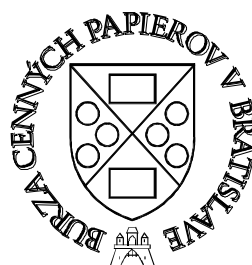




Annual Report 2016



BRATISLAVA STOCK EXCHANGE

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Prepared According to IFRS as Adopted by the European Union for the
Year Ended 31 December 2016

1. INTRODUCTION

Dear shareholders and business partners,

In the year 2016 we commemorated the 25th anniversary of the founding of our Stock Exchange. It was, at the same time, the 23rd year of continuous trading on the Stock Exchange.

The common interest of all entities establishing the regulated market of the Stock Exchange was - and is - to create a functioning, fair, transparent, and organised market with clearly defined tasks and positions of its participants, so that the Stock Exchange can be a guarantee of trust and reliability.

The historical development of trading on the Stock Exchange has followed individual stages of development of the capital market. Apart from the 1990-ties (the period of coupon privatisation), the level of interest in the use of the capital market has gradually decreased with the market infrastructure gradually adjusting to new conditions. The loss of trust resulting from post-privatisation behaviour of many issuers and subsequent decline in the offer of securities traded on the Stock Exchange (a gradual departure of most issuers from the organised market) led to a continuous decrease in revenues and forced also the Stock Exchange to gradually adapt to new conditions by introducing austerity measures.

As there was not a single case of privatisation of the largest strategic companies through the Stock Exchange, the basis for maintaining the liquidity of the regulated market at the required level has been too weak. Over the last several years, the Slovak regulated market has been at the lowest levels within the EU from the viewpoint of liquidity, depth, volumes and market capitalisation, and has ranked among extremely illiquid markets.

The membership base of the Stock Exchange -- i.e. the number of entities authorised to trade on the regulated market -- reached its upper limit (53) before the turn of the millennium, and has gradually decreased ever since to the current 15 members (including the National Bank of Slovakia). The membership structure has also changed; it now includes 12 banks and only 2 non-bank securities dealers.

The Stock Exchange personnel have also gradually adapted to market developments, and the current number of employees (21) is close to approaching the level of operational risk.

The steady decline of tradable issues, members, transactions, volumes and operating revenues has been so far successfully offset by cost-saving or by the introduction of one-off, short-term, unplanned and extraordinary measures. The events of the last years, however, have brought challenges the BSSE will not be able to cope with using the aforementioned approach; hence a system-affecting decision will have to be made on the progression of the entire capital market infrastructure in a medium- and long-term view. There was a critical decline in activity on the regulated market in the last year, and the Stock Exchange's operating revenues are unable to cover even the severely reduced cost of its activities.

There are even greater risks going forward, however, as demands on the operation of regulated markets are constantly increasing. It will not be possible to maintain, in medium term, the existing system of functioning of our regulated market as the most transparent area at a level able to ensure its safe, stable and fair operation from own resources.

If there is interest to maintain our activity, it will be necessary to make required strategic decisions of all partners concerning further fate of the institutional arrangement of the Slovak capital market. That is the biggest challenge for the next year, which we are ready to face.

2. BASIC INFORMATION

Bratislava Stock Exchange (BSSE) was founded on 15 March 1991 as the operator of a regulated market for securities, in conformity with a Decree of the Ministry of Finance of the Slovak Republic. Bratislava Stock Exchange is a legal entity registered in the Business Register of the County Court Bratislava I. The Stock Exchange's commercial activity started on 6 April 1993. At present the Stock Exchange performs its activity on the basis of a licence issued by the National Bank of Slovakia. The BSSE's registered capital amounts to EUR 11 404 927.296*. As of 31 December 2016, Bratislava Stock Exchange had 14 shareholders the largest of which is MH Manažment, a.s. The company had 21 employees as of the year-end 2016.

BSSE SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2016

No.	Name of shareholder	Amount of shares	Amount of contributed capital (EUR)	Share in registered capital (%)
1	MH Manažment, a.s.	3 120	1 035 652.800	
		229 734	7 625 790.396	
	Spolu	232 854	8 661 443.196	75.94
2	Patria Online, a.s.	4 043	1 342 033.420	11.77
3	Allianz - Slovenská poisťovňa, a.s.	1 743	578 571.420	5.07
4	Slovenská sporiteľňa, a.s.	1 350	448 119.000	3.93
5	Palmer Capital Nederland N. V.	300	99 582.000	0.87
6	Poštová banka, a.s.	266	88 296.040	0.77
7	ING Bank N.V. prostredníctvom pobočky v SR: ING Bank N.V. , pobočka zahraničnej banky	100	33 194.000	0.29
8	Československá obchodná banka, a.s.	74	24 563.560	0.22
9	KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	72	23 899.680	0.21
10	UniCredit Bank Czech Republic and Slovakia a.s. prostredníctvom pobočky v SR: UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraničnej banky	67	22 239.980	0.20
11	Tatra banka, akciová spoločnosť	30	9 958.200	0.09

12	Tatra banka, akciová spoločnosť**	20	6 638.800	0.06
13	Portfolio, akciová spoločnosť	100	33 194.000	0.29
14	Všeobecná investičná spoločnosť, a.s.	100	33 194.000	0.29
	Total	241 119	11 404 927.296	100.00

* Transformation of registered capital and the rounding performed in accordance with the Act No 659/2007 (Coll.) on the Introduction of the Euro Currency in the Slovak Republic and on Amendments and Supplements to Related Laws as amended later

** Shares registered at a holder account of a member of the Central Securities Depository (hereinafter referred to as the „CDCP“)

BSSE Bodies and Organisational Structure

A graphic presentation of the Stock Exchange bodies and organisational structure can be found in Annex 1.

Board of Directors

Chairman:

Ing. Ivan Gránsky

Vice Chairman:

Ing. Róbert Kopál

Members:

Ing. Tomáš Klápště, MBA

Ing. Ľuboš Marček

Ing. Miloslav Michalík

Supervisory Board

Chairman:

Ing. Igor Lichnovský

Members:

Ing. Jozef Gašparík

JUDr. Ľubomír Čunderlík, PhD.

Advisory Committee of the BSSE Board of Directors

Chairman

Ing. Róbert Kopál, Asociácia obchodníkov s cennými papiermi

Members

Mgr. Ing. Oľga Długopolská, Citibank Europe plc., pobočka zahraničnej banky

Ing. Róbert Herbec, Slovenská sporiteľňa, a.s.

Ing. Jaroslav Hora, OTP Banka Slovensko, a.s.

Ing. Rastislav Paulíny, Československá obchodná banka, a.s.

Ľuboš Škobla, RM - S Market, o.c.p., a.s.

Ing. Michal Štubňa, J & T Banka, a.s., pobočka zahraničnej banky

Mgr. Vladimír Ravinger, PhD., Poštová banka, a.s.
Ing. Andrej Ungvarský, Všeobecná úverová banka, a.s.

3. SECURITIES ON THE STOCK EXCHANGE MARKETS

As of the last trading day of the year 2016, there were 270 issues of securities (shares and bonds) placed on the markers of the Bratislava Stock Exchange. Out of that, 24 issues were placed on the main listed market, 25 issues on the parallel listed market and 221 issues were on the regulated free market. Out of the aforementioned issues of securities, 2 issues were denominated in CZK and one issue in USD.

Issues Admitted in the Year 2016

A total of 40 new issues of securities of local issuers, in a total nominal value of EUR 4.445 billion, started to trade on the BSSE in the year 2016. All the newly admitted securities were bond issues. The main listed market was in 2016 joined by 3 new issues of government bonds and 1 new state treasury bill; the regulated free market saw the admission of 36 issues of securities (incl. 26 issues of mortgage bonds and 10 issues of corporate bonds).

In addition to the newly admitted bond issues, the influx of new capital to the BSSE's markets continued through the admission of new tranches of the already admitted government bonds. The issued volume of 6 government-bond issues, plus 10 bond issues placed on the regulated free market, was increased in this manner in the course of the year 2016; the total nominal value of the capital admitted in this way amounted to EUR 3.278 billion. The total value of the capital newly admitted to the BSSE's markets thus amounted to EUR 7.341 billion.

End of Trading of Issues in the Year 2016

In the twelve months of the year 2016, one issue was cancelled due to its cancellation in the CDCP and one issue was cancelled due to transformation of securities to paper form. In the year under review, the BSSE ended trading of 2 government-bond issues on the main listed market in a total nominal value of EUR 4.5 billion due to maturity of bonds. Trading of 6 mortgage-bond issues, in a total nominal value of EUR 112.99 million, was ended on the parallel listed market for the same reason.

Trading of 20 issues of debt securities (incl. 15 issues of mortgage bonds and 5 issues of corporate bonds) was ended on the regulated free market, in a total value of EUR 704.926 million.

4. TRADING

In the year 2016, the BSSE's electronic trading system was accessible to members in 250 business days. A total of 8 156 transactions were concluded in this period, in which 6 027 933 235 units of securities were traded and the achieved financial volume exceeded EUR 7.193 billion. In comparison with the year 2015's trading results it represents a decrease in the number of concluded transactions by 2.15%, a decrease in the amount of

traded securities by 23.85% and a decrease of the achieved financial volume by 24.43%. In the twelve months of the year 2016, a total of 6 599 electronic order book transactions (i.e. price-setting deals) were concluded in a financial volume of EUR 210.381 million (+6.05% on a year-on-year basis) and 1 557 negotiated transactions in a realised volume of EUR 6.98 billion (-25.18% on a year-on-year basis). Bond transactions generated as much as 99.85% of the total achieved financial volume in the year under review. Debt securities in a financial volume of EUR 7.182 billion (-24.42% in a year-on-year comparison) were bought and sold in 250 business days of the year 2016). A major share of this volume was generated in negotiated transactions. In the same period, the volume of traded issues of equity securities totalled EUR 11.09 million (-31.26% in a year-on-year comparison).

The financial volume of REPO transactions (including retransfers) in 2016 amounted to EUR 55.92 million representing a 94.9-percent decrease against the year 2015. A total of 8 transactions were concluded; all of them comprised a purchase or sale of equity securities.

Transactions concluded by non-residents in the year 2016 accounted for 53.16% of the total trading volume, out of which the buy side represents 51.23% and the sell side does 55.09%. Natural persons achieved a 0.17-percent share in the total turnover; the remaining part belongs to legal entities.

Transactions in Shares

As of the last trading day of the year 2016, the BSSE registered on its markets 68 share issues (of 49 issuers). Out of that 6 issues were placed on the main listed market, 8 issues on the parallel listed market and 54 share issues were traded on the regulated free market.

As of the year-end 2016, the market capitalisation of equity securities traded on the BSSE's markets increased by 1.98% on a year-on-year basis to EUR 4.340 billion. The real market capitalisation, which comprises issues that have at least one market price in history (excluding share certificates), amounted to EUR 4.277 billion (+2.16% on a year-on-year basis) and accounted for 98.55% of the total capitalisation of the share market. As regards the share issues placed on the market of listed securities, their market capitalisation rose since the end of the previous year by 3.04% to EUR 2.184 billion.

In the year under review, the annul traded volume of share transactions (incl. obligatory public offers to take over) totalled EUR 11.097 million in absolute terms, decreasing by 31.26% against the comparable year of 2015. The shares of local companies were traded in 2 124 transactions, in which 187 523 units of equity securities were traded. On a year-on-year basis it represents a 14.73-percent decrease in the number of concluded transactions, with a 75.92-percent decrease in the amount of traded securities. A total of 55 negotiated transactions in equity securities (in a financial volume of EUR 4.272 million) were concluded in the year 2016, as opposed to 2 069 electronic order book transactions (in a volume of EUR 6.826 million). On a year-on-year basis it is a 17.73-percent increase of the volume generated by electronic order book transactions and a 58.71-percent decrease of the financial volume from negotiated transactions.

