 898
Investment Certificates	March 2014	March 2019	-	-	5 000	PLN	609	-
Investment Certificates	March 2014	March 2019	-	-	1 000	EUR	798	-
Covered Bonds	March 2014	March 2021	2,00%	8 316	1 000	EUR	8 411	8 361
Covered Bonds	March 2014	March 2022	2,00%	220	50 000	EUR	11 124	11 020
Covered Bonds	May 2014	May 2021	1,90%	4 901	1 000	EUR	4 938	4 914
Covered Bonds	June 2014	June 2021	1,75%	9 400	1 000	EUR	9 420	9 409
Covered Bonds	July 2014	July 2021	1,55%	3 496	1 000	EUR	3 534	3 521
Senior Unsecured Bonds	September 2014	September 2019	-	0	100 000	EUR	100 295	-
Senior Unsecured Bonds	September 2014	September 2019	1,50%	13 837	1 000	EUR	13 925	13 889
Covered Bonds	November 2014	November 2020	0,88%	150	100 000	EUR	15 017	15 082
Covered Bonds	February 2015	February 2022	0,88%	350	100 000	EUR	35 261	35 109
Covered Bonds	February 2015	February 2019	-	-	100 000	EUR	50 023	-
Covered Bonds	March 2015	March 2020	1,25%	4 205	1 000	EUR	4 222	4 222
Covered Bonds	June 2015	June 2020	1,20%	4 891	1 000	EUR	4 894	4 893
Covered Bonds	July 2015	July 2020	1,20%	4 842	1 000	EUR	4 882	4 867
Covered Bonds	July 2015	July 2020	0,88%	500	100 000	EUR	50 142	50 373
Covered Bonds	August 2015	August 2025	1,38%	100	100 000	EUR	10 004	10 076
Covered Bonds	August 2015	August 2022	1,00%	100	100 000	EUR	10 018	10 071
Covered Bonds	August 2015	August 2020	1,20%	4 935	1 000	EUR	4 996	4 955
Covered Bonds	September 2015	September 2020	1,20%	4 280	1 000	EUR	4 308	4 293
Covered Bonds	October 2015	October 2020	1,20%	3 538	1 000	EUR	3 549	3 545
Covered Bonds	November 2015	November 2020	0,63%	400	100 000	EUR	40 031	40 157
Covered Bonds	November 2015	November 2020	1,20%	2 965	1 000	EUR	2 994	2 968
Covered Bonds	December 2015	December 2021	0,63%	170	100 000	EUR	17 001	17 055
Investment Certificates	February 2016	February 2020	4,10%	121	5 000	EUR	644	631
Covered Bonds	February 2016	February 2021	0,50%	500	100 000	EUR	50 218	50 093
Investment Certificates	February 2016	February 2020	4,20%	210	1 000	EUR	224	219
Covered Bonds	March 2016	March 2021	1,05%	6 967	1 000	EUR	6 990	6 989
Covered Bonds	March 2016	March 2019	-	-	100 000	EUR	6 002	-
Covered Bonds	March 2016	March 2026	1,00%	90	100 000	EUR	8 996	8 955
Investment Certificates	April 2016	April 2019	-	0	1 000	EUR	650	-
Covered Bonds	April 2016	April 2021	1,05%	4 946	1 000	EUR	4 961	4 958
Covered Bonds	May 2016	May 2021	1,00%	4 952	1 000	EUR	4 984	4 960
Covered Bonds	May 2016	November 2020	0,16%	500	100 000	EUR	50 008	50 010
Covered Bonds	June 2016	June 2021	0,00%	3 916	1 000	EUR	3 853	3 846

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EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2018	2019
Investment Certificates	June 2016	June 2020	3,70%	400	1 000	EUR	423	415
Investment Certificates	July 2016	July 2019	2,80%	340	1 000	EUR	350	345
Covered Bonds	July 2016	July 2021	0,90%	4 889	1 000	EUR	4 936	4 910
Covered Bonds	August 2016	August 2021	0,80%	4 944	1 000	EUR	4 975	4 960
Covered Bonds	August 2016	August 2021	0,75%	4 888	1 000	EUR	4 919	4 901
Investment Certificates	August 2016	August 2020	3,00%	339	1 000	EUR	361	356
Covered Bonds	September 2016	September 2021	0,70%	4 921	1 000	EUR	4 952	4 930
Covered Bonds	October 2016	October 2021	0,65%	4 941	1 000	EUR	4 971	4 947
Covered Bonds	November 2016	November 2021	0,25%	1 000	100 000	EUR	100 005	100 132
Covered Bonds	December 2016	December 2021	0,65%	9 791	1 000	EUR	9 831	9 824
Senior Unsecured Bonds	December 2016	December 2021	0,65%	4 729	1 000	EUR	4 915	4 745
Covered Bonds	March 2017	March 2025	0,75%	1 000	100 000	EUR	100 347	99 990
Senior Unsecured Bonds	March 2017	March 2022	0,60%	4 654	1 000	EUR	4 695	4 661
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%	4 729	1 000	EUR	4 877	4 734
Covered Bonds	May 2017	May 2019	-	0	100 000	EUR	29 994	-
Senior Unsecured Bonds	May 2017	May 2022	0,60%	4 749	1 000	EUR	4 827	4 752
Covered Bonds	June 2017	June 2022	0,38%	50	100 000	EUR	4 999	4 991
Senior Unsecured Bonds	July 2017	July 2022	0,60%	4 732	1 000	EUR	4 865	4 758
Senior Unsecured Bonds	August 2017	August 2022	0,63%	4 689	1 000	EUR	4 826	4 714
Senior Unsecured Bonds	September 2017	September 2022	0,63%	4 832	1 000	EUR	4 981	4 855
Senior Unsecured Bonds	September 2017	September 2022	0,63%	9 578	1 000	EUR	9 813	9 623
Covered Bonds	October 2017	October 2022	0,50%	1 500	100 000	EUR	149 974	150 371
Senior Unsecured Bonds	November 2017	November 2027	1,38%	44	100 000	EUR	4 399	4 430
Senior Unsecured Bonds	November 2017	November 2022	2,00%	4 998	1 000	USD	4 376	4 446
Senior Unsecured Bonds	February 2018	February 2023	2,15%	3 678	1 000	USD	3 274	3 259
Senior Unsecured Bonds	February 2018	February 2023	0,65%	9 856	1 000	EUR	10 038	9 881
Senior Unsecured Bonds	March 2018	March 2021	0,25%	142	100 000	EUR	14 216	14 201
Senior Unsecured Bonds	March 2018	March 2023	0,65%	9 893	1 000	EUR	10 013	9 910
Senior Unsecured Bonds	April 2018	April 2021	2,30%	3 659	1 000	USD	3 260	3 228
Investment Certificates	May 2018	May 2019	-	0	5 000	EUR	1 086	-
Investment Certificates	May 2018	May 2019	-	0	5 000	EUR	743	-
Investment Certificates	June 2018	June 2019	-	0	5 000	EUR	1 747	-
Senior Unsecured Bonds	June 2018	June 2020	2,00%	1 898	1 000	USD	1 675	1 669
Senior Unsecured Bonds	June 2018	June 2024	0,75%	5 078	1 000	EUR	5 100	5 078
Senior Unsecured Bonds	July 2018	July 2019	9,35%	165	5 000	EUR	909	903
Investment Certificates	July 2018	July 2019	9,00%	80	5 000	EUR	439	436
Investment Certificates	August 2018	August 2019	8,00%	87	5 000	EUR	474	470
Covered Bonds	August 2018	August 2025	0,63%	2 500	100 000	EUR	252 153	261 536
Senior Unsecured Bonds	August 2018	August 2024	0,70%	4 960	1 000	EUR	4 992	4 989
Senior Unsecured Bonds	September 2018	September 2024	0,70%	4 984	1 000	EUR	4 994	5 011
Investment Certificates	September 2018	September 2019	7,50%	90	5 000	EUR	489	485
Investment Certificates	October 2018	January 2019	-	0	50 000	NOK	634	-
Senior Unsecured Bonds	November 2018	November 2024	0,75%	4 978	1 000	EUR	5 003	5 000
Covered Bonds	December 2018	December 2024	0,50%	2 500	100 000	EUR	249 846	257 719
Senior Unsecured Bonds	December 2018	December 2024	0,75%	5 000	1 000	EUR	5 003	5 021
Senior Unsecured Bonds	February 2019	February 2025	0,70%	9 970	1 000	EUR	-	9 995
Senior Unsecured Bonds	March 2019	March 2025	0,00%	100	50 000	EUR	-	4 806
Investment Certificates	March 2019	March 2020	8,00%	168	5 000	EUR	-	916
Investment Certificates	March 2019	June 2019	-	0	100 000	CZK	-	-
Investment Certificates	May 2019	August 2019	21,88%	523	10 000	NOK	-	573
Senior Unsecured Bonds	June 2019	December 2025	0,60%	5 956	1 000	EUR	-	5 958
Covered Bonds	June 2019	June 2026	0,13%	5 000	100 000	EUR	-	497 407
Senior Unsecured Bonds	June 2019	June 2022	2,00%	3 710	1 000	USD	-	3 263
Total							1 730 495	2 062 495

22. Provisions

EUR ths.	31.12.2018	30.6.2019
Commitments and guarantees given	12 065	12 514
Long-term employee benefits provisions	3 178	3 178
Pending legal issues and tax litigation	5 353	5 293
Other provisions	81	81
Restructuring	77	77
Other	4	4
Provisions	20 677	21 066

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).