From a perspective of generated financial volume, the following are the year 2016's most traded share issues on the market of listed securities: Všeobecná úverová banka (EUR

3.897 million; 586 transactions), Slovnaft (EUR 2.745 million; 392 transactions) and Tatry Mountain Resorts (EUR 1.775 million; 337 transactions). Excluding the public offers to take over, the BSSE's regulated free market was dominated – in terms of traded volume – by a share issue of Tatra banka (EUR 1.933 million; 45 transactions) followed by Majetkový Holding (EUR 47 741; 148 transactions) and Druhá strategická (EUR 23 355; 121 transactions).

No new obligatory public offer to take over was announced on the BSSE in the year 2016. Transactions concluded by non-residents in 2016 represent 28.36% of the total volume of share transactions. Out of that, the buy side accounts for 31.86% and the sell side does 24.87%.

As of the year-end 2016, 2 share issues of issuers Best Hotel Properties and Tatry Mountain Resorts were tradable in the module of market makers (MTT). The volume of transactions in the MTT amounted to EUR 301 161 in 115 transactions, representing 2.71% of the total volume of electronic order book transactions in shares.

Transactions in Bonds

As of the last trading day of the year 2016, there were 202 bond issues traded on the BSSE's markets (incl. 153 issues of mortgage bonds, 17 issues of government bonds, 1 issue of state treasury bills, 6 issues of bank bonds and 25 issues of corporate bonds). Out of that, one issue of state treasury bills and 17 government-bond issues were placed on the main listed market, 17 issues were on the parallel listed market and 167 issues on the regulated free market.

As of the year-end 2016, the market capitalisation of debt securities admitted to the BSSE's markets totalled EUR 42.274 billion representing a 4.41-percent increase against the same period of the year 2015. As regards the bond issues placed on the market of listed securities, their market capitalisation increased since the end of the previous year by 2.36% to EUR 37.68 billion.

A total of 6 032 bond transactions were concluded in the twelve months of the year 2016, in which 6 027 745 712 units of securities were traded in a financial volume of EUR 7.182 billion. The number of concluded transactions increased in comparison with the same period of the year 2015 (+3.22%), whereas the amount of traded securities and the achieved financial volume decreased (-23.84% and -24.42%, respectively). In the trading days of the year 2016, debt securities were traded in negotiated transactions (in a volume of EUR 6.979 billion) and in electronic order book transactions (in a volume of EUR 203.556 million). Financial means in the amount of EUR 6.832 billion were spent in 1 449 transactions in government bonds, which accounts for 95.13% of the total volume of bond transactions.

From a perspective of generated financial volume, the following were the most frequently traded issues of the public sector in 2016: government bonds of series 219 (EUR 1.182 billion; 74 transactions), government bonds of series 216 (EUR 1.147 billion; 135 transactions) and government bonds of series 228 (EUR 0.984 billion; 217 transactions). As regards the debt issues of the private sector, significant volumes were generated by the issue JTFG VI 3,80/2019 (EUR 30.661 million; 663 transactions), CPI 5,00/2022 (EUR

24.184 million; 560 transactions) and CPI 5,00/2020 (EUR 21.549 million; 418 transactions). With 663 concluded transactions, JTFG VI 3,80/2019 became the most frequently traded issue of the year under review. In electronic order book transactions, the first place was taken by the government-bond issue of series 216 (with a volume of EUR 0.258 million) in the public sector and by the issue JTFG VI 3,80/2019 (EUR 30.661 million) in the private sector.

Out of the total volume of bond transactions in 2016, transactions concluded by non-residents account for 51.65%. Out of that, the buy side represents 51.26% and the sell side does 52.05%.

On the last trading day of the year 2016, 15 issues were tradable in the module of market makers.

INDICES

The SAX index ended the year 2016 at 318.57 points, strengthening by 8.97% against the end of the previous year. The following are year-on-year changes of the base issues in the year 2016: Biotika (-3.34%; EUR 39.63), OTP Banka Slovensko (+0.55%; EUR 1.81), SES Tlmače (-52.94%; EUR 0.80), Slovnaft (+34.62%; EUR 70), Všeobecná úverová banka (+2.81%; EUR 141.88), Tatry Mountain Resorts (+5.65%; EUR 24.30) and Best Hotel Properties (0%; EUR 3.28).

Two regular revisions of the SAX index took place in the year 2016. At a meeting on 11 January 2016, the Commission for the SAX index decided to leave the currently valid index base unchanged while keeping the 20-percent weight limit of base issues in the index base. The Commission also set the correction coefficients of all base issues to the same value. The same decision was made by the Commission for the SAX index at its second meeting on 11 July 2016. Dividends of the following companies were paid out by the year-end 2016 and factored in the index: Všeobecná úverová banka (EUR 10.04; date of record: 21 April 2016), Biotika (EUR 4.00; date of record: 30 May 2016) and Slovnaft (EUR 2.00; date of record: 14 April 2016).

The group of the Slovak bond indices – the SDXGroup – ended the year 2016 with the following values: the SDXGroup for the public sector, represented by government bonds, closed at 126.7212 (price) and 209.7962 (performance) with a yield to maturity of 0.966% and a duration of 5.6975 years.

Two regular revisions of the base composition of the SDXGroup indices took place in the year 2016. At a meeting on 29 January 2016, the Commission decided to leave the currently valid composition of the SDXGroup index base in effect for the next six-month period i.e. from February to July 2016. The same decision was made by the Commission at the second meeting on 30 July 2016, which left the currently valid composition of the SDXGroup index base in effect for the next six-month period i.e. August 2016 – January 2017.

5. CLEARING AND SETTLEMENT

	2016	2015	%
Pre-trade validations of Stock Exchange members	22	33	-33.33
Transfer services	8 341	8 696	-4.08
Suspended transactions	1	10	-90.00
Amount of transferred securities	6 036 887 726	8 068 313 274	-25.18

6. MEMBERSHIP

The BSSE had 14 regular members as of 31 December 2016. There were no changes in BSSE membership in the course of the year 2016. The National Bank of Slovakia is an entity authorised to stock exchange trading pursuant to §19 of the Act No 429/2002 (Coll.).

TOP 10 BSSE Members in the Year 2016

The total turnover of transactions on the BSSE in 2016 amounted to EUR 14.386 billion (-24.43% in comparison with the year 2015) in 8 156 transactions. Out of that, shares were bought and sold in a total amount of EUR 22.194 million (0.15% of the total turnover) in 2 124 transactions and bonds recorded a total turnover of EUR 14.364 billion (99.85% of the total) in 6 032 transactions.

The following tables show the top 10 members by turnover achieved in 2016 broken down to shares, bonds and total turnover.

SHARES

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	PATRIA FINANCE, a.s.	6 206 714	27.97%
2	TATRA BANKA, a.s.	5 155 715	23.23%
3	J&T BANKA, a.s., pobočka zahraničnej banky	3 161 231	14.24%
4	RM-S MARKET, o.c.p., a.s.	3 139 353	14.14%
5	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	1 990 791	8.97%
6	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	1 258 643	5.67%
7	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	740 596	3.34%
8	POŠTOVÁ BANKA, a.s.	179 452	0.81%
9	SLOVENSKÁ SPORITEĽŇA, a.s.	170 910	0.77%
10	SBERBANK SLOVENSKO, a.s.	155 996	0.70%
	TOP 10 TOTAL	22 159 402	99.84%
	BSSE TOTAL	22 194 529	100.00%

BONDS

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	4 646 639 111	32.35%
2	CITIBANK EUROPE plc, prostredníctvom pobočky v SR CITIBANK EUROPE plc, pobočka zahraničnej banky	3 074 316 159	21.40%
3	SLOVENSKÁ SPORITEĽNA, a.s.	2 134 308 455	14.86%
4	TATRA BANKA, a.s.	1 699 330 733	11.83%
5	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	1 132 111 191	7.88%
6	NÁRODNÁ BANKA SLOVENSKA	873 001 564	6.08%
7	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	386 528 681	2.69%
8	J&T BANKA, a.s., pobočka zahraničnej banky	348 874 439	2.43%
9	SBERBANK SLOVENSKO, a.s.	55 972 800	0.39%
10	POŠTOVÁ BANKA, a.s.	11 710 200	0.08%
	TOP 10 TOTAL	14 362 793 332	99.99%
	BSSE TOTAL	14 364 129 542	100.00%

TOTAL

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	4 648 629 902	32.31%
2	CITIBANK EUROPE plc, prostredníctvom pobočky v SR CITIBANK EUROPE plc, pobočka zahraničnej banky	3 074 316 159	21.37%
3	SLOVENSKÁ SPORITEĽNA, a.s.	2 134 479 365	14.84%
4	TATRA BANKA, a.s.	1 704 486 447	11.85%
5	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	1 133 369 834	7.88%
6	NÁRODNÁ BANKA SLOVENSKA	873 001 564	6.07%
7	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	387 269 277	2.69%
8	J&T BANKA, a.s., pobočka zahraničnej banky	352 035 671	2.45%
9	SBERBANK SLOVENSKO, a.s.	56 128 796	0.39%
10	POŠTOVÁ BANKA, a.s.	11 889 652	0.08%
	TOP 10 TOTAL	14 375 606 666	99.93%
	BSSE TOTAL	14 386 324 071	100.00%

7. INSPECTION

In the course of the year 2016, the Stock Exchange Deals Inspection Department performed continuous monitoring of all stock exchange transactions. Following a request of organs involved in criminal proceedings, the Department provided interoperability when requested to provide information required for the purposes of criminal proceedings, primarily by sending the requested information.

In conformity with the Act No. 429/2002 (Coll.) on the Stock Exchange as amended by later legislation, the Stock Exchange Deals Inspection Department submitted its activity report to the National Bank of Slovakia after the end of every calendar quarter.

8. PROJECTIONS OF FUTURE DEVELOPMENT

In the year 2017, the BSSE plans to focus primarily on the following areas:

1. Introduction of measures aimed at increase of the BSSE's revenues;
2. Implementation of measures to harmonise the BSSE's activity with the MiFID II package;
3. Support for the implementation of measures aimed at revitalisation of the local capital market;
4. Active involvement in preparations of EU measures supporting development of the European capital market – the Capital Market Union.

9. FINANCIAL INDICATORS OF THE YEAR 2016

a) Statement of Comprehensive Income

Item	2016	2015	Year-on-year change
Total revenues	1 221 812	1 474 035	- 252 223
Total expenses	683 378	644 951	38 427
Total comprehensive income, after tax	538 434	829 084	- 290 650

The Stock Exchange ended the year 2016 with a pre-tax profit of EUR 542 122. Comprehensive income after tax amounted to EUR 538 434. In comparison with the year 2015 when the Stock Exchange posted an after-tax profit in the amount of EUR 829 084, there was a decrease by EUR 290 650.

Item	2016	2015	Year-on-year change
Operating revenues	1 212 515	1 451 569	- 239 054
Operating costs	1 259 654	1 331 198	- 71 544
Operating profit/loss	- 47 139	120 371	- 167 510

The result of the Stock Exchange's operation is a loss of EUR –47 139. Operating revenues are lower by EUR 239 054 EUR, whereas operating costs decreased only by

EUR 71 544. The decrease in total revenues is due to a significant decline in proceeds from trading fees by EUR 141 086 EUR, plus a decrease in other revenues.

As a result of dissolution of a part of the adjusting entry to financial investments, the Stock Exchange's total comprehensive income for the year 2016 is positive.