Commitments and financial guarantees given

EUR ths.	31.12.2018	30.6.2019
Commitments and guarantees given		
Provisions for commitments and financial guarantees in Stage 1	3 143	2 807
Provisions for commitments and financial guarantees in Stage 2	723	1 372
Provisions for commitments and financial guarantees in Stage 3	601	483
Provisions for commitments and financial guarantees - POCI	7 598	7 852
Provisions	12 065	12 514

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

EUR ths.	01.01.2019	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	30.6.2019
Provisions for contingent credit risk liabilities	12 065	16 614	(4 999)	(11 166)	(976)	12 514
Total	12 065	16 614	(4 999)	(11 166)	(976)	12 514

EUR ths.	01.01.2018	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	31.12.2018
Provisions for contingent credit risk liabilities	14 369	35 271	(13 343)	(24 232)	1 225	12 065
Total	14 369	35 271	(13 343)	(24 232)	1 225	12 065

Long-term employee pension provisions

The Bank 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 6.

The amount of long-term employee pension provisions is calculated using an actuarial model based on the projected unit credit method. The Bank performs annual review of the long-term employee benefits provisions using updated data in order to recognize the provisions in appropriate amounts. During the reporting period the provision was not calculated and the value of long-term employee pension provisions remained equal to the year end balance. Complete disclosures related to long-term employee pension provisions as at 31 December 2018 are presented in the individual financial statements for the previous reporting period in the Note 30.

Provisions for pending legal issues and tax litigation legal issues

Provisions for legal issues relate to legal cases where the Bank is sued and which arose from normal banking activities. During the reporting period the Bank does not participate in any new passive legal case. Complete disclosures related to provisions for pending legal issues and tax litigation legal issues are presented in the individual financial statements for the previous reporting period in the Note 30.

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 2019 were paid in full amount, therefore the Bank does not disclose these items as other provisions.

23. Other liabilities

EUR ths.	31.12.2018	30.6.2019
Client settlement	4 841	25 824
Trade payables	35 333	38 318
Personnel balances and social fund	38 257	23 273
State budget, social and health insurance, taxes	4 563	4 391
Other liabilities	82 994	91 806

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24. Equity

Share capital

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

	31.12.2018	30.6.2019
Nominal value of share (in EUR)	1 000	1 000
Number of shares (in pcs.)	212 000	212 000
Share capital (in EUR)	212 000 000	212 000 000

The following table presents approved distribution of individual profit of the bank for the years 2018:

Profit distribution	31.12.2018
Profit for the year (in EUR ths.)	180 176
Distribution for Investment certificate 2015 SLSP AT1 PNC5	11 700
Dividends paid to shareholder from profit for the year	87 608
Transfer to retained earnings	80 868
Number of shares with nominal value of EUR 1 000 (in pcs.)	212 000
Dividend per share (in EUR)	413

Dividends for the year 2018 were paid in March 2019 following the resolution of General Assembly of the Bank dated 27 March 2019. The first portion of dividend from investment certificate 2015 SLSP AT1 PNC5 was paid in amount of 5,8 mil. Eur as at 23 May 2019.

Other capital instruments

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

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 Bank 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 2019 Legal reserve fund amounted to 79,8 mil. Eur (2018: 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 Bank's capital base. This fund is not available for distribution to the shareholder. Once the Bank'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 2019 Statutory fund amounted 39,1 mil. Eur (2018: 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 2019 the revaluation of financial assets

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measured at fair value through other comprehensive income amounted to 57,2 mil. Eur (2018: 40,1 mil. Eur), net of deferred tax.

Remeasurement of net liability of defined pension plans

This equity component reflects the results of actuarial calculations related to the pension provision. As at 30 June 2019 the remeasurement of the pension provision amounted 0,6 mil. Eur (2018: 0,6 mil. Eur), net of deferred tax.

25. Related party transactions**Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The 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.

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

	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates	
EUR ths.	31.12.2018	30.6.2019	31.12.2018	30.6.2019	31.12.2018	30.6.2019	31.12.2018	30.6.2019
Assets								
Cash and cash balances	4 248	49 552	130	524	-	-	-	-
Derivatives	1 948	2 303	380	-	-	-	-	-
Derivatives – Hedge accounting	3 657	22 376	-	-	-	-	-	-
Securities	-	-	-	-	-	-	5 255	5 255
Loans and advances to banks	311	28 050	8 724	3 383	-	-	-	29 999
Loans and advances to customers	77	-	73 003	19 198	35 430	34 555	1	-
Property and equipment	-	-	-	-	-	25 839	-	-
Other assets	3 288	3 250	-	-	-	-	-	-
Total	13 529	105 531	82 237	23 105	35 430	60 394	5 256	35 254
Liabilities								
Derivatives held for trading	39 500	35 722	-	-	-	-	-	-
Deposits from banks	53 289	54 226	1 695	895	-	-	-	417
Deposits from customers	-	-	3 151	20 051	3 988	5 411	-	-
Debt securities issued	875 977	762 106	-	-	-	-	-	-
Derivatives – hedge accounting	41 348	52 163	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	26 218	-	-
Other liabilities	62	540	1 067	3 119	-	-	-	-
Total	1 010 176	904 757	5 913	24 065	3 988	31 629	-	417

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

	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates	
EUR ths.	30.6.2018	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2019
Interest income	(4 730)	(4 402)	694	321	145	301	13	59
Interest expense	(2 221)	(1 264)	(9)	(2)	-	(849)	-	(8)
Dividend income	-	-	569	-	-	-	-	-
Net fee and commission income	139	(32)	3 672	3 039	-	-	1	1
Net trading and fair value result	3 862	12 490	-	-	-	-	-	-
General administrative expenses	(2 069)	(2 116)	(5 490)	(6 696)	(3 871)	-	-	-
Depreciation and amortisation	-	-	-	-	-	(3 040)	-	-
Other operating result	146	649	508	194	(18)	20	-	-
Total	(4 873)	5 325	(56)	(3 144)	(3 744)	(3 568)	14	52

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

In the year 2015 the Bank has issued investment certificates in the amount of 150 mil. Eur, which were purchased by Erste Bank AG (see note 21).

As at 30 June 2019 the Bank has received a guarantee from its parent company Erste Group Bank AG covering exposures towards Erste Group Immovent Slovensko s.r.o. in the amount of 23,2 mil. Eur (2018: 23,2 mil. Eur).

The Bank 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 (2018: 2,2 mil. Eur).

The Bank 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 2019 in the maximum amount of the guarantee was 14,0 mil. Eur (2018: 17,0 mil. Eur).

The Bank received guarantees from its sister company Česká spořitelna, a.s. covering clients' exposures in the amount of 0,3 mil. Eur as at the reporting date (2018: 0,8 mil. Eur).

The Bank received a guarantee from its sister company Erste Bank AD Podgorica covering client's exposure in the amount of 0,1 mil. Eur as at the reporting date (2018: 0,1 mil. Eur).

As at 30 June 2019 the Bank owned a share in real estate fund Sporo realitny fond SPF of Asset Management Slovenskej sporiteľne, a.s. in the amount of 3,1 mil. Eur (2018: 3,4 mil. Eur).

26. Off-balance sheet items

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

Loan commitments, guarantees and letters of credit

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

EUR ths.	31.12.2018	30.6.2019
Guarantees provided	368 083	391 902
Guarantees from letter of credit	10 168	3 489
Loan commitments and undrawn loans	1 223 703	1 211 384
Total	1 601 954	1 606 775

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27. Collaterals

The Bank 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 2019 the Bank had collateralized loans in the amount of 9 859,7 mil. Eur (2018: 9 524,4 mil. Eur). The uncollateralized loans amounted 4 181,5 mil. Eur (2018: 3 920,5 mil. Eur).

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

30.6.2019	Credit risk exposure	Credit risk exposure: thereof attributable to instruments for which no loss allowance is recognized because of the collateral	Collateralised by			Collateral total	Credit risk exposure net of collateral
			Guarantees	Real estate	Other		
EUR ths.							
Cash and cash balances - other demand deposits	50 739	-	-	-	-	-	50 739
Financial assets at amortised cost	17 219 834	198 369	36 908	7 938 862	307 149	8 282 919	8 936 914
Loans and advances to banks	152 820	-	55	-	-	55	152 765
Loans and advances to customers	13 585 462	198 369	18 834	7 938 862	307 149	8 264 845	5 320 616
of which: Lending for house purchase	7 645 134	141 011	-	6 910 834	38	6 910 872	734 261
'of which: Credit for consumption	1 809 625	17	-	38	235	273	1 809 352
'of which: Corporate loans and others	4 130 703	57 341	18 834	1 027 990	306 876	1 353 700	2 777 003
Debt securities	3 481 552	-	18 019	-	-	18 019	3 463 533
Finance lease receivables	194 948	2 411	-	607	122 051	122 658	72 290
Trade and other receivables	108 021	-	-	-	-	-	108 021
Non-trading financial assets at fair value through profit or loss - 'Debt securities	13 204	-	-	-	-	-	13 204
Financial assets - held for trading	42 692	-	-	-	-	-	42 692
Positive fair value of derivatives	29 761	-	-	-	-	-	29 761
Total credit risk exposure on-balance	17 659 199	200 780	36 908	7 939 469	429 200	8 405 577	9 253 621
Off-balance	1 606 775	34 889	60 434	146 343	42 297	249 074	1 357 701
Total credit risk exposure	19 265 974	235 669	97 342	8 085 812	471 497	8 654 651	10 611 322

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31.12.2018	Credit risk exposure	Credit risk exposure: thereof attributable to instruments for which no loss allowance is recognized because of the collateral	Collateralised by			Collateral total	Credit risk exposure net of collateral
			Guarantees	Real estate	Other		
EUR ths.							
Cash and cash balances - other demand deposits	7 196	-	-	-	-	-	7 196
Financial assets at amortised cost	16 766 596	186 053	37 958	7 590 703	238 890	7 867 551	8 899 045
Loans and advances to banks	47 820	-	48	-	-	48	47 772
Loans and advances to customers	13 167 763	186 053	19 892	7 590 703	238 890	7 849 485	5 318 278
of which: Lending for house purchase	7 519 839	131 789	-	6 648 973	39	6 649 012	870 827
'of which: Credit for consumption	1 807 046	17	-	51	312	363	1 806 683
'of which: Corporate loans and others	3 840 878	54 246	19 892	941 679	238 539	1 200 110	2 640 767
Debt securities	3 551 013	-	18 018	-	-	18 018	3 532 995
Finance lease receivables	129 707	229	-	-	91 705	91 705	38 001
Trade and other receivables	99 581	-	-	-	-	-	99 581
Non-trading financial assets at fair value through profit or loss - 'Debt securities	23 622	-	-	-	-	-	23 622
Financial assets - held for trading	42 941	-	-	-	-	-	42 941
Positive fair value of derivatives	9 905	-	-	-	-	-	9 905
Total credit risk exposure on-balance	17 079 548	186 282	37 958	7 590 703	330 595	7 959 256	9 120 291
Off-balance	1 601 954	35 140	54 903	95 638	42 772	193 313	1 408 641
Total credit risk exposure	18 681 502	221 422	92 861	7 686 341	373 367	8 152 569	10 528 932

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Assets pledged as collaterals

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

	Carrying amount of transferred assets				Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Total	Repurchase agreements	Other associated liabilities
EUR ths.							
As of 30.6.2019							
Financial assets at amortised cost							
Debt securities	211 397	46 636	46 093	113 253	238 005	50 380	187 625
Loans and advances to customers	2 147 769	-	-	2 147 769	-	-	-
Assets pledged as collateral	2 359 166	46 636	46 093	2 261 022	238 005	50 380	187 625

	Carrying amount of transferred assets				Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Total	Repurchase agreements	Other associated liabilities
EUR ths.							
As of 31.12.2018							
Financial assets at amortised cost							
Debt securities	208 946	45 657	51 098	112 191	225 156	50 846	174 310
Loans and advances to customers	1 696 924	-	-	1 696 924	1 390 015	-	1 390 015
Assets pledged as collateral	1 905 870	45 657	51 098	1 809 115	1 615 171	50 846	1 564 325

28. Assets under administration

The Bank 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 separate financial statements.

As at 30 June 2019 the Bank held assets for collective investment undertakings in the amount of 3 025,5 mil. Eur (2018: 1 211,2 mil. Eur).

As at 30 June 2019 the Bank also held assets for customers other than collective investment undertakings in the amount of 7 285,1 mil. Eur (2018: 6 384,8 mil. Eur).

29. Segment reporting

The segment reporting of the Bank is based on IFRS 8 - Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. During the first half year of 2019 there were no changes in the methodology of segment reporting in comparison with annual individual financial statements. For the complete set of disclosures related to segment reporting this interim individual financial statements should be read in combination with individual financial statements for the previous year in the Note 38.

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Business Segments	Retail		Corporates		Group markets		Asset Liability Management and Local Corporate Center		Total	
EUR ths.	30.6.2018	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2019
Net interest income	187 717	172 197	34 049	36 788	1 937	2 421	(5 975)	2 672	217 729	214 078
Net fee and commission income	49 149	58 716	7 160	8 693	3 394	3 006	(1 309)	(2 481)	58 394	67 933
Dividend income	-	-	-	-	-	-	746	751	746	751
Net trading result	1 661	1 681	1 138	4 418	1 783	2 827	156	510	4 738	9 435
Gains/losses from financial instruments measured at FVPL	-	-	-	-	-	-	(185)	85	(185)	85
Rental income from investment properties & other operating leases	-	-	-	-	-	-	155	146	155	146
General administrative expenses	(119 031)	(118 441)	(16 857)	(17 827)	(2 363)	(2 555)	(506)	623	(138 759)	(138 201)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	-	-	-	70	-	70
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(1)	(459)	(1)	(459)
Impairment result from financial instruments	(15 951)	(10 469)	4 250	(8 214)	(36)	(10)	47	64	(11 690)	(18 629)
Other operating result	(10 512)	(11 434)	(1 808)	(1 930)	(796)	(881)	(6 018)	(4 437)	(19 134)	(18 681)
Levies on banking activities	(10 512)	(11 434)	(1 808)	(1 930)	(796)	(881)	(4 375)	(4 799)	(17 491)	(19 044)
Pre-tax profit from continuing operations	93 033	92 250	27 932	21 928	3 919	4 808	(12 890)	(2 456)	111 993	116 528
Taxes on income	(19 537)	(19 384)	(5 866)	(4 605)	(823)	(1 010)	1 165	571	(25 061)	(24 427)
Net result for the period	73 496	72 866	22 066	17 323	3 096	3 798	(11 725)	(1 885)	86 932	92 101
Net result attributable to owners of the parent	73 496	72 866	22 066	17 323	3 096	3 798	(11 725)	(1 885)	86 932	92 101
Operating income	238 527	232 593	42 347	49 898	7 114	8 254	(6 413)	1 683	281 576	292 427
Operating expenses	(119 031)	(118 441)	(16 857)	(17 827)	(2 363)	(2 555)	(506)	623	(138 759)	(138 201)
Operating result	119 496	114 152	25 490	32 071	4 751	5 699	(6 919)	2 306	142 817	154 226
Risk-weighted assets (credit risk, eop)*	2 726 581	2 773 008	2 622 670	3 085 956	30 729	38 708	492 027	568 129	5 872 007	6 465 800
Average allocated capital**	407 661	407 072	250 647	290 371	7 273	9 187	198 305	327 606	863 886	1 034 236
Cost/income ratio	49,90%	50,92%	39,81%	35,73%	33,22%	30,96%	-7,90%	-37,00%	49,28%	47,26%
Return on allocated capital	73,12%	72,59%	35,70%	24,19%	172,66%	167,66%	-23,98%	-2,33%	40,81%	36,11%
Total assets (eop)	9 473 721	9 963 750	3 201 542	3 711 702	106 944	58 667	4 156 243	4 443 252	16 938 450	18 177 371
Total liabilities excluding equity (eop)	10 691 615	11 587 648	1 627 878	1 459 184	575 930	842 429	2 648 905	2 792 500	15 544 329	16 681 761
Impairments										
Net impairment loss on financial instruments AC	(15 806)	(9 531)	3 774	(6 727)	(7)	(25)	210	33	(11 830)	(16 250)
Net impairment loss on financial instruments Leasing	-	(1 140)	-	(862)	-	-	10	17	10	(1 985)
Impairments and provisions for commitments and guarantees given	(145)	202	476	(626)	(28)	15	(173)	14	130	(395)
Net impairment on other non-financial assets	-	-	-	-	-	-	326	136	326	136

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

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

30. Risk management

During the first half year of 2019 there were no changes in the risk strategy and policy in comparison with annual individual financial statements. For the complete set of disclosures related to risk strategy and policy this interim individual financial statements should be read in combination with individual financial statements for the previous year in the Note 39.