Item	2016	2015	Year-on-year change
Financial revenues	9 297.00	22 466.00	- 13 169.00
Financial expenses (decrease)	- 579 964.00	- 720 325.00	140 361.00
Difference between financial revenues and expenses	589 261.00	742 791.00	- 153 530.00

As of the date of preparation of financial statements, the fair value of financial investment in subsidiary (which is Centrálý depozitár cenných papierov) could not be specified on the basis of prices on active markets. As a result, and due to the specific position of the CDCP, the fair value of financial investment was determined by the size of its equity which increased by EUR 581 565 against the year 2015. A part of the adjusting entry to this investment in the same amount was cancelled, hence the Stock Exchange posted a profit from financial activity of EUR 589 261.

b) Statement of Financial Position

Item	2016	2015	Year-on-year change
Non-current assets	9 085 163	8 585 219	499 944
Current assets	3 822 612	3 841 935	- 19 323
Total assets	12 907 775	12 427 154	480 621

The Stock Exchange's total assets in 2016 increased by EUR 480 621 against the year 2015; out of that non-current assets rose by EUR 499 944. No investments in non-current tangible assets were made last year, which resulted in a decrease of their value by the amount of depreciation of existing tangible assets i.e. by EUR 72 129. In a similar manner, non-current intangible assets decreased by EUR 9 492. This amount reflects the cost of depreciation and purchases of intangible assets in the amount of EUR 5 840. The value of investment in subsidiary, however, increased by EUR 581 565 due to the aforementioned decrease of adjusting entry (created back in 2011). As of 31 December 2016, the remaining balance of adjusting entry to investment in subsidiary is EUR 122 133. As regards current assets, there was a decrease primarily in trade receivables.

Item	2016	2015	Year-on-year change
Equity	12 588 903	12 050 469	538 434
Total liabilities	318 872	376 685	- 57 813
Equity and liabilities, total	12 907 775	12 427 154	480 621

Equity increased by EUR 538 434 as a result of the achieved profit. At the same time, there was a decrease of total liabilities by EUR 57 813 as of 31 December 2016. The financial structure of liabilities indicates that the share of own capital to total liabilities slightly increased in 2016 (97.5%) in comparison with the year 2015 (97.0%).

c) Statement of Cash Flows

At the year-end 2016, cash and cash equivalents amounted to EUR 3 725 873, which is an increase by EUR 11 225 against the year 2015. The Stock Exchange recorded net cash provided by operating activities in the amount of EUR 17 065; the amount of EUR 5 840 was used on purchase of non-current intangible assets.

d) Events Subsequent to the Balance Sheet Date

Up to the date of publication of the Annual Report (after 31 December 2016), there were no events that would require making modifications to the financial statements.

e) Proposal for Division of Profit for the Year 2016 (EUR)

Profit after tax posted for the year 2016, total	538 434,54
Additions to the reserve fund	53 843,45
Undistributed profit	484 591,09

10. OTHER INFORMATION

a) Environmental Impacts

The Stock Exchange's activity has no significant impact on the environment. Nevertheless, the Stock Exchange management takes into consideration aspects related to the need for sustainable economic growth. Adherence to environmental commitments within the conditions of the Stock Exchange primarily entails the collection and liquidation of waste in a manner corresponding with the requirements of environmental protection, as well as ensuring economical use of resources.

b) Employment

As of 31 December 2016, the Stock Exchange had 21 employees including 11 men and 10 women.

Employees by age groups:

Up to 30 years of age: 2

30 to 50 years of age: 11

Over 50 years of age: 7

All employees meet the qualification requirements. In recent years, the Stock Exchange has optimised its employee structure which is currently stabilised. The organisational structure of the Stock Exchange can be found in Annex 1 of this Annual Report.

c) Expenses on Research and Development

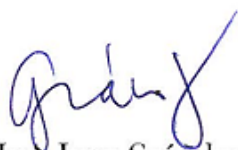
The Stock Exchange does not carry out any research and development activities.

d) Own Shares

The Stock Exchange did not acquire own shares in the course of the year under review.

e) Organisational Unit Abroad

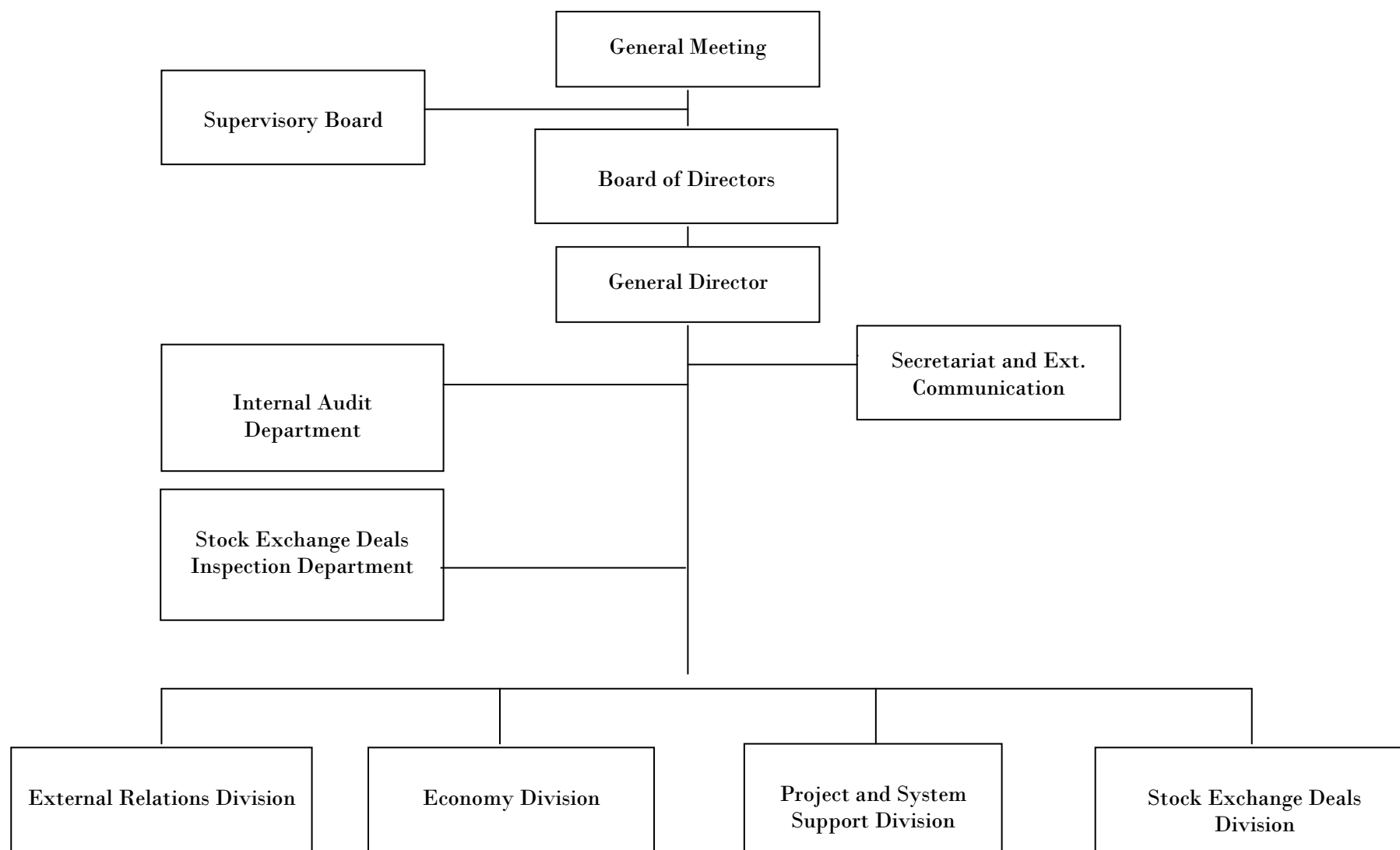
The Stock Exchange has not established an organisational unit abroad.



Ing. Ivan Gránsky
Chairman of
BSSE Board of Directors



Ing. Róbert Kopál
Vice Chairman of
BSSE Board of Directors

ORGANISATIONAL STRUCTURE OF BSSE AS OF 31 DECEMBER 2016

SECURITIES LISTED ON BSSE AS OF 31 DECEMBER 2016

SHARES – Main Listed Market:

Name of issue	ISIN	Date of listing
1. Slovnaft a.s. Bratislava	CS0009004452	28.01.1993
2. Slovnaft a.s. - 2. emisía	SK1120001369	22.09.1995
3. Slovnaft a.s. - 3. emisía	SK1120005949	04.10.2002
4. Všeobecná úverová banka a.s. Bratislava	SK1110001437	11.05.1995
5. SLOVENSKÉ ENERGETICKÉ STROJÁRNE (SES) a.s. Tlmače	SK1120008034	05.08.1998
6. SLOVENSKÉ ENERGETICKÉ STROJÁRNE (SES) a.s. Tlmače - 2. emisía	SK1120010386	15.11.2010

SHARES – Parallel Listed Market:

Name of issue	ISIN	Date of listing
1. Biotika a.s. Slovenská Ľupča	CS0009013453	26.03.1993
2. Biotika a.s. - 2. emisía	SK1120004009	03.07.1997
3. OTP Banka Slovensko, a.s.	SK1110001452	15.01.2002
4. OTP Banka Slovensko, a.s. – 2. emisía	SK1110004613	27.04.2004
5. OTP Banka Slovensko, a.s. – 3. emisía	SK1110016559	17.04.2012
6. OTP Banka Slovensko, a.s. – 4. emisía	SK1110017532	17.03.2015
7. Best Hotel Properties a.s.	SK1120005105	29.09.2009
8. Tatry Mountain Resorts, a.s. - 6. emisía	SK1120010287	30.10.2009

BONDS – Main Listed Market:

Name of issue	ISIN	Date of listing
1. Štátny dlhopis 204	SK4120004318	14.05.2004
2. Štátny dlhopis 206	SK4120004987	11.05.2005
3. Štátny dlhopis 208	SK4120005372	05.04.2007
4. Štátny dlhopis 214	SK4120007204	28.04.2010
5. Štátny dlhopis 216	SK4120007543	14.10.2010
6. Štátny dlhopis 219	SK4120008301	23.01.2012
7. Štátny dlhopis 221	SK4120008665	12.07.2012

8. Štátny dlhopis 222	SK4120008673	10.08.2012
9. Štátny dlhopis 223	SK4120008871	16.11.2012
10. Štátny dlhopis 224	SK4120008954	11.02.2013
11. Štátny dlhopis 225	SK4120009044	01.03.2013
12. Štátny dlhopis 226	SK4120009234	29.05.2013
13. Štátny dlhopis 227	SK4120009762	20.01.2014
14. Štátny dlhopis 228	SK4120010430	22.01.2015
15. Štátny dlhopis 229	SK4120011420	22.01.2016
16. Štátny dlhopis 230	SK4120011636	16.05.2016
17. Štátny dlhopis 231	SK4120012220	24.11.2016
18. Štátna pokladničná poukážka 15	SK6120000154	29.11.2016

BONDS – Parallel Listed Market:

Name of issue	ISIN	Date of listing
1. VÚB a.s. Bratislava - 20. emisia HZL	SK4120004946	20.04.2006
2. Slovenská sporiteľňa, a.s. – 11. emisia HZL	SK4120005505	01.10.2007
3. VÚB a.s. Bratislava - 30. emisia HZL	SK4120005547	01.10.2007
4. VÚB a.s. Bratislava - 31. emisia HZL	SK4120005679	21.12.2007
5. VÚB a.s. Bratislava - 32. emisia HZL	SK4120005711	01.02.2008
6. Slovenská sporiteľňa, a.s. – 13. emisia HZL	SK4120005927	30.05.2008
7. VÚB a.s. Bratislava - 36. emisia HZL	SK4120005893	30.05.2008
8. VÚB a.s. Bratislava - 43. emisia HZL	SK4120006271	03.03.2009
9. Slovenská sporiteľňa, a.s. - podriadené dlhopisy 2018 II	SK4120007956	20.06.2011
10. VÚB a.s. Bratislava - 67. emisia HZL	SK4120008228	23.12.2011
11. VÚB a.s. Bratislava - 70. emisia HZL	SK4120008418	03.04.2012
12. Československá obchodná banka, a.s. HZL XIX.	SK4120008640	14.02.2013
13. Československá obchodná banka, a.s. HZL XIII.	SK4120008178	05.04.2013
14. Československá obchodná banka, a.s. HZL XV.	SK4120008467	05.04.2013
15. UniCredit Bank Slovakia a.s. - 5. emisia HZL	SK4120009051	06.06.2013
16. UniCredit Bank Slovakia a.s. – HZL UCBSK11H	SK4120009598	02.12.2013
17. UniCredit Bank Slovakia a.s. – HZL UCBSK12H	SK4120009903	10.11.2014