Credit risk exposure

Credit risk exposure relates to the following balance sheet items:

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

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

The gross carrying amount of the credit risk exposure increased by 2,19% to EUR 19,266 bil. Eur (31.3.2019: 18,853 bil. Eur).

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

30.6.2019 EUR ths.	Gross carrying amount	Credit loss allowances				Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	
Cash and cash balances - other demand deposits	50 739	-	-	-	-	50 739
Financial assets at amortised cost	17 219 833	33 529	35 325	223 676	43 496	16 883 808
Loans and advances to banks	152 819	8	-	-	-	152 811
Loans and advances to customers	13 585 462	33 139	35 325	223 676	43 496	13 249 827
of which: Lending for house purchase	7 645 134	10 806	10 568	83 059	253	7 540 448
of which: Credit for consumption	1 809 625	12 787	12 654	104 331	186	1 679 668
of which: Corporate loans and others	4 130 703	9 546	12 103	36 286	43 057	4 029 711
Debt securities	3 481 552	382	-	-	-	3 481 170
Finance lease receivables	194 949	473	138	6 427	-	187 911
Trade and other receivables	108 021	349	2	3 188	-	104 482
Non-trading financial assets at fair value through profit or loss - 'Debt securities	13 204	-	-	-	-	13 204
Financial assets - held for trading	42 692	-	-	-	-	42 692
Positive fair value of derivatives	29 761	-	-	-	-	29 761
Total credit risk exposure on-balance	17 659 199	34 351	35 465	233 291	43 496	17 312 597
Off-balance	1 606 775	2 811	1 372	483	7 852	1 594 257
Total credit risk exposure	19 265 974	37 162	36 837	233 774	51 348	18 906 854

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31.12.2018 EUR ths.	Gross carrying amount	Credit loss allowances				Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	
Cash and cash balances - other demand deposits	7 196	-	-	-	-	7 196
Financial assets at amortised cost	16 766 596	35 806	33 865	229 722	51 337	16 415 865
Loans and advances to banks	47 820	23	-	-	-	47 797
Loans and advances to customers	13 167 763	35 401	33 865	229 722	51 337	12 817 438
of which: Lending for house purchase	7 519 839	12 431	12 886	85 026	280	7 409 216
of which: Credit for consumption	1 807 046	14 456	15 062	120 330	199	1 657 001
of which: Corporate loans and others	3 840 878	8 514	5 918	24 367	50 858	3 751 221
Debt securities	3 551 013	382	-	-	-	3 550 630
Finance lease receivables	129 707	81	-	110	-	129 516
Trade and other receivables	99 581	307	8	3 252	-	96 012
Non-trading financial assets at fair value through profit or loss - 'Debt securities	23 622	-	-	-	-	23 622
Financial assets - held for trading	42 941	-	-	-	-	42 941
Positive fair value of derivatives	9 905	-	-	-	-	9 905
Total credit risk exposure on-balance	17 079 548	36 194	33 873	233 084	51 337	16 725 057
Off-balance	1 601 954	3 147	723	601	7 598	1 589 885
Total credit risk exposure	18 681 502	39 341	34 596	233 685	58 935	18 314 942

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 122,053 mil. Eur, the non-defaulted part to 23,841 mil. Eur.

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

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

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

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

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
30.6.2019					
Agriculture and forestry	121 020	78 201	18 097	23 358	240 676
Mining	74 231	192	2 815	19	77 257
Manufacturing	992 499	85 973	55 464	7 598	1 141 534
Energy and water supply	424 867	37 421	13 056	505	475 849
Construction	257 125	53 786	6 158	3 878	320 947
Development of building projects	25 177	6 634	28	11	31 850
Trade	548 360	114 708	33 293	23 326	719 687
Transport and communication	652 972	31 008	10 812	2 896	697 688
Hotels and restaurants	40 092	19 035	19 490	2 006	80 623
Financial and insurance services	626 689	2 598	7 892	237	637 416
Holding companies	69 655	759	7 627	-	78 041
Real estate and housing	982 973	132 337	29 525	112 516	1 257 351
Services	118 281	73 654	16 119	6 086	214 140
Public administration	3 437 768	6 056	735	18	3 444 577
Education, health and art	69 320	10 779	8 256	264	88 619
Private households	8 248 279	845 001	466 508	309 451	9 869 239
Other	20	36	315	-	371
Total	16 594 496	1 490 785	688 535	492 158	19 265 974

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2018					
Agriculture and forestry	76 282	44 627	2 505	1 783	125 197
Mining	42 444	152	3 366	-	45 962
Manufacturing	946 944	68 038	38 981	15 452	1 069 415
Energy and water supply	351 169	3 103	64 286	84	418 642
Construction	218 788	22 822	43 264	7 869	292 743
Development of building projects	16 368	62	16 295	16	32 741
Trade	566 991	81 527	30 066	14 557	693 141
Transport and communication	619 712	44 431	4 450	3 126	671 719
Hotels and restaurants	31 633	7 854	33 323	4 506	77 316
Financial and insurance services	474 240	2 342	35 595	47	512 224
Holding companies	107 979	697	5 099	-	113 775
Real estate and housing	757 564	8 632	365 279	112 103	1 243 578
Services	100 230	25 988	30 541	5 377	162 136
Public administration	3 414 055	18	125 540	18	3 539 631
Education, health and art	71 371	4 318	7 375	155	83 219
Private households	6 493 547	2 430 222	499 781	321 975	9 745 525
Other	22	84	946	-	1 052
Total	14 164 992	2 744 158	1 285 298	487 052	18 681 500

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The following table presents credit risk exposure by risk category:

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.6.2019					
Cash and cash balances - other demand deposits	50 739	-	-	-	50 739
Financial assets at amortised cost	14 889 061	1 290 037	606 956	433 779	17 219 833
Loans and advances to banks	152 818	2	-	-	152 820
Loans and advances to customers	11 254 691	1 290 035	606 956	433 779	13 585 461
of which: Lending for house purchase	6 646 664	545 781	278 308	174 380	7 645 133
of which: Credit for consumption	1 262 604	253 909	164 688	128 424	1 809 625
of which: Corporate loans and others	3 345 423	490 345	163 960	130 975	4 130 703
Debt securities	3 481 552	-	-	-	3 481 552
Finance lease receivables	150 985	20 978	14 879	8 106	194 948
Trade and other receivables	64 523	8 775	31 165	3 558	108 021
Non-trading financial assets at fair value through profit or loss - 'Debt securities	13 191	13	-	-	13 204
Derivatives - held for trading	39 917	1 618	1 153	3	42 691
Positive fair value of derivatives - hedge accounting	29 761	-	-	-	29 761
Total credit risk exposure on-balance	15 238 177	1 321 421	654 153	445 446	17 659 197
Off-balance	1 356 317	169 365	34 382	46 712	1 606 776
Total credit risk exposure	16 594 494	1 490 786	688 535	492 158	19 265 973

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2018					
Cash and cash balances - other demand deposits	7 196	-	-	-	7 196
Financial assets at amortised cost	12 649 482	2 589 430	1 093 975	433 707	16 766 594
Loans and advances to banks	47 819	1	-	-	47 820
Loans and advances to customers	9 050 650	2 589 429	1 093 975	433 707	13 167 761
of which: Lending for house purchase	5 418 868	1 630 158	301 170	169 640	7 519 839
of which: Credit for consumption	792 007	693 867	175 637	145 536	1 807 046
of which: Corporate loans and others	2 839 775	265 404	617 168	118 531	3 840 878
Debt securities	3 551 013	-	-	-	3 551 013
Finance lease receivables	122 465	6 196	753	292	129 707
Trade and other receivables	55 457	5 104	35 511	3 508	99 581
Non-trading financial assets at fair value through profit or loss - 'Debt securities	23 570	-	52	-	23 622
Derivatives - held for trading	39 074	195	3 668	5	42 941
Positive fair value of derivatives - hedge accounting	9 753	-	152	-	9 905
Total credit risk exposure on-balance	12 906 997	2 600 925	1 134 111	437 512	17 079 546
Off-balance	1 257 992	143 235	151 188	49 539	1 601 954
Total credit risk exposure	14 164 989	2 744 160	1 285 299	487 051	18 681 500

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

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to stage assessment	Total credit risk exposure
30.6.2019						
Agriculture and forestry	184 574	32 627	23 146	232	97	240 676
Mining	77 191	-	19	-	46	77 256
Manufacturing	1 060 664	68 747	5 864	5 072	1 186	1 141 533
Energy and water supply	330 012	115 798	505	-	29 535	475 850
Construction	307 448	5 529	3 431	4 132	404	320 944
Development of building projects	31 483	15	7	4	341	31 850
Trade	663 647	28 675	18 828	4 529	4 009	719 688
Transport and communication	686 968	5 913	2 360	351	2 096	697 688
Hotels and restaurants	60 585	2 303	1 568	15 225	943	80 624
Financial and insurance services	582 725	7 976	237	-	46 478	637 416
Holding companies	70 732	7 309	-	-	-	78 041
Real estate and housing	1 113 838	26 980	931	111 586	4 018	1 257 353
Services	195 159	12 788	5 128	810	254	214 139
Public administration	3 444 465	93	18	-	-	3 444 576
Education, health and art	86 622	1 635	263	23	76	88 619
Private households	9 329 805	238 206	297 293	3 934	3	9 869 241
Other	206	165	-	-	-	371
Total	18 123 909	547 435	359 591	145 894	89 145	19 265 974

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to stage assessment	Total credit risk exposure
31.12.2018						
Agriculture and forestry	115 921	7 393	1 355	447	81	125 197
Mining	45 891	20	-	-	50	45 961
Manufacturing	1 023 914	27 268	10 418	5 077	2 739	1 069 416
Energy and water supply	370 983	13 290	84	-	34 285	418 642
Construction	277 355	3 134	2 755	8 812	686	292 742
Development of building projects	32 285	14	12	4	425	32 740
Trade	659 882	11 111	9 900	4 679	7 568	693 140
Transport and communication	662 141	5 615	2 154	993	816	671 719
Hotels and restaurants	55 684	1 223	3 989	15 788	632	77 316
Financial and insurance services	474 664	705	46	-	36 808	512 223
Holding companies	113 775	-	-	-	-	113 775
Real estate and housing	1 111 524	17 950	460	111 643	2 002	1 243 579
Services	151 224	5 597	4 378	825	113	162 137
Public administration	3 539 493	120	18	-	-	3 539 631
Education, health and art	81 672	1 349	155	23	21	83 220
Private households	9 178 441	252 218	310 811	4 028	27	9 745 525
Other	211	33	-	-	808	1 052
Total	17 749 000	347 026	346 523	152 315	86 636	18 681 500

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

30.6.2019	Cash and cash balances - other demand deposits	Financial assets at amortised cost						Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers			Debt securities							
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others								
Slovakia	-	30 030	7 640 237	1 808 439	4 051 763	3 174 507	194 948	77 338	3 102	39 619	1 542 613	18 562 596	
Central and Eastern Europe	50 076	118 345	1 895	445	32 124	23 050	-	10 235	-	25 449	41 591	303 210	
Austria	49 552	27 544	129	39	1	-	-	1 261	-	25 350	5 489	109 365	
Czech Republic	56	88 479	1 176	275	32 118	23 050	-	6 469	-	99	32 863	184 585	
Hungary	452	2 322	58	20	2	-	-	1 765	-	-	3 229	7 848	
Croatia	13	-	111	25	1	-	-	271	-	-	2	423	
Romania	3	-	241	51	1	-	-	417	-	-	6	719	
Serbia	-	-	180	35	1	-	-	52	-	-	2	270	
Other EU	488	4 444	1 237	245	46 766	278 794	-	18 293	10 102	7 386	21 981	389 736	
Other industrialised countries	175	-	292	81	7	5 201	-	616	-	-	5	6 377	
Emerging markets	-	2	1 474	417	43	-	-	1 533	-	-	586	4 055	
Total	50 739	152 821	7 645 135	1 809 627	4 130 703	3 481 552	194 948	108 015	13 204	72 454	1 606 776	19 265 974	

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31.12.2018	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							
Slovakia	-	31	7 514 773	1 805 884	3 754 302	3 250 396	129 707	71 898	3 400	40 485	1 546 917	18 117 793
Central and Eastern Europe	4 378	9 036	1 993	424	37 905	23 138	-	7 295	-	6 275	36 282	126 726
Austria	4 248	311	142	15	2	-	-	456	-	6 235	5 094	16 503
Czech Republic	54	1	1 244	270	37 898	23 138	-	4 509	-	40	28 911	96 065
Hungary	56	8 724	61	23	2	-	-	1 595	-	-	2 229	12 690
Croatia	19	-	112	32	1	-	-	391	-	-	2	557
Romania	1	-	252	47	1	-	-	337	-	-	43	681
Serbia	-	-	182	37	1	-	-	7	-	-	3	230
Other EU	2 726	38 752	1 294	194	48 617	272 403	-	17 257	20 222	6 085	18 200	425 750
Other industrialised countries	92	-	331	79	9	5 076	-	1 828	-	-	5	7 420
Emerging markets	-	1	1 447	466	45	-	-	1 302	-	-	550	3 811
Total	7 196	47 820	7 519 838	1 807 047	3 840 878	3 551 013	129 707	99 580	23 622	52 845	1 601 954	18 681 500

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

30.6.2019	Non-impaired loans							Impaired loans	Total Credit risk exposure
	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due non Impaired		
EUR ths.									
Cash and cash balances - other demand deposits	-	-	-	-	-	-	50 739	-	50 739
Financial assets at amortised cost	384 302	346 853	25 460	11 828	71	88	16 412 254	423 278	17 219 834
Loans and advances to banks	59	59	-	-	-	-	152 761	-	152 820
Loans and advances to customers	384 243	346 794	25 460	11 828	71	88	12 777 941	423 278	13 585 462
of which: Lending for house purchase	138 799	124 789	10 526	3 465	18	-	7 339 945	166 390	7 645 134
of which: Credit for consumption	78 089	68 222	6 471	3 361	15	20	1 605 219	126 316	1 809 625
of which: Corporate loans and others	167 355	153 783	8 463	5 002	38	68	3 832 777	130 572	4 130 703
Debt securities	-	-	-	-	-	-	3 481 552	-	3 481 552
Finance lease receivables	38 135	24 249	7 039	4 115	2 732	-	148 707	8 106	194 948
Trade and other receivables	12 700	11 569	1 061	68	-	1	91 763	3 558	108 021
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	13 204	-	13 204
Financial assets - held for trading	-	-	-	-	-	-	42 692	-	42 692
Positive fair value of derivatives	-	-	-	-	-	-	29 761	-	29 761
Total credit risk exposure on-balance	435 137	382 671	33 560	16 011	2 803	89	16 789 120	434 942	17 659 199
Off-balance	-	-	-	-	-	-	1 560 075	46 701	1 606 776
Total credit risk exposure	435 137	382 671	33 560	16 011	2 803	89	18 349 195	481 643	19 265 975

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31.12.2018	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 non impaired		
EUR ths.									
Cash and cash balances - other demand deposits	-	-	-	-	-	-	7 196	-	7 196
Financial assets at amortised cost	327 630	298 488	17 607	10 681	82	774	16 014 598	424 366	16 766 594
Loans and advances to banks	50	50	-	-	-	-	47 770	-	47 820
Loans and advances to customers	327 580	298 438	17 607	10 681	82	774	12 415 815	424 366	13 167 761
of which: Lending for house purchase	139 961	123 887	10 663	5 061	15	337	7 217 250	162 626	7 519 837
of which: Credit for consumption	84 490	73 627	6 063	4 553	7	240	1 579 113	143 443	1 807 046
of which: Corporate loans and others	103 129	100 924	881	1 067	60	197	3 619 452	118 297	3 840 878
Debt securities	-	-	-	-	-	-	3 551 013	-	3 551 013
Finance lease receivables	30 343	30 119	178	45	-	-	99 072	292	129 707
Trade and other receivables	14 060	12 398	1 562	98	-	1	82 012	3 508	99 581
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	23 622	-	23 622
Financial assets - held for trading	-	-	-	-	-	-	42 941	-	42 941
Positive fair value of derivatives	-	-	-	-	-	-	9 905	-	9 905
Total credit risk exposure on-balance	372 033	341 005	19 347	10 824	82	775	16 279 346	428 166	17 079 546
Off-balance	-	-	-	-	-	-	1 552 422	49 532	1 601 954
Total credit risk exposure	372 033	341 005	19 347	10 824	82	775	17 831 768	477 698	18 681 500

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

30.6.2019												
EUR ths.	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Low risk	50 739	152 761	6 631 465	1 257 774	3 277 117	3 481 552	126 236	57 341	13 191	69 679	1 356 317	16 474 172
Management attention	-	-	520 685	242 407	434 557	-	13 297	6 050	13	1 618	169 365	1 387 992
Substandard	-	-	183 269	104 061	121 086	-	9 174	28 372	-	1 153	34 382	481 497
Non-performing loans (NPE)	-	-	4 527	977	16	-	-	-	-	3	11	5 534
Total	50 739	152 761	7 339 946	1 605 219	3 832 776	3 481 552	148 707	91 763	13 204	72 453	1 560 075	18 349 195