TRADING VOLUME STATISTIC OF THE YEAR 2016

	2016	2015	CHANGE (%)
NUMBER OF TRADING DAYS	250	250	0.00%
TOTAL VOLUME OF TRANSACTIONS (EUR)	7 193 162 036	9 530 999 176	-24.53%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	28 772 648	38 123 997	-24.53%
SHARES AND SHARE CERTIFICATES			
TOTAL VOLUME OF TRANSACTIONS (EUR)	11 097 265	16 143 256	-31.26%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	44 389	64 573	-31.26%
NUMBER OF ISSUES	68	69	-1.45%
MARKET OF LISTED SECURITIES	14	14	0.00%
REGULATED FREE MARKET	54	55	-1.82%
BONDS			
TOTAL VOLUME OF TRANSACTIONS (EUR)	7 182 064 771	9 514 855 920	-24.52%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	28 728 259	38 059 424	-24.52%
NUMBER OF ISSUES	202	185	9.19%
MARKET OF LISTED SECURITIES	35	40	-12.50%
REGULATED FREE MARKET	167	145	15.17%

**MEMBERS AND ENTITIES AUTHORISED TO TRADE ON BSSE
AS OF 31 DECEMBER 2016**

No.	Name of member or entity authorised to trade on BSSE
1	Citibank Europe plc, (Írsko), prostredníctvom Citibank Europe plc, pobočka zahraničnej banky
2	Československá obchodná banka, a.s.
3	J&T BANKA, a.s. (Česká republika) prostredníctvom pobočky J&T BANKA, a.s. pobočka zahraničnej banky
4	National Bank of Slovakia*
5	OTP Banka Slovensko, a.s.
6	Patria Finance, a.s.
7	Poštová banka, a.s.
8	Prima banka Slovensko, a.s.
9	RM-S Market, o.c.p., a.s.
10	Slovenská sporiteľňa, a.s.
11	Sympatia Financie, o.c.p., a.s.
12	Tatra banka, akciová spoločnosť
13	UniCredit Bank Czech Republic and Slovakia, a.s. (Česká republika) prostredníctvom pobočky UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky
14	Sberbank Slovensko, a.s.
15	Všeobecná úverová banka, a.s.

*Entity authorised to trade on BSSE

**REPORT OF INDEPENDENT AUDITOR AND SEPARATE FINANCIAL
STATEMENTS OF THE BSSE PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED
BY THE EUROPEAN UNION**

For the year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory board and Board of Directors of the company
Burza cenných papierov v Bratislave, a. s.

Report on the Financial Statements

Opinion

We have audited the financial statements of company Burza cenných papierov v Bratislave, a. s. (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw the attention to the fact that Centrálny depozitár cenných papierov SR, a. s. (the "CDCP") is a subsidiary company of the Company. As more fully described in section 5 of the notes, CDCP is defendant in several litigations in a total claimed amount of 27 375 thousand including charges and interests. As of December 31, 2016 CDCP recognises the provision for this risks that may not adequately reflect the amount of any related impacts in case of lost lawsuits. It is currently not possible to estimate the final outcome of respective law suits. Shares of CDCP represent the largest part of total assets of the Company. In respect to this matter our opinion is not qualified.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit included the procedures designed to the extent that we could base on these procedures judge the risks of material misstatements. The results of audit procedures including a solution of key matters stated below create the basis for our opinion.

Revenues recognition

The total revenues of the Company for the year 2016 amounted to 1,222 mio. EUR. They decreased by 21% in comparison with 2015. The most significant source of revenues are the trading fees and the listing fees. In regard to decrease of the revenues we appointed the completion and completeness of the recognised revenues as the key audit matter.

This is a translation of the original Slovak Auditor's Report to the accompanying financial statements translated into English language.

Within the frame of audit procedures we considered the reasonableness of accounting principles of the Company for the revenues recognition and we considered their observance. We accomplished the analysis of the revenues, tested the effectiveness of control mechanisms, and we checked the accuracy of the revenues recognition in accordance with the IFRS EU in this accounting period, we agreed the details of transactions with supporting evidence.

Impairment of assets

The investments in subsidiary represent the most significant part of the Company's assets. The Company as a parent company is not required to prepare the consolidated financial statements, since the business size criteria are not fulfilled. The non – current financial asset is evaluated at cost of acquisition, decreased by the value of an adjusting entry. The Company reviews the real value of this asset as of the day of financial statement. We consider the aforesaid matter is a key matter, since there is no reliable evidence about the market value.

Base on the audited financial statements of the subsidiary we considered the reasonableness of the adjusting entry estimate to financial investment created by the Company. We relied on the conclusions of the auditor of the subsidiary. In his report he draw the attention to the risks resulting from unsettled legal disputes, where the subsidiary acts as a defendant. This matter is described in section 5 of the notes in details and we also pointed it out in the emphasis of matter paragraph.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements to give a true and fair view in accordance with IFRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

This is a translation of the original Slovak Auditor's Report to the accompanying financial statements translated into English language.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with the statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and were applicable, related safeguards. From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We evaluated, whether the Company's annual report includes information whose disclosure is required under the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2016 is consistent with the financial statements for the relevant year, and
- The annual report includes information pursuant to the Act on Accounting

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

This is a translation of the original Slovak Auditor's Report to the accompanying financial statements translated into English language.

Auditor's appointment and approval

We were appointed as the auditor by the Company's statutory body on 24 June 2015 based on our approval by the general assembly dated 24 June 2015. The total cumulative period of our engagement represents 2 years.

Non – audit services

We have not provided any other services besides the statutory audit services and the services disclosed in annual report and the financial statements to the Company and the enterprises of the Company's controlling interests.

Trnava, 7 April 2017



KLT AUDIT, spol. s r. o.
Vajanského 23/B
917 01 Trnava
Licence SKAU No 212

Ing. Tibor Kosák, PhD.
Responsible Auditor
Licence SKAU č. 393

This is a translation of the original Slovak Auditor's Report to the accompanying financial statements translated into English language.

Bratislava Stock Exchange

**REPORT OF INDEPENDENT AUDITOR AND
SEPARATE FINANCIAL STATEMENTS PREPARED
ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS AS ADOPTED BY THE
EUROPEAN UNION**

For the year ended 31 December 2016

Bratislava Stock Exchange

Separate Financial Statements prepared according to the International Financial Reporting Standards as adopted by the European Union, for the year ended 31 December 2016

IČO: 00604054
DIČ: 2020804390

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Bratislava Stock Exchange
STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2016 (EUR)

IČO: 00604054
DIČ: 2020804390

	Note	2016	2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	3	1 538 660	1 610 789
Intangible and other assets, net	4	42 864	52 356
Investments in subsidiaries	5	7 503 639	6 922 074
Total non-current assets		9 085 163	8 585 219
CURRENT ASSETS			
Trade receivables, net	6	65 591	125 020
Income tax asset	7	29 809	-
Other current assets	7	1 339	2 267
Cash and cash equivalents	8	3 725 873	3 714 648
Total current assets		3 822 612	3 841 935
TOTAL ASSETS		12 907 775	12 427 154
EQUITY AND LIABILITIES			
EQUITY			
Registered capital	9	11 404 927	11 404 927
Capital funds	9	261 116	178 208
Accumulated profit and profit for current year		922 860	467 334
Total equity		12 588 903	12 050 469
NON-CURRENT LIABILITIES			
Deferred tax liability	19.3	126 856	127 880
Total non-current liabilities		126 856	127 880
CURRENT LIABILITIES			
Trade payables	11	26 621	18 523
Income tax liability, due	7,12	0	22 555
Provisions for liabilities	10	48 604	51 760
Other liabilities	12	116 791	155 967
Total current liabilities		192 016	248 805
Total liabilities		318 872	376 685
TOTAL EQUITY AND LIABILITIES		12 907 775	12 427 154

Bratislava Stock Exchange
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016 (EUR)

IČO: 00604054
DÍČ: 2020804390

	Note	2016	2015
REVENUES			
Core revenues		1 035 465	1 203 493
Other revenues		177 050	248 076
Total revenues	14	<u>1 212 515</u>	<u>1 451 569</u>
OPERATING COSTS			
Consumables and services	15	(351 659)	(408 235)
Labour and related expenses	16	(771 350)	(793 819)
Depreciation and amortisation	3, 4	(87 460)	(75 809)
Other costs	17.1	(49 185)	(53 335)
Total costs and expenses		<u>(1 259 654)</u>	<u>(1 331 198)</u>
OPERATING PROFIT/LOSS		(47 139)	120 371
FINANCIAL EXPENSES/INCOME			
Interest income	18	9 297	22 459
Decrease of loss from decrease of value of investment in subsidiary	5	581 565	722 379
Other financial income		0	7
Other financial expenses/income, net	17.2	(1 601)	(2 054)
Total financial (expenses)/income, net		<u>589 261</u>	<u>742 791</u>
Profit from continuing operation, before tax		542 122	863 162
Tax from continuing operation	19	(3 688)	(34 078)
Profit from continuing operation, after tax		<u>538 434</u>	<u>829 084</u>
Other components of comprehensive income:		0	0
Total comprehensive income:		<u>538 434</u>	<u>829 084</u>

Bratislava Stock Exchange
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016 (EUR)

IČO: 00604054
DÍČ: 2020804390

	<i>Registered capital</i>	<i>Capital funds</i>	<i>Accumulated profit/(loss)</i>	<i>Total</i>
As of 1 January 2015	11 404 927	105 484	(289 026)	11 221 385
Contribution to legal reserve fund		72 724	(72 724)	0
Settlement from capital funds				
Unsettled loss				
Net profit for the year			829 084	829 084
As of 31 December 2015	11 404 927	178 208	467 334	12 050 469
Contribution to legal reserve fund		82 908	(82 908)	0
Settlement from capital funds				
Unsettled loss				
Net profit for the year			538 434	538 434
As of 31 December 2016	11 404 927	261 116	922 860	12 588 903

Bratislava Stock Exchange
STATEMENT OF CASH FLOWS
For the year ended 31 December 2016 (EUR)

IČO: 00604054
DÍČ: 2020804390

	Note	2016	2015
CASH FLOW FROM OPERATING ACTIVITY:			
Profit before tax		542 122	863 162
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation		87 460	75 809
Interest revenue and dividends		(9 297)	(22 459)
Interest expense			
(Profit)/loss on sale of tangible assets			
Provision for assets, net		(581 399)	(721 881)
Operating profit before changes in working capital		38 887	194 631
Changes in working capital:			
Change in trade receivables		59 264	(17 341)
Change in payables		(34 234)	37 546
Other		928	2 541
Cash generated from operations		64 844	217 377
Interest expense		-	-
Interest received		9 297	22 459
Income taxes paid		(57 076)	23 518
Net cash provided by operating activities		17 065	263 354
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Additions to property, plant and equipment		-5 840	- 102 401
Proceeds from sale of property, plant and equipment			
Dividends received			
Net cash used in investing activities		-5 840	-102 401
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid and other		-	-
Net cash used in financing activities		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11 225	160 953
CASH AND CASH EQUIVALENTS, START OF YEAR		3 714 648	3 553 695
CASH AND CASH EQUIVALENTS, END OF YEAR	8	3 725 873	3 714 648

Bratislava Stock Exchange

Notes to Separate Financial Statements prepared according to International Financial Reporting Standards as adopted by the European Union, for the year ended 31 December 2016 (EUR)

IČO: 00604054
DIČ: 2020804390

1. General**1.1. Description of business**

Business name and seat	Burza cenných papierov v Bratislave, a.s. Vysoká 17, 811 06 Bratislava
Date of founding	8 January 1991
Date of incorporation	15 March 1991
(according to the Business Register)	Business Register of the County Court Bratislava I Section: Sa, insert No. 117/B
Company identification number	00604054
Tax identification number	2020804390
Business activities	Organising supply of and demand for securities at a specified venue and time and performing associated activities; performing clearing and settlement of stock exchange transactions and associated activities; collecting, publishing and distributing company and market data necessary to ensure trading according to the Stock Exchange Rules; editorial and publishing activities, operating the Stock Exchange Club /inaccessible to the public/; operating a multilateral trading facility.