31.12.2018												
EUR ths.	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Low risk	7 196	47 770	5 413 349	791 102	2 799 029	3 551 013	94 825	48 023	23 570	48 827	1 257 992	14 082 696
Management attention	-	-	1 597 361	676 973	241 437	-	3 793	3 143	-	195	143 235	2 666 137
Substandard	-	-	202 891	110 332	578 968	-	454	30 847	52	3 819	151 188	1 078 550
Non-performing loans (NPE)	-	-	3 650	706	17	-	-	-	-	5	7	4 385
Total	7 196	47 770	7 217 251	1 579 113	3 619 451	3 551 013	99 072	82 013	23 622	52 846	1 552 422	17 831 768

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The following table credit risk exposure by industry:

30.6.2019	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers	Debt securities						
Agriculture and forestry	-	-	182 441	-	34 629	309	-	97	23 199	240 675
Mining	-	-	54 336	-	377	359	-	46	22 138	77 256
Manufacturing	-	-	747 996	9 201	41 539	56 332	-	1 022	285 444	1 141 534
Energy and water supply	-	-	358 667	-	5 234	887	-	29 535	81 527	475 850
Construction	-	-	139 067	-	4 974	934	-	404	175 567	320 946
Development of building projects	-	-	29 121	-	-	28	-	341	2 360	31 850
Trade	-	-	486 454	-	17 635	35 938	-	722	178 938	719 687
Transport and communication	-	-	430 940	85 211	76 241	9 223	-	2 096	93 977	697 688
Hotels and restaurants	-	-	72 315	-	423	2	-	943	6 941	80 624
Financial and insurance services	50 739	152 820	84 446	198 301	68	1 360	13 204	33 236	103 240	637 414
Holding companies	-	-	35 840	15 017	-	-	-	-	27 183	78 040
Real estate and housing	-	-	1 071 022	-	862	387	-	4 018	181 063	1 257 352
Services	-	-	130 321	-	9 165	1 440	-	254	72 959	214 139
Public administration	-	-	230 109	3 188 839	101	38	-	-	25 490	3 444 577
Education, health and art	-	-	71 018	-	3 468	812	-	76	13 246	88 620
Private households	-	-	9 525 993	-	231	-	-	3	343 013	9 869 240
Other	-	-	338	-	-	-	-	-	34	372
Total Credit risk exposure	50 739	152 820	13 585 463	3 481 552	194 947	108 021	13 204	72 452	1 606 776	19 265 974

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31.12.2018	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers	Debt securities						
EUR ths.										
Agriculture and forestry	-	-	97 778	-	1 693	110	-	81	25 536	125 198
Mining	-	-	41 236	-	290	238	-	50	4 147	45 961
Manufacturing	-	-	705 607	9 356	32 271	54 512	-	563	267 107	1 069 416
Energy and water supply	-	-	302 942	-	4 733	2 211	-	34 285	74 471	418 642
Construction	-	-	117 205	-	3 880	621	-	686	170 351	292 743
Development of building projects	-	-	27 794	-	-	6	-	425	4 515	32 740
Trade	-	-	460 600	-	9 392	34 792	-	215	188 140	693 139
Transport and communication	-	-	409 010	86 656	68 492	1 237	-	816	105 508	671 719
Hotels and restaurants	-	-	71 184	-	417	3	-	632	5 081	77 317
Financial and insurance services	7 196	47 820	158 473	171 072	56	987	23 622	12 547	90 452	512 225
Holding companies	-	-	67 687	25 378	-	-	-	-	20 710	113 775
Real estate and housing	-	-	1 005 499	-	697	178	-	2 002	235 202	1 243 578
Services	-	-	97 120	-	5 887	3 762	-	113	55 254	162 136
Public administration	-	-	235 185	3 283 930	13	9	-	-	20 494	3 539 631
Education, health and art	-	-	66 110	-	1 768	919	-	21	14 401	83 219
Private households	-	-	9 399 585	-	117	-	-	27	345 795	9 745 524
Other	-	-	228	-	-	-	-	808	16	1 052
Total Credit risk exposure	7 196	47 820	13 167 762	3 551 014	129 706	99 579	23 622	52 846	1 601 955	18 681 500

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

30.6.2019	Cash and cash balances - other demand deposits	Financial assets at amortised cost			Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - 'Debt securities'	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers	Debt securities						
Sovereigns	-	-	225 972	3 188 839	133	436	-	-	25 466	3 440 846
Institutions	50 739	152 820	-	172 829	-	587	10 089	32 736	65 900	485 700
Corporates	-	-	3 156 951	119 884	165 364	106 041	3 115	39 715	1 052 251	4 643 321
Retail	-	-	10 202 537	-	29 451	957	-	3	463 159	10 696 107
Total	50 739	152 820	13 585 460	3 481 552	194 948	108 021	13 204	72 454	1 606 776	19 265 974

31.12.2018	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						
Sovereigns	-	-	230 133	3 301 947	57	9	-	-	20 478	3 552 625
Institutions	7 196	47 820	-	127 676	-	188	20 170	12 472	60 872	276 394
Corporates	-	-	2 918 467	121 390	125 790	97 795	3 452	40 346	1 051 592	4 358 832
Retail	-	-	10 019 162	-	3 859	1 588	-	27	469 012	10 493 649
Total	7 196	47 820	13 167 762	3 551 013	129 706	99 580	23 622	52 845	1 601 954	18 681 500

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

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

31. Fair values of financial assets and liabilities

Financial instruments measured at fair value

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

In the Bank 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 the Note 40.

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	
	31.12.2018				30.6.2019			
Assets								
Financial assets - held for trading	-	42 941	-	42 941	-	42 692	-	42 692
Derivatives	-	42 941	-	42 941	-	42 692	-	42 692
Non-trading financial assets at fair value through profit or loss	-	-	29 242	29 242	1	10 089	8 735	18 824
Equity instruments	-	-	5 620	5 620	1	-	5 620	5 620
Debt securities	-	-	23 622	23 622	-	10 089	3 115	13 204
Financial assets at fair value through other comprehensive income	-	-	56 395	56 395	-	-	78 070	78 070
Equity instruments	-	-	56 395	56 395	-	-	78 070	78 070
Hedge accounting derivatives	-	9 905	-	9 905	-	29 761	-	29 761
Total assets	-	52 846	85 637	138 483	1	82 542	86 805	169 347
Liabilities								
Financial liabilities - held for trading	-	41 062	-	41 062	-	37 843	-	37 843
Derivatives	-	41 062	-	41 062	-	37 843	-	37 843
Hedge accounting derivatives	-	41 348	-	41 348	-	52 163	-	52 163
Total liabilities	-	82 410	-	82 410	-	90 006	-	90 006

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

Changes in volumes of Level 1 and Level 2

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

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Movements in Level 3

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

	01.01.2019	Gain/loss in profit or loss	Gain/loss in other compre- hensive income	Purchases	Sales	Settlements	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translation	30.6.2019
EUR ths.												
Assets												
Non-trading financial assets at fair value through profit or loss	29 242	179	-	-	(500)	(10 090)	-	-	-	(10 096)	-	8 735
Equity instruments	5 620	-	-	-	-	-	-	-	-	-	-	5 620
Debt securities	23 622	179	-	-	(500)	(10 090)	-	-	-	(10 096)	-	3 115
Financial assets at fair value through other comprehensive income	56 395	-	21 640	-	-	-	-	-	-	-	35	78 070
Equity instruments	56 395	-	21 640	-	-	-	-	-	-	-	35	78 070
Total assets	85 637	179	21 640	-	(500)	(10 090)	-	-	-	(10 096)	35	86 805

	01.01.2018	Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Sales	Settlements	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translation	30.6.2018
EUR ths.												
Assets												
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Non-trading financial assets at fair value through profit or loss	18 859	(119)	-	-	-	(72)	-	-	21	(1)	-	18 688
Equity instruments	3 059	-	-	-	-	-	-	-	21	(1)	-	3 079
Debt securities	15 800	(119)	-	-	-	(72)	-	-	-	-	-	15 609
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	58 175	-	-	58 175
Equity instruments	-	-	-	-	-	-	-	-	58 175	-	-	58 175
Total assets	18 859	(119)	-	-	-	(72)	-	-	58 196	(1)	-	76 863

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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.	30.6.2018	30.6.2019
Assets		
Non-trading financial assets at fair value through profit or loss	(155)	102
Debt securities	(155)	102
Total assets	(155)	102

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 2019 and 31 December 2018:

EUR ths.	Carrying amount	Fair value	Carrying amount	Fair value
Assets	31.12.2018		30.6.2019	
Cash and cash balances	416 093	416 093	560 306	560 306
Financial assets at amortised cost	16 415 865	17 197 544	16 883 808	17 460 988
Loans and advances to banks	47 796	47 974	152 811	153 183
Loans and advances to customers	12 817 438	13 141 115	13 249 827	13 286 379
Debt securities	3 550 631	4 008 455	3 481 170	4 021 426
Finance lease receivables	129 516	130 644	187 911	186 841
Trade and other receivables	96 012	96 012	104 482	104 482
Liabilities				
Financial liabilities measured at amortised cost	15 747 148	15 704 873	16 437 179	16 449 575
Deposits from banks	251 300	255 483	229 986	235 911
Deposits from customers	13 657 372	13 588 877	13 932 700	13 896 232
Debt securities in issue	1 803 287	1 825 324	2 136 707	2 179 646
Other financial liabilities	35 189	35 189	137 786	137 786

Fair value of non-financial assets

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

32. Own funds and capital requirements

Regulatory scope of application

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

Regulatory requirements

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

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

The Bank fulfilled regulatory capital requirements in both years 2019 and 2018 consisting from Pillar 1 requirement, Pillar 2 requirement and combined buffer requirement.

Accounting principles

The financial and regulatory figures published by the Bank 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 Bank is 31 December of each respective year.

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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 Bank were excluded):

EUR ths.	Article pursuant to CRR	31.12.2018	30.6.2019
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)	898 250	979 119
Interim profit	26 (2)	-	-
Accumulated other comprehensive income	4 (1) (100), 26 (1) (d)	39 446	56 542
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)	153	151
Value adjustments due to the requirements for prudent valuation	34, 105	(4 554)	(5 106)
Goodwill	4 (1) (113), 36 (1) (b), 37	-	-
Other intangible assets	4 (1) (115), 36 (1) (b), 37 (a)	(39 041)	(29 196)
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	36 (1) (c), 38	(336)	(336)
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	-	-
Development of unaudited risk provisions during the year (EU No 183/2014)		(23 522)	(18 629)
Excess of deduction from AT1 items over AT1	36 (1) (j)	-	-
Common equity tier 1 capital (CET1)	50	1 082 396	1 194 544
Additional tier 1 capital (AT1)			
Capital instruments eligible as AT1	51 (a), 52 to 54, 56 (a), 57	150 000	150 000
Own AT1 instruments	52 (1) (b), 56 (a), 57	-	-
Instruments issued by subsidiaries that are given recognition in AT1	85, 86	-	-
Transitional adjustments due to grandfathered AT1 instruments	483 (4) (5), 484 to 487, 489, 491	-	-
AT1 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 56 (d), 59, 79	-	-
Excess of deduction from T2 items over T2	36 (1) (j)	-	-
Additional tier 1 capital (AT1)	61	150 000	150 000
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 232 396	1 344 544

Table continues on the following page.

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continued		31.12.2018	30.6.2019
EUR ths.	Article pursuant to CRR		
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	25	1 232 396	1 344 544
Tier 2 capital (T2)			
Capital instruments and subordinated loans eligible as T2	62 (a), 63 to 65, 66 (a), 67	43 485	38 200
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)	36 870	39 349
Standardised approach general credit risk adjustments	62 (c)	-	-
Other transitional adjustments to T2	476, 477, 478, 481	-	-
T2 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 66 (d), 68, 69, 79	(5 255)	(5 255)
Tier 2 capital (T2)	71	75 100	72 294
Total own funds	4 (1) (118) and 72	1 307 497	1 416 838
Capital requirement	92 (3), 95, 96, 98	586 235	616 231
CET1 capital ratio	92 (2) (a)	14,77%	15,51%
Tier 1 capital ratio	92 (2) (b)	16,82%	17,46%
Total capital ratio	92 (2) (c)	17,84%	18,39%

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

		31.12.2018		30.6.2019	
EUR ths.	Article pursuant to CRR	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	92 (3), 95, 96, 98	7 327 936	586 235	7 702 892	616 232
Risk weighted assets (credit risk)	92 (3) (a) (f)	6 378 693	510 296	6 791 886	543 351
Standardised approach		233 671	18 694	233 637	18 691
IRB approach		6 145 022	491 602	6 558 249	524 660
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)	2 750	220	35 038	2 803
Operational Risk	92 (3) (e), 92 (4) (b)	909 105	72 728	828 222	66 258
Exposure for CVA	92 (3) (d)	37 388	2 991	47 746	3 820
Other exposure amounts incl. Basel 1 floor	3, 458, 459, 500	-	-	-	-

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The following tables show equity items and how they are affecting regulatory own funds:

EUR ths.	Own funds disclosure table - reference	Equity	Regulatory adjustments	Own funds
30.6.2019				
Subscribed capital		212 000	-	212 000
Capital reserve		118 899	-	118 899
AT1 capital instruments and the related share premium accounts	a	150 000	-	150 000
Retained earnings	b	866 069	(5 850)	860 220
Other comprehensive income (OCI)	c	56 542	-	56 542
Cash flow hedge reserve	g	-	-	-
Financial assets at fair value through other comprehensive income		72 380	-	72 380
unrealized gains according to Art. 35 CRR	h	72 380	-	72 380
unrealized losses according to Art. 35 CRR		-	-	-
other		-	-	-
Currency translation		-	-	-
Remeasurement of net liability of defined pension plans		(808)	-	(808)
Deferred tax		(15 030)	-	(15 030)
Profit or loss attributable to equity holders of the parent		92 099	(92 099)	-
Other		-	-	-
Equity attributable to the owners of the parent		1 495 609	(97 949)	1 397 661
Equity attributable to non-controlling interests	d	-	-	-
Total equity		1 495 609	(97 949)	1 397 661

EUR ths.	Own funds disclosure table - reference	Equity	Regulatory adjustments	Own funds
31.12.2018				
Subscribed capital		212 000	-	212 000
Capital reserve		118 899	-	118 899
AT1 capital instruments and the related share premium accounts	a	150 000	-	150 000
Retained earnings	b	779 351	-	779 351
Other comprehensive income (OCI)	c	39 446	-	39 446
Cash flow hedge reserve	g	-	-	-
Available for sale reserve		50 740	-	50 740
unrealized gains according to Art. 35 CRR	h	50 740	-	50 740
unrealized losses according to Art. 35 CRR		-	-	-
other		-	-	-
Currency translation		-	-	-
Remeasurement of net liability of defined pension plans		(808)	-	(808)
Deferred tax		(10 486)	-	(10 486)
Profit or loss attributable to equity holders of the parent		180 176	(180 176)	-
Other		-	-	-
Equity attributable to the owners of the parent		1 479 872	(180 176)	1 299 696
Equity attributable to non-controlling interests	d	-	-	-
Total equity		1 479 872	(180 176)	1 299 696

Further details regarding the development of IFRS equity are disclosed in the Separate Statement of Changes in Equity

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

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
30.6.2019				
Intangible assets	e	29 196	-	29 196
deductible from CET1 acc. to transitional provisions	-	-	-	-
deductible from AT1 acc. to transitional provisions	-	-	-	-
Intangible assets	e	29 196	-	29 196

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
31.12.2018				
Intangible assets	e	39 041	-	39 041
deductible from CET1 acc. to transitional provisions	-	-	-	-
deductible from AT1 acc. to transitional provisions	-	-	-	-
Intangible assets	e	39 041	-	39 041

The following tables show deferred taxes:

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
30.6.2019				
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		336	-	336
related DTA allocated on or after Jan 14 for which 100% deduction is required according to CRR transitional provisions	f	-	-	-
related DTA allocated before Jan 14 for which 0% deduction from CET1 is required according to CRR transitional provisions		-	-	-
Deferred tax assets that rely on future profitability and arise from temporary differences		43 856	-	43 856
Deferred tax assets		44 192	-	44 192

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
31.12.2018				
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		336	-	336
related DTA allocated on or after Jan 14 for which 100% deduction is required according to CRR transitional provisions	f	-	-	-
related DTA allocated before Jan 14 for which 0% deduction from CET1 is required according to CRR transitional provisions		-	-	-
Deferred tax assets that rely on future profitability and arise from temporary differences		44 359	-	44 359
Deferred tax assets		44 696	-	44 696

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Based on the threshold definition according to Article 48 CRR deferred tax assets that rely on future profitability and arise from temporary differences are not deductible for the Bank at the year end 2017. In accordance with Article 48 (4) CRR the non-deductible amount is risk weighted with 250 % and considered within the credit risk.