The activities of the Bratislava Stock Exchange ("the Company" or "BSSE" hereinafter) are governed by the Act No 429/2002 (Coll.) as amended by later legislation.

1.2. Employees

The following table shows the numbers of employees for the current accounting period and for the immediately preceding accounting period:

	2016	2015
Average number of employees	21	22
Employees as of the day of preparation of fin. statements	21	22
Including: Senior Executives	5	5

1.3. Approval of the Year 2015 Financial Statements

The Year 2015 Financial Statements of the Company were approved by an ordinary general meeting on 9 June 2016.

1.4. Members of Company Bodies

Body	Function	Name
Board of Directors	Chairman	Ing. Gránsky Ivan
	Vice Chairman	Ing. Kopál Róbert
	Member	Ing. Klápště Tomáš, MBA
	Member	Ing. Marček Ľuboš
Supervisory Board	Member	Ing. Michalík Miloslav
	Chairman	Ing. Lichnovský Igor
	Member	Ing. Gašparík Jozef
Executive Management	Member	JUDr. Čunderlík Ľubomír, PhD.
	Director General, Procurement	Ing. Kubrický Peter
	Director of External Affairs Division	JUDr. Kucmenová Svetlana
	Director of Stock Exchange Deals Division	Ing. Šály Peter

The accompanying Notes are an integral part of the Financial Statements.

7

Bratislava Stock Exchange

Notes to Separate Financial Statements prepared according to International Financial Reporting Standards as adopted by the European Union, for the year ended 31 December 2016 (EUR)

IČO: 00604054
DIČ: 2020804390

1.5. Shareholder structure and their shares in registered capital

The following is the shareholder structure and their shares in registered capital as of 31 December 2016:

No.	Shareholders	Share in registered capital		Voting rights (%)
		(EUR)	(%)	
1	MH Manažment, a.s.	8 661 443.196	75.94	75.94
2	Patria Online, a.s.	1 342 033.420	11.77	11.77
3	Allianz – Slovenská poisťovňa, a.s.	578 571.420	5.07	5.07
4	Slovenská sporiteľňa, a.s.	448 119.000	3.93	3.93
5	Middle Europe Investments N.V.	99 582.000	0.87	0.87
6	Poštová banka, a.s.	88 296.040	0.77	0.77
7	ING Bank N.V., pobočka zahraničnej banky	33 194.000	0.29	0.29
8	Československá obchodná banka, a.s.	24 563.560	0.22	0.22
9	KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	23 899.680	0.21	0.21
10	UniCredit Bank Slovakia, a.s.	22 239.980	0.20	0.20
11	Tatra banka, akciová spoločnosť	9 958.200	0.09	0.09
12	UNIQA poisťovňa, a.s.	6 638.800	0.06	0.06
13	Portfolio, akciová spoločnosť	33 194.000	0.29	0.29
14	Všeobecná investičná spoločnosť, a.s.	33 194.000	0.29	0.29
Total		11 404 927.296	100.00	100.00

1.6. Basis of presentation**Legal basis for preparation of financial statements**

These financial statements are the ordinary separate financial statements of the Bratislava Stock Exchange ("BSSE" or "the Company" hereinafter) compiled under the assumption of going concern. The financial statements were prepared for the reporting period from 1 January 2016 to 31 December 2016 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU" hereinafter) and issued by the International Accounting Standards Board (IASB), in effect at the time of preparation of these financial statements. Due to the process of adoption of IFRS in the EU, there are presently no differences between the IFRS accounting principles applied by the company and the IFRS adopted by the EU.

The purpose of the preparation of these separate financial statements in the Slovak Republic is to comply with the Act on Accounting No. 431/2002 (Coll.) as amended by later legislation. According to paragraphs 17a) and 20 of the Act on Accounting No 431/2002 (Coll.), effective from 1 January 2006, BSSE has been required to prepare its separate financial statements under special regulations – Regulation (EC) 1606/2002 of the European Parliament and of the Council on the Application of International Financial Reporting Standards of 19 July 2002 (Special Edition of the Official Journal of the EU Chapter 13/Vol.29; Official Journal of the EU L 243, 11 September 2002) in the wording of the Regulation (EC) No 297/2008 of the European Parliament and of the Council of 11 March 2008 (Official Journal of the EU L 97, 9 April 2008), Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (Official Journal of the EU L 320, 29 November 2008) as amended. As a result, separate financial statements prepared in accordance with the IFRS have effectively replaced financial statements prepared under the Slovak accounting standards.

Information about consolidated unit

BSSE is a parent company of Centrálny depozitár cenných papierov SR ("CDCP" hereinafter); however, since the business size criteria were not fulfilled under §22 of the Act on Accounting No 431/2002 (Coll.) as amended by later legislation, BSSE has not been required to prepare consolidated financial statements. This procedure fully complies with the Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC with document, which is reflected in national legislation.

The CDCP is not required to be consolidated in the Company's separate financial statements according to national legislation. It is the European Commission's view that in this case the IAS 27 requirements to prepare consolidated financial statements do not apply under IFRS as adopted by EU.

The accompanying Notes are an integral part of the Financial Statements.

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Statement of compliance

The year 2016 separate financial statements and comparable data for the year 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and issued by the International Accounting Standards Board ("IASB"). IFRS as adopted by the EU do not currently differ from IFRS as issued by the IASB, except for portfolio hedge accounting under IAS 39 and specific criteria for consolidation (this legislation specifies size criteria for the obligation of preparing annual accounts, which the Company does not meet).

Basis of preparation

The financial statements have been prepared on the accrual basis, under which transactions and other matters are recognised when occurred and recorded in the financial statements in the period to which they relate under the assumption of ongoing concern.

The separate financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes.

The financial statements have been prepared under the historical costs convention with financial assets and liabilities re-valued in accordance with IAS 39 (revised). The fair value of financial assets approximates their net book values. When measuring assets and liabilities, prudent policy principles are followed i.e. all risks, losses and impairments relating to assets and liabilities and known as of the balance sheet date are used as a basis.

The Company maintains its own accounting records in line with the accounting procedures for businesses in force in the Slovak Republic. The accompanying financial statements are based on the Company's accounting records and are modified accordingly for the purpose of true and fair presentation in accordance with IFRS as adopted by EU.

The preparation of IFRS, as adopted by EU, financial statements requires that the management makes estimates and assumptions that have an impact on the values of assets and liabilities included, and on the recognition of contingent assets and liabilities as of the date of financial statements, and on the amounts of revenues and expenses recorded for the given accounting period. These estimates are based on the information available as of the date of financial statements. The actual results may differ from these estimates.

These financial statements are compiled for the year ended 31 December 2016, in the euro currency.

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2. Summary of significant accounting policies***Changes in accounting principles***

The accounting methods and principles used herein are consistent with the accounting principles used in the financial statements prepared for the year ended 31 December 2015.

The fees for clearing and settlement of transactions, realised by CDCP, are billed by the BSSE to the BSSE members. Since 2008, BSSE has recognised these fees in its expenses and revenues in the same amount, hence without any influence on the result.

Application of new and revised international standards for financial reporting

The Company has adopted all new and revised standards and interpretations relevant to its activity, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) at IASB, approved for application within the EU and in effect for the accounting periods starting 1 January 2016.

The adoption of these new and revised standards and interpretations has had no impact on changes in the Company's accounting procedures.

The Company has not applied earlier any IFRS standard for which adoption is not required as of the date of preparation of financial statements.

The following amendments to the existing standards, as issued by the International Accounting Standards Board and approved by EU, are in effect for the current accounting period:

- Amendments to IFRS 10 "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in associates and joint ventures" – Investment entities: Applying the consolidation exception, adopted by EU on 22 September 2016 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to IFRS 11 "Joint Arrangements" – Accounting for acquisition of interests in joint operations, adopted by EU on 24 November 2015 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to IAS 1 "Presentation of Financial Statements" – Initiative to improve disclosures, adopted by EU on 18 December 2015 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" – Explanation of acceptable methods of depreciation and amortisation, adopted by EU on 2 December 2015 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" – Bearer plants, adopted by EU on 23 November 2015 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to IAS 19 "Employee Benefits" – Defined benefit plans: employee contributions, adopted by EU on 17 December 2014 (effective for accounting periods starting 1 February 2015 or later);
- Amendments to IAS 27 "Separate Financial Statements" – The equity method in separate financial statements, adopted by EU on 18 December 2015 (effective for accounting periods starting 1 January 2016 or later);
- Amendments to various standards "IFRS Annual Improvements Cycle 2010-2012" resulting from IFRS annual improvements project (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) aimed primarily at elimination of irregularities and clarification of the wording, adopted by EU on 17 December 2014 (amendments will apply to accounting periods starting 1 February 2015 or later);
- Amendments to various standards "IFRS Annual Improvements Cycle 2012-2014" resulting from IFRS annual improvements project (IFRS 5, IFRS 7, IAS 19 and IAS 34) aimed primarily at elimination of irregularities and clarification of the wording, adopted by EU on 15 December 2015 (amendments will apply to accounting periods starting 1 February 2016 or later).

Application of these standards and amendments to existing standards has not caused any significant changes in the Company's accounting principles.

As of the date of preparation of these financial statements, the EU approved for issue the following standards, amendments to existing standards and interpretations issued by the IASB, which have not so far come into effect:

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- IFRS 9 "Financial Instruments" – adopted by EU on 22 November 2016 (effective for accounting periods starting 1 January 2018 or later);
- IFRS 15 "Revenues from Contracts with Customers" and amendments to IFRS 15 "Date of effect of IFRS 15" adopted by EU on 22 September 2016 (effective for accounting periods starting 1 January 2018 or later).

The Company has decided to not apply said standards, revised standards and interpretations before their date of effect.

The Company does not expect the application of said standards and interpretations to have a significant effect on its financial statements in future accounting periods.

The IFRS standards, as adopted by EU, currently do not differ significantly from the standards approved by the IASB, except for the following standards, amendments to existing standards and interpretations which were not approved for use in the EU as of the date of preparation of these financial statements (the below-mentioned dates of effect apply to IFRS in full wording):

- IFRS 14 "Regulatory Deferral Accounts" (effective for accounting periods starting 1 January 2016 or later) – the European Commission has decided to not start the approval process for this standard and wait for its final wording;
- IFRS 16 "Leases" (effective for accounting periods starting 1 January 2019 or later);
- Amendments to IFRS 2 "Share-based Payment" – Classification and measurement of share-based payment transactions (effective for accounting periods starting 1 January 2018 or later);
- Amendments to IFRS 4 "Insurance Contracts" – Application of IFRS 9 "Financial instruments" and IFRS 4 "Insurance Contracts" (effective for accounting periods starting 1 January 2018 or later, or when IFRS 9 "Financial Instruments" is applied for the first time);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in associates and joint ventures" – Sales or contributions of assets between an investor and its associate or joint venture and other amendments (the date of effect was postponed indefinitely until the project to examine the equity method is completed);
- Amendments to IFRS 15 "Revenues from Contracts with Customers" – Clarification to IFRS 15 "Revenues from Contracts with Customers" (effective for accounting periods starting 1 January 2018 or later);
- Amendments to IAS 7 "Statement of Cash Flows" – Initiative to improve disclosure (effective for accounting periods starting 1 January 2017 or later);
- Amendments to IAS 12 "Income Taxes" – Recognition of deferred tax receivables from unrealized losses (effective for accounting periods starting 1 January 2017 or later);
- Amendments to IAS 40 "Investment Property" – Transfers of investment property (effective for accounting periods starting 1 January 2018 or later);
- Amendments to various standards "IFRS Annual Improvements Cycle 2014-2016" resulting from IFRS annual improvements project (IFRS 1, IFRS 12 and IAS 28) aimed primarily at elimination of irregularities and clarification of the wording (amendments to IFRS 12 will apply to accounting periods starting 1 January 2017 or later; amendments to IFRS 1 and IAS 28 will apply to accounting periods starting 1 January 2018 or later);
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for accounting periods starting 1 January 2018 or later).