The following tables show subordinated liabilities:

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
30.6.2019				
Subordinated issues and deposits and supplementary capital		74 212	(36 012)	38 200
Tier 2 capital instruments (including related share premium) issued by the parent company	k	74 212	(36 012)	38 200
Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third party	l	-	-	-
instruments issued by subsidiaries	m	-	-	-
Hybrid issues	i	-	-	-
Subordinated liabilities		74 212	(36 012)	38 200

EUR ths.	Own funds disclosure table - reference	Balance sheet	Regulatory adjustments	Own funds
31.12.2018				
Subordinated issues and deposits and supplementary capital		72 792	(29 307)	43 485
Tier 2 capital instruments (including related share premium) issued by the parent company	k	72 792	(29 307)	43 485
Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third party	l	-	-	-
instruments issued by subsidiaries	m	-	-	-
Hybrid issues	i	-	-	-
Subordinated liabilities		72 792	(29 307)	43 485

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The following table shows own funds development between the start and the end of the period:

EUR ths.	31.12.2018	30.6.2019
CET1 at the beginning of the period	1 102 809	1 082 396
Changes in retained earnings	12 236	80 868
Changes in accumulated other comprehensive income	(54 808)	17 096
Changes in minority interest	-	-
Changes in prudential filters	(1 248)	(554)
Changes in regulatory deductions	16 856	9 845
goodwill	-	-
other intangibles	16 415	9 845
Other	6 551	4 893
CET1 at the end of the period	1 082 396	1 194 544
Additional Tier 1 development		
AT1 at the beginning of the period	150 000	150 000
Net increase / decrease in AT1	-	-
Changes in regulatory deduction	-	-
Other	-	-
AT1 at the end of the period	150 000	150 000
Tier 2 development		
T2 at the beginning of the period	70 266	75 100
Net increase / (decrease) in T2	5 609	(5 285)
Changes in regulatory deduction	(5 255)	-
IRB Excess and SA credit risk adjustments	4 481	2 479
T2 at the end of the period	75 101	72 294
Total own funds	1 307 497	1 416 838

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Transitional provisions

The transitional Provisions are not applied by the Bank.

Own funds template

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

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

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

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

EUR ths.	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
Common equity tier 1 (CET1) capital: instruments and reserves			
1 Common equity tier 1 (CET1) capital: instruments and reserves	a	212 000	212 000
thereof ordinary shares	a	212 000	212 000
2 Retained earnings	b	898 250	979 119
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)		39 446	56 542
3a Fund for general banking risk	c	-	-
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		-	-
Public sector capital injections grandfathered until Jan 18		-	-
5 Minority interests (amount allowed in consolidated CET1)	d	-	-
5a Independently reviewed interim profits net of any foreseeable charge or dividend		-	-
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments		1 149 696	1 247 661

Table continues on the following page.

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
EUR ths.			
Common Equity Tier 1 (CET1) capital before regulatory adjustments			
7 Additional value adjustments (negative amount)		(4 554)	(5 106)
8 Intangible assets (net of related tax liability) (negative amount)	e	(39 041)	(29 196)
9 Empty Set in the EU		-	-
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	f	(336)	(336)
11 Fair value reserves related to gains or losses on cash flow hedges	g	-	-
12 Negative amounts resulting from the calculation of expected loss amounts		-	-
13 Any increase in equity that results from securitised assets (negative amount)		-	-
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		153	151
15 Defined-benefit pension fund assets (negative amount)		-	-
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		-	-
17 Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
18 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
20 Empty Set in the EU		-	-
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		-	-
20b of which: qualifying holdings outside the financial sector (negative amount)		-	-
20c of which: securitisation positions (negative amount)		-	-
20d of which: free deliveries (negative amount)		-	-
21 Deferred tax assets arising from temporary differences (amount above 10 % threshold , net of related tax liability where the conditions in 38 (3) are met) (negative amount)		-	-
22 Amount exceeding the 15% threshold (negative amount)		-	-
23 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		-	-
24 Empty Set in the EU		-	-
25 of which: deferred tax assets arising from temporary differences		-	-
25a Losses for the current financial year (negative amount)		-	-
25b Foreseeable tax charges relating to CET1 items (negative amount)		-	-
26 Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment		-	-
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		-	-
unrealised loss		-	-
unrealised gain	h	-	-
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR		-	-
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		-	-
CET1 other deductions		(23 522)	(18 629)
28 Total regulatory adjustments to Common equity Tier 1 (CET1)		(67 300)	(53 117)
29 Common Equity Tier 1 (CET1) capital		1 082 396	1 194 544

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
EUR ths.			
Additional Tier 1 (AT1) capital: instruments			
30 Capital instruments and the related share premium accounts		150 000	150 000
31 of which: classified as equity under applicable accounting standards		150 000	150 000
32 of which: classified as liabilities under applicable accounting standards		-	-
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	i	-	-
Public sector capital injections grandfathered until 1 January 2018		-	-
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties		-	-
35 of which: instruments issued by subsidiaries subject to phase out		-	-
36 Additional Tier 1 (AT1) capital before regulatory adjustments		150 000	150 000
Additional Tier 1 (AT1) capital: regulatory adjustments			
37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)		-	-
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
39 Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-	-
40 Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)		-	-
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie. CRR residual amounts)		-	-
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		-	-
41b Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc		-	-
41c Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR		-	-
Of which: ... possible filter for unrealised losses		-	-
Of which: ... possible filter for unrealised gains		-	-
Of which: ...		-	-
42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		-	-
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital		-	-
44 Additional Tier 1 (AT1) capital		150 000	150 000
45 Tier 1 capital (T1 = CET1 + AT1)		1 232 396	1 344 544

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
EUR ths.			
Tier 2 (T2) capital: Instruments and provisions			
46 Capital instruments and the related share premium accounts	k	43 485	38 200
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		-	-
Public sector capital injections grandfathered until 1 January 2018		-	-
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	l	-	-
49 of which: instruments issued by subsidiaries subject to phase out	m	-	-
50 Credit risk adjustments		36 870	39 349
51 Tier 2 (T2) capital before regulatory adjustments		80 355	77 549
Tier 2 (T2) capital: regulatory adjustments			
52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		-	-
53 Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-	-
54 Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		-	-
54a Of which new holdings not subject to transitional arrangements		-	-
54b Of which holdings existing before 1 January 2013 and subject to transitional arrangements		-	-
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		(5 255)	(5 255)
56 Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		-	-
56a Residual amounts deducted from T2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		-	-
56b Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		-	-
Of which items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc		-	-
56c Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR		-	-
Of which: ... possible filter for unrealised losses		-	-
Of which: ... possible filter for unrealised gains		-	-
Of which: ...		-	-
57 Total regulatory adjustments to Tier 2 (T2) capital		(5 255)	(5 255)
58 Tier 2 (T2) capital		75 100	72 294
59 Total capital (TC = T1 + T2)		1 307 497	1 416 838

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
EUR ths.			
59a Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		-	-
Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		-	-
Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)		-	-
Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		-	-
60 Total risk-weighted assets		7 327 936	7 702 891
Capital ratios and buffers			
61 Common Equity Tier 1 (as a percentage of risk exposure amount)		14,77%	15,51%
62 Tier 1 (as a percentage of total risk exposure amount)		16,82%	17,46%
63 Total capital (as a percentage of total risk exposure amount)		17,84%	18,39%
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		420 342	438 579
65 of which: capital conservation buffer requirement		183 198	192 572
66 of which: countercyclical buffer requirement		90 585	91 949
67 of which: systemic risk buffer requirement		73 279	77 029
67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		73 279	77 029
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		10,27%	11,01%
69 [non-relevant in EU regulation]		-	-
70 [non-relevant in EU regulation]		-	-
71 [non-relevant in EU regulation]		-	-
Capital ratios and buffers			
72 Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		5 620	5 620
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		23 044	47 892
74 Empty Set in the EU		-	-
75 Deferred tax assets arising from temporary differences (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)		44 359	43 856

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continued	REFERENCE TO RECONCILIATION TABLES	31.12.2018	30.6.2019
EUR ths.			
Applicable caps on the inclusion of provisions in Tier 2			
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		-	-
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach		-	-
78 Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)		91 871	86 602
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		36 870	39 349
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80 Current cap on CET1 instruments subject to phase-out arrangements		-	-
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		-	-
82 Current cap on AT1 instruments subject to phase out arrangements		-	-
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		-	-
84 Current cap on T2 instruments subject to phase out arrangements		-	-
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		-	-

33. Events after the reporting period

Since 30 June 2019 up to the date of issue of these interim separate financial statements there were no events identified that would require adjustments or disclosure.

These interim separate financial statements were signed and authorised for issue by the Board of Directors of the Bank on 30 July 2019.

Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer

Ing. Pavel Cetkovský

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