The Company management does not expect the application of said standards, revised versions and interpretations to have a significant effect on its financial statements in the period of first application.

Accounting period – the Company prepares financial statements for the period from 1 January 2016 to 31 December 2016.

Going concern assumption – the accompanying financial statements were prepared under the assumption of going concern.

Functional currency – Given the environment which the Company operates in and given the basis of economic transactions, the Company's functional currency is the euro (EUR). The financial statements are presented in the euro. Negative values are stated in brackets.

Foreign currency – Transactions carried out in a foreign currency are converted and stated using the current daily conversion rate announced by the ECB on the day prior to the day of occurrence of an accounting event.

Non-current assets – Property, plant and equipment and intangible assets are valued at cost less accumulated depreciation and provisions for impairment. Cost includes acquisition prices and relevant expenses related to acquisition (transportation, installation, customs duties). Maintenance and repair

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expenses are expensed as incurred. For accounting purposes, non-current tangible assets are depreciated on the straight-line basis over estimated useful lives from the moment of their putting into use. For tax purposes, the Company depreciates the non-current tangible assets using the depreciation rates under the income tax act in force.

Estimated useful lives stated by the Company provide a reasonable estimate of the assets' lives in accordance with IFRS, as adopted by EU. The estimated useful lives for the major classifications of property, plant and equipment and intangible assets are as follows:

Group of assets	Useful life (years)	Rate (%)
Group 1 – Non-current intangible assets (SW)	4-7	25% - 14.3%
Group 1 – Non-current tangible assets (office and IT equipment, car)	4	25%
Group 2 – Non-current tangible assets (machines and equipment, fixtures and fittings)	8	12.5%
Group 3 – Non-current tangible assets (air-conditioning devices)	15	6.9%
Group 5 – Non-current tangible assets (building)	40	2.5%

Intangible assets at cost up to EUR 2 400 and non-current tangible assets at cost up to EUR 1 700 are recorded in the Company's books and charged directly to expenses. According to the Company's internal regulation, assets at cost lower than EUR 1 700 or lower than EUR 2 400, respectively, can be deemed as non-current assets and depreciated over their useful lives based on individual decision made by Company management.

Gains and losses on the disposal of property, plant and equipment are fully recognised in the Statement of Comprehensive Income.

Non-current assets intended for sale – Non-current assets and asset/liability groups being excluded are classified as intended for sale when their book value can be better realised through sale than through continuous use. This condition is deemed met only if the sale is highly probable, whereby the asset (or asset/liabilities group intended for sale) is available for immediate sale in the condition it is currently in. The Company must strive to realise a sale that should be assumed to meet the criteria for recognition of a completed sale within one year from such classification.

Subsequent expenditure – Subsequent expenditure incurred to replace a component of non-current tangible assets that is accounted for separately, including inspections and overhaul expenditure, is capitalised if it is probable that the future economic benefits embodied with the item will flow to the Company exceeding its original performance and the cost of the item can be measured reliably. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of assets exceeding their original performance. All other expenditures made after the acquisition of non-current tangible assets, to restore or maintain the extent of future economic benefits, are recognised as an expense when incurred.

Investments in subsidiaries – Subsidiary undertakings are those companies in which the Company directly or indirectly has an interest of more than 50% of the voting rights, or otherwise has power to exercise control over operations. They are measured in accordance with IAS 27 and IAS 28 at cost less provisions for losses on decrease in realisable value. The provisions are recognised in the Statement of Comprehensive Income. Dividend income is recognised in the Statement of Comprehensive Income when the Company's right to receive payment has been established.

Provisions for impairment – At each balance sheet date, the Company reviews the carrying amounts of its tangible and non-current intangible assets to determine whether there is any indication that those assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and cash equivalents – consists of cash in hand and balances in banks, cash equivalents and time deposits with insignificant risk of changes in value and original maturities within 12 months from the balance sheet date that is from 31 December 2016. The accruals of interests are recognised in other assets.

Guarantee fund – the Company performs administration of the Guarantee Fund which is designed to cover claims and liabilities of members resulting from stock exchange transactions. The Guarantee Fund resources are deposited in separate bank accounts. The Company keeps records on the Guarantee Fund

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account balance, but does not record in its main accounting book transfers in the accounts of the Guarantee Fund.

Receivables and payables (financial assets/liabilities) – trade and other receivables are measured at expected realisable value, including provisions for bad and doubtful receivables. Trade and other payables are initially measured at fair value, and subsequently at amortised cost using the effective interest rate method.

Non-current and current receivables, payables, loans and interest-bearing borrowings – Receivables and payables are disclosed in the Statement of Financial Position as either long-term or short-term following their residual maturities as of the date of financial statements. A part of long-term receivable and a part of long-term payable due within one year from the date of financial statements is disclosed in the Statement of Financial Position as a short-term receivable or a short-term payable.

Impairment of financial assets – At each balance sheet date, the Company reviews whether there is objective evidence that a financial asset has suffered impairment. If it finds out that such evidence exists, the residual value of the asset is decreased using the account of adjusting entry. The amount of loss is recorded in the Statement of Comprehensive Income.

Own capital – The legal form of the Company is a joint-stock company. The Company's registered capital is recognised in the amount registered in the Business Register. The Company creates funds from profit and other capital funds in accordance with the Commercial Code and Act No. 429/2002 (Coll.) as amended by later legislation. The Company manages capital so as to be always capable of uninterrupted operation as a healthy business. Own capital comprises registered capital, capital funds, funds created from profit and undistributed profits.

Reserves – Reserves are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Reserves are measured on the basis of best estimate, made by the management, of the cost of the liability settlement as of the date of the Statement of Financial Position. If the effect is material, reserves are determined by discounting the expected future cash flows by a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Accruals – Expenses and revenues are recognised in the period to which they factually relate, i.e. they are accrued at the day of preparation of the Statement of Financial Position.

Profit per share – The Company's common shares are not publicly negotiable, hence IAS 33 – Profit per Share is not applied.

Revenues – Revenues from the provision of services are recognised when the respective services are rendered. Revenues are recognised under the accrual basis of accounting. Fees for trading are recognised at the time of realisation of a business transaction. Initial fees of members are recorded to revenues on a one-off basis at the date when a new member is entitled to start using the services resulting from membership.

Interest income – Interest income is recognised in the Statement of Comprehensive Income in the year to which it factually relates, using the effective yield method.

Dividends – Dividends are recognised as a liability in the accounting period in which they are acknowledged.

Income tax – Income tax for the accounting period comprises current and deferred tax. Income tax is calculated in accordance with the provisions of the relevant legislation of the Slovak Republic, based on the profit or loss recognised in the Statement of Comprehensive Income. Current tax is calculated from the taxable income for the accounting period, using tax rates effective as of the balance sheet date and any adjustments to current tax in respect of previous years.

Deferred income tax is calculated using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is calculated at the income tax rates that are expected to apply to the period when the asset is to be realised or the liability settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except for those items of receivables and payables that are charged or credited with a counter-entry directly to equity, in which case the deferred tax is also recorded with a counter-entry to equity.

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When calculating deferred tax, the expected method of realisation or settlement of the carrying amount of assets and liabilities is also considered. A deferred tax asset is recognised only to the extent that it is probable that the Company will generate sufficient tax base in the future, against which the deferred tax asset can be utilised. Carrying amounts of deferred tax assets are always considered as of the balance sheet date.

Deferred tax assets and liabilities are mutually set off, since a legal title exists to offset the current tax assets with the current tax liabilities and they relate to an income tax assessed by the same tax authority, and the Company intends to recognise its current tax assets and liabilities on the net basis.

Transactions in foreign currencies – they are converted at the exchange rate effective on the day prior to the day of the transaction. As of the date of preparation of the Statement of Financial Position, assets and liabilities denominated in foreign currencies are converted to the Slovak currency which has been the euro since 1 January 2009, using the exchange rates of the European Central Bank effective on the date of the Statement of Financial Position. Resulting exchange rate differences are recognised as an expense or income in the Statement of Comprehensive Income. Unrealised gains and losses due to fluctuations in exchange rates are fully recognised in the Statement of Comprehensive Income.

Assessments and judgments – The preparation of financial statements requires that the Company management make judgments, assessments and assumptions that affect the application of accounting methods and principles and the value of recognised assets, liabilities, revenues and expenses. Assessments and related assumptions are based on prior experience and other various factors deemed as appropriate to the circumstances under which is formed the basis for evaluation of carrying amounts of assets and liabilities, which are not known from other sources. Actual results may therefore differ from the assessments.

Assessments and related assumptions are constantly revised. Corrections of accounting assessments are not recognised retrospectively, but they are recognised in the period in which the assessment is corrected – if the correction affects only said period – or in the correction period and in future periods, if the correction affects both current and future periods.

Social and pension security – the Company makes contributions to legal health, medical and pension insurance and contribution to the Employment Fund as a percentage of gross payroll at the rates effective in the current year. Social security expenses are recorded in the Statement of Comprehensive Income in the same period as the respective wages and salaries. The Company is not obligated to contribute funds from the gross amount of payroll that would exceed the statutory requirement.

Retirement benefit and other long-term employee benefits – the Company has no long-term employee benefit scheme that would exceed statutory requirements, which constitute a liability to pay a retirement benefit to a retiring employee in the amount of average monthly salary.

The Company estimates that the amount of such liability is not significant. The financial statements include no provision in this respect.

Corrections of errors of previous accounting periods – Insignificant corrections of errors of previous accounting periods found during the current accounting period are recognised with effect on the result of the current accounting period. Significant corrections of errors of previous accounting periods found during the current accounting period are recognised in the accounts of undistributed profit of previous years or unsettled loss of previous years.

Management of financial risks

Financial instruments recognised in the balance sheet comprise trade receivables, other assets, cash and cash equivalents, other current assets, trade and other payables. The estimated actual values of these instruments approximate their book values.

In its operation, the Company is not exposed to credit, loan and liquidity risks as it has sufficient amounts of money in its accounts to cover the risk of insufficient liquidity.

As far as the market risks (which include interest, currency and price change risks) are concerned, the Company's financial strategy is to not expose itself to changes of interest rates. As a result, its portfolio consists of financial instruments with a fixed interest rate.

The Company does not utilise derivative financial instruments to manage financial risks.

The management of financial risks is the responsibility of the Company's management which identifies and assesses financial risks and issues fundamental principles for management of financial risks.

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3. Non-current tangible assets

Non-current tangible assets are comprised of the following:

<i>Year ended 31 December 2016</i>	<i>Land, buildings and structures</i>	<i>Plant, machinery and equipment</i>	<i>Assets in course of construction</i>	<i>Total</i>
Opening balance of acquisition cost	2 653 949	1 552 664		4 206 613
Additions				
Disposals				
Transfers				
Closing balance of acquisition cost	2 653 949	1 552 664		4 206 613
Opening balance of accumulated depreciation	1 122 134	1 473 690		2 595 824
Depreciation change	55 520	16 609		72 129
Disposals				
Transfers				
Closing balance of accumulated depreciation	1 177 654	1 490 299		2 667 953
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
Net book value as of 1 January 2016	1 531 815	78 974		1 610 789
Net book value as of 31 December 2016	1 476 295	62 365		1 538 660

Disposals of non-current assets comprise excluded obsolete non-current tangible assets.

<i>Year ended 31 December 2015</i>	<i>Land, buildings and structures</i>	<i>Plant, machinery and equipment</i>	<i>Assets in course of construction</i>	<i>Total</i>
Opening balance of acquisition cost	2 614 892	1 601 974		4 216 866
Additions	39 057	42 158		81 215
Disposals		(91 468)		(91 468)
Transfers				
Closing balance of acquisition cost	2 653 949	1 552 664		4 206 613
Opening balance of accumulated depreciation	1 067 254	1 556 755		2 624 009
Depreciation change	54 880	8 403		63 283
Disposals		(91 468)		(91 468)
Transfers				
Closing balance of accumulated depreciation	1 122 134	1 473 690		2 595 824
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
Net book value as of 1 January 2015	1 547 638	45 219		1 592 857
Net book value as of 31 December 2015	1 531 815	78 974		1 610 789

There were no additions to non-current tangible assets in 2016.

The Company does not have any non-current assets with non-zero carrying value that are temporarily or permanently unutilised.

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4. Non-current intangible assets

Non-current intangible assets consist of the following items:

<i>Year ended 31 December 2016</i>	<i>Software</i>	<i>Assets in course of construction</i>	<i>Total</i>
Opening balance of acquisition cost	222 263		222 263
Additions	5 840		5 840
Disposals			
Transfers			
Closing balance of acquisition cost	228 103		228 103
Opening balance of accumulated depreciation	169 907		169 907
Depreciation change	15 332		15 332
Disposals			
Transfers			
Closing balance of accumulated depreciation	185 239		185 239
Opening balance of adjusting entries			
Additions			
Disposals			
Closing balance of adjusting entries	0		0
Net book value as of 1 January 2016	52 356		52 356
Net book value as of 31 December 2016	42 864		42 864

<i>Year ended 31 December 2015</i>	<i>Software</i>	<i>Assets in course of construction</i>	<i>Total</i>
Opening balance of acquisition cost	313 050		313 050
Additions	21 185		21 185
Disposals	(111 972)		(111 972)
Transfers			
Closing balance of acquisition cost	222 263	0	222 263
Opening balance of accumulated depreciation	269 353		269 353
Depreciation change	12 526		12 526
Disposals	(111 972)		(111 972)
Transfers			
Closing balance of accumulated depreciation	169 907		169 907
Opening balance of adjusting entries			
Additions			
Disposals			
Closing balance of adjusting entries	0		0
Net book value as of 1 January 2015	43 697		43 697
Net book value as of 31 December 2015	52 356		52 356

Type and amount of insurance on non-current intangible and tangible assets

<i>Insured object</i>	<i>Type of insurance</i>	<i>Amount paid 2016</i>	<i>2015</i>	<i>Name and seat of insurance company</i>
Passenger vehicles	Against theft, motor hull	949	842	Allianz – SP Bratislava
Building	Against natural disasters	8 136	8 136	Allianz – SP Bratislava

Net book value of insured vehicles is EUR 0.

Net book value of insured building is EUR 1 043 114.

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5. Investments in subsidiaries

Based on Resolution No 25 of the Slovak Government of 11 January 2006 on privatisation of state ownership interest in the CDCP, the registered capital of the BSSE increased through a non-monetary contribution of the National Property Fund of the Slovak Republic by SKK 229 734 000 (after conversion: EUR 7 625 772), which represents a 100-percent share in the CDCP. Based on this decision, the BSSE acquired a 100-percent stake in the above-mentioned company. The financial investment was recorded at cost in the amount of SKK 229 734 000 (EUR 7 625 772), which was based on the measurement of the amount of non-monetary contribution determined based on two independent expert opinions. For the year 2011 the CDCP posted a loss for current accounting period totalling EUR 304 256 and, at the same time, recognised significant reserves as corrections of errors of previous years. The total amount of corrections, in the account of unsettled losses of previous years, equalled EUR 3 320 731.91. These facts resulted in a decrease of the CDCP's equity to EUR 4 892 565 as of 31 December 2011. Due to said decrease, the BSSE recognised an adjusting entry to financial investment in subsidiary in the amount of EUR 2 733 207. The reported amount of financial investment has thus decreased to EUR 4 892 565. In the following years, the CDCP posted a profit after tax as follows:

- In 2012, in the amount of EUR 21 399
- In 2013, in the amount of EUR 622 903
- In 2014, in the amount of EUR 662 828
- In 2015, in the amount of EUR 722 379; its equity thus increased to EUR 6 922 074.

For the year 2016 the CDCP reported an after-tax profit of EUR 581 565; its equity thus increased to EUR 7 503 639. Having considered all circumstances, BSSE decided to lower the created adjusting entry by the aforementioned amount that is EUR 581 565.

As of 31 December 2016, the value of this financial investment is as follows:

Acquisition cost	EUR 7 625 772
Balance of adjusting entry	EUR 122 133
Value of investment in subsidiary	EUR 7 503 639

Additional information about total assets, equity, expenses and total income from financial statements of the subsidiary, prepared in accordance with Slovak accounting standards for the period ended 31 December 2016 and for the period ended 31 December 2015:

	2016	2015
Total assets	28 523 194	27 760 260
Total equity	7 503 639	6 922 074
Total income	10 120 849	8 746 385
Total expenses	9 539 284	8 024 006

The CDCP is currently involved in a number of legal disputes resulting from transactions performed in previous periods, in a total claimed amount of EUR 29 358 889 (incl. charges and interest) (year 2015: EUR 29 358 889). A substantial part of legal cases has been going on for a long period and may not be resolved in several years.

The ultimate negative resolution of legal claims may have an adverse impact on the subsidiary's profit/loss, its liquidity and its ability to meet legal requirements (limits) applicable to its activities and to continue its operations as a going concern. In such circumstances, additional funding and support from the BSSE and ultimate owner of the subsidiary might be required. As of 31 December 2016, the CDCP created provisions for risks connected with those legal claims in the amount of EUR 18 339 327. An estimate of expected loss made by the CDCP's management was based on the available information on such legal disputes, external legal advisors' counselling and internal assessment of the expected outcome of legal disputes. The amount of provisions was estimated by the subsidiary management only for such events where a conclusion was made that a loss is probable. There are also legal cases for which the probability of loss cannot be determined or for which the amount of loss cannot be estimated at this stage. The ultimate amount of the legal settlement may differ from the estimated amount and the difference can be material.

For legal disputes where the CDCP expects a favourable decision, the subsidiary created a reserve for contingency fee for external legal advisors in the amount of EUR 644 645.

Following a decision of the Board of Directors from 24 February 2016 to enter a settlement agreement with company Goldmann Systems a.s., the CDCP dissolved a part of a long-term reserve in the amount of EUR 1 235 000; the remaining part of reserves related to this case was transferred to short-term reserves.

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6. Trade receivables

Trade receivables are comprised of the following:

<i>As of 31 December 2016</i>	<i>Due</i>	<i>Overdue</i>	<i>Trade receivables, total</i>
Receivables from Stock Ex. Members (both current and former)	41 448	11 274	52 722
Other receivables	24 143	1 660	25 803
Trade receivables, total	65 591	12 934	78 525
Provision for doubtful receivables		(12 934)	(12 934)
Trade and other receivables, net	65 591	0	65 591

Receivables overdue more than one year are recognised in the amount of EUR 12 104 EUR. Receivables overdue more than 90 days and less than one year are recognised in the amount of EUR 166.

<i>As of 31 December 2015</i>	<i>Due</i>	<i>Overdue</i>	<i>Trade receivables, total</i>
Receivables from Stock Ex. Members (current and former)	92 747	14 959	107 706
Other receivables	25 141	4 941	30 082
Trade receivables, total	117 888	19 900	137 788
Provision for doubtful receivables		(12 768)	(12 768)
Trade and other receivables, net	117 888	7 132	125 020

The following is the development of adjusting entries to receivables:

<i>Adjusting entries to receivables</i>	<i>Balance of adj. entries as of 1 Jan. 2016</i>	<i>Additions</i>	<i>Cleared due to settlement of receivable</i>	<i>Accounting due to write-off of receivable</i>	<i>Balance of adj. entries as of 31 Dec. 2016</i>
Receivables from former Stock Exchange members	11 274	-	-	-	11 274
Other receivables	1 494	166			1 660
Adjusting entries to trade receivables, total	12 768	166			12 934

7. Other receivables and other current assets

Other current assets consist of the following items:

	2016	2015
VAT receivables	152	1 828
Income tax receivables	29 809	-
Other receivables	41	37
Other current assets	1 146	402
Other current assets, total	31 148	2 267

Other receivables comprise the receivables from employees; other current assets in 2016 comprise future income from accrued interest on time deposits.

8. Cash and cash equivalents

Cash and cash equivalents include:

	2016	2015
Cash and cash equivalents	2 413	2 991
Current bank accounts	478 183	473 269
Time deposits	3 245 277	3 238 388
Cash and cash equivalents, total	3 725 873	3 714 648

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A time deposit in the nominal amount of EUR 1 027 047 bears an interest rate of 0.3% p. a. and is due on 20 February 2017; a time deposit in the nominal amount of EUR 905 116 bears an interest rate of 0.15% p. a. and is due on 31 December 2016; a time deposit in the nominal amount of EUR 1 313 114 bears an interest rate of 0.05% and is due on 20 February 2017.

The Guarantee Fund accounts are opened with ING Bank N.V., pobočka zahraničnej banky, where the bank has opened a primary account of the Guarantee Fund and secondary accounts of the Guarantee Fund - one per each Stock Exchange member (these accounts are not the BSSE's assets). The Guarantee Fund of the Stock Exchange is used to cover the members' claims and liabilities resulting from stock exchange transactions. It comprises a fixed amount, which represents an initial contribution of each member, and a floating amount.

9. Equity

The Company's registered capital consists of 11 385 common shares with the nominal value of 1 share being EUR 331.940, and 229 734 common shares with the nominal value of one share being EUR 33.194. The subscribed registered capital of EUR 11 404 927.296, registered in the Business Register, has been paid up in full through a monetary contribution of EUR 3 779 136.900 and a non-monetary contribution representing a business share in the CDCP in the amount of EUR 7 625 790.396 by the National Property Fund of the Slovak Republic. The National Property Fund acquired the controlling stake in the BSSE's registered capital in the amount of 74.2% (2005: 22.13%). In 2009, the National Property Fund increased its stake in the BSSE's registered capital to 75.94% by exercising a pre-emption right on the shares of the Stock Exchange. The National Property Fund was terminated by a decision of the National Council of the Slovak Republic; joint-stock company MH Manažment became its legal successor from 1 January 2016. The ownership interest of MH Manažment in the Stock Exchange's registered capital can be subject to further privatisation, while the pre-emption right of the existing shareholders will be preserved.

Distribution of statutory profit or settlement of loss for the year 2015

On 9 June 2016, a general shareholder meeting approved the following distribution of profit for the year 2015:

	Year 2015
Profit for the accounting period	829 084
Approved distribution of profit for accounting period	Year 2016
Additions to legal reserve fund	82 908
Additions to statutory and other funds	-
Settlement of loss from previous years	361 751
Distribution of share in profit to shareholders	-
Transfer to undistributed profit of previous years	384 425
Other	-
Total	829 084

The legal reserve fund is created in line with the relevant law and the Company's Articles of Association, and its use is limited to settlement of losses in compliance with the Commercial Code in effect in the Slovak Republic.

10. Reserves for payables

Name of item	Balance as of 1 January 2016	Additions	Use	Cancellation	Balance as of 31 December 2016
Reserve for leave	21 096	17 964	21 096	-	17 964
Reserve for bonuses	20 400	20 400	20 400	-	20 400
Reserve for audit and preparation of financial statements	9 298	9 274	9 298	-	9 274
Other reserves	966	-	-	-	966
Reserves, total	51 760	47 638	50 794		48 604

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11. Trade payables

Trade payables consist of the following items:

	2016	2015
Payables to suppliers	23 892	15 810
Advances received	-	-
Other trade payables	2 729	2 713
Trade payables, total	26 621	18 523

The Company does not recognise any trade payables that are overdue.

12. Other payables

	2016	2015
<i>Payables from current income tax</i>	0	22 555

Other payables and accruals consist of the following items:

	2016	2015
Payables to employees	56 396	78 762
Social security	37 573	47 715
Tax payables	12 668	19 142
Other payables (especially social fund)	1 254	1 448
Deferred income (advances received for IT services)	8 900	8 900
Other current payables and accruals, total	116 791	155 967

The Company does not recognise any other payables that are overdue.

Social fund payables

	2016	2015
Opening balance as of 1 January	1 448	2 078
Total creation:	12 550	12 589
<i>From expenses according to law</i>	4 257	4 293
<i>Other creation</i>	8 296	8 296
Total drawing:	12 831	13 219
<i>Contribution to employee catering</i>	8 631	9 019
<i>Contribution to transportation to workplace</i>		
<i>Contribution to labour force recovery</i>	4 200	4 200
Closing balance as of 31 December	1 167	1 448

13. Deferred tax payable

	2016	2015
Temporary differences between book value of assets and tax basis, including:		
Deductible	(11 921)	(12 689)
Taxable	683 513	624 742
Temporary differences between book value of liabilities and tax basis, including:		
Deductible	(30 915)	(30 781)
Taxable		
Possibility to amortise future tax loss	(36 600)	
Possibility to transfer unused tax deductions		
Income tax rate (%)	21	22
Deferred tax receivable		
Applied tax receivable		
Accounted for as expense reduction		
Accounted for in equity		
Deferred tax payable	126 856	127 880
Change in deferred tax payable	(1 024)	(3 310)
Accounted for as expense	(1 024)	(3 310)
Accounted for in equity		

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14. Revenues

Revenues are comprised of the following items:

	2016	2015
Securities trading fees	524 602	665 687
Listing fees	321 104	306 755
Annual membership fees	92 960	99 047
Fees for provision of information	96 799	98 804
Basic membership fees	0	33 200
Core revenues, total	1 035 465	1 203 493
Revenues from organising educational courses	4 364	2 880
Revenues from sale of assets	0	0
Revenues from lease	48 678	25 128
Sundry revenues	124 008	220 068
Other revenues, total	177 050	248 076
Operating revenues, total	1 212 515	1 451 569

Sundry revenues in 2016 comprise mainly the payments for clearing and settlement of transactions in securities realized through the CDCP, and other re-invoiced expenses of the CDCP. All revenues of the Company come from activities performed on the territory of the Slovak Republic. Although the Company does not perform any activity abroad, part of revenues (payments for information services) comes from sources outside the Slovak Republic.

15. Consumables and services

Consumables and services consist of the following items:

	2016	2015
Repairs and maintenance of IT systems and assets	196 043	240 876
Material and energy consumption	38 947	47 369
Cost of telecommunication services	10 323	11 097
Building safeguarding	44 750	44 791
Training and consulting	5 747	5 685
Travel expenses	4 272	2 582
Representation costs	3 331	4 895
Cleaning and waste disposal expenses	20 468	20 560
Audit expenses	6 751	8 632
Other services	21 027	32 844
Material and services, total	351 659	408 235

The most important expense item of this group is the repairs and maintenance of IT systems, of which a major part is the flat expenses on administration and maintenance of the application program software. A significant part of those flat expenses was re-invoiced to the CDCP. Among other services, major items include expenses on connection services, advertising, promotion and various small services.

16. Personnel expenses

Personnel expenses are comprised of the following:

	2016	2015
Wages and salaries	476 027	490 271
Remuneration for members of Company bodies	77 641	78 471
Social security costs and other social expenses	217 682	225 077
Total labour and related expenses	771 350	793 819

The average number of employees was as follows:

	Management	Other employees	Total
Average number of employees, total as of 31 December 2016	5	16	21
Average number of employees, total as of 31 December 2015	5	17	22

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17. Other expenses and other financial expenses**17.1. Other expenses**

Other expenses, net, consist of the following:

	2016	2015
Other taxes and charges	4 937	5 562
Provision for doubtful receivables and write-off of receivables	166	498
Non-current assets sold	0	0
Statutory charges and membership fees in various organizations	10 763	9 881
Insurance of assets	14 683	16 011
Other expenses	18 636	21 383
Total other expenses, net	49 185	53 335

Other expenses mainly include the payments for clearing and settlement of transactions in securities, realized through the CDCP, which have been re-invoiced.

17.2. Other financial expenses/revenues

Other financial expenses consist of the following:

	2016	2015
Exchange rate differences, net	108	84
Other expenses, net	1 493	1 970
Including:		
Bank fees	1 493	1 970
Total other financial expenses, net	1 601	2 054

17.3. Expenses on audit and other related services

The Company has concluded an audit contract for the year 2016; the auditing company does not provide other services apart from audit.

The expenses on audit of financial statements in 2016 amounted to the sum of created reserves, that is EUR 6 774 (2015: EUR 6 798).

18. Interest income

Interest income includes:

	2016	2015
Interest income from time deposits	9 283	22 086
Interest income from current accounts	14	47
Interest income, total	9 297	22 459

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19. Income tax**19.1. Income tax reconciliation**

Reconciliation between income tax computed at the statutory rate of 22% and total expenses on income tax:

a	2016			2015		
	Tax base b	Tax c	Tax in % d	Tax base e	Tax f	Tax in % g
Profit before tax	542,122			140,783		
including:						
Theoretical tax		119,267	22		30,972	22
Non-deductible expenses	44,966	9,893	2	46,067	10,135	7
Non-taxable income	-623,689	-137,212	-25	-38,264	-8,418	-6
Impact of unreported deferred tax asset						
Amortisation of tax loss		0		0	0	
Other						
Total	-36,601	-8,052	-1.49	148,586	32,689	23.22
Income tax paid through deduction		1,832	0.34		4,699	3.34
Tax licence		2,880				
Deferred income tax		-1,024	-0.19		-3,310	-2.35
Income tax, total		3,688	0.68		34,078	24.21
Impact of change in tax rate on deferred tax		-7,139				

19.2. Income tax expense

Analysis of income tax expense:

	2016	2015
Current income tax	4 712	37 388
Deferred income tax	- 1 024	-3 310
Income tax, total	3 688	34 078

19.3. Deferred income tax

Analysis of deferred income tax:

	Non-current assets	Reserves	Unpaid services	Provision for receivables	Tax loss	Total
As of 1 January 2015	(136 870)	3 117	0	2 564	0	(131 189)
Income/(Expense)	(573)	3 629	25		0	3 309
				228		
As of 31 December 2015	(137 443)	6 746	25	2 792	0	(127 880)
Income/(Expense)	(6 095)	(311)	32		7 686	1 024
				(288)		
As of 31 December 2016	(143 538)	6 435	57	2 504	7 686	(126 856)

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20. Related parties

Related parties of the Company have been identified as shareholders, the subsidiary, directors and management of the Company. In addition to the aforementioned, all state-controlled entities are related parties of the BSSE as a subsidiary of MH Manažment a.s.

20.1. Shareholders

Transactions with shareholders as of 31 December 2016 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
MH Manažment a.s.	-	-	-	-
Patria Online, a.s.	229	-	13 276	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	14 212
Slovenská sporiteľňa, a.s.	8 030	-	110 880	-
Middle Europe Investments N.V.	-	-	-	-
Poštová banka, a.s.	27	-	8 872	-
ING Bank N.V., pobočka zahraničnej banky	-	-	-	318
Československá obchodná banka, a.s.	3 796	-	50 809	-
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	-	-	-	-
UniCredit Bank Slovakia a.s.	-	-	-	-
UniCredit Bank Czech Republic	6 971	-	57 458	-
Tatra banka, akciová spoločnosť	2 246	-	61 895	-
UNIQA poisťovňa, a.s.	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s.	-	-	-	-
Total	21 299	-	303 190	14 530

Transactions with shareholders as of 31 December 2015 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
National Property Fund	-	-	-	-
Patria Online a.s.	454	-	10 993	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	16 011
Slovenská sporiteľňa, a.s.	2 936	-	111 551	-
Middle Europe Investments N.V.	-	-	-	-
Poštová banka, a.s.	225	-	24 312	-
ING Bank N.V., pobočka Bratislava	-	-	-	-
Československá obchodná banka, a.s.	2 942	-	71 178	-
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	-	-	-	-
UniCredit Bank Slovakia a.s.	-	-	-	-
UniCredit Bank Czech Republic	2 950	-	94 275	66
Tatra banka, a.s.	4 755	-	62 341	58
UNIQA poisťovňa, a.s.	-	-	-	-
Tatra CREDITAX s.r.o.	-	-	-	-
Všeobecná investičná spoločnosť, a.s.	3 196	-	40 266	-
Total	14 262	-	374 650	16 251

20.2. Subsidiary

Transactions with subsidiary as of 31 December 2016 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
Centrálny depozitár cenných papierov v SR, a.s.	1 071	349	138 648	18 938
Total	1 071	349	138 648	18 938

Transactions with subsidiary as of 31 December 2015 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
Centrálny depozitár cenných papierov v SR, a.s.	644	1 405	211 044	21 383
Total	644	1 405	211 044	21 383

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20.3. Members of Company bodies

Salaries and bonuses of members of the Company bodies as of 31 December 2016:

<i>Body</i>	<i>Number</i>	<i>Bonuses (EUR)</i>	<i>Salaries (EUR)</i>
Board of Directors	6	51 750	
Supervisory Board	3	25 891	
Stock Exchange Committees	9		
Executive management	5	36 100	165 450
Total		113 741	165 450

Salaries and bonuses of members of the Company bodies as of 31 December 2015:

<i>Body</i>	<i>Number</i>	<i>Bonuses (EUR)</i>	<i>Salaries (EUR)</i>
Board of Directors	6	54 600	
Supervisory Board	3	23 871	
Stock Exchange Committees	9	0	
Executive management	4	24 318	132 000
Total		102 789	132 000

The Company is not involved in any significant transactions with directors and Company management, except for the salaries as described in the table above.

In the years 2016 and 2015, the members of the statutory, managing and supervisory bodies were not paid any non-cash remuneration.

20.4 Other related parties

Transactions with other related parties as of 31 December 2016 comprise the following

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
Slovenský plynárenský priemysel, a.s.				12 838

Transactions with other related parties as of 31 December 2015 comprise the following:

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
Slovenský plynárenský priemysel, a.s.		1 982		12 780

21. Commitments and contingencies**21.1. Guarantee Fund**

The BSSE performs the administration and keeping of the Guarantee Fund accounts. As of 31 December 2016, the balance of the Guarantee Fund accounts is EUR 145 698 (31 December 2015: EUR 112 843). These funds are not the BSSE's asset; they can be used to offset the members' liabilities in compliance with the Rules of the BSSE. The financial means of the Guarantee Fund are kept separately in the so-called subordinate accounts separately for each member.

21.2. Investments

The investment budget for the year 2017 is summarised as follows:

<i>Year</i>	<i>Investments</i>
2017	14 000

The amount represents expected capital expenditure for acquisition of non-current tangible and intangible assets.

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21.3. Legal disputes

The BSSE is presently not a plaintiff in any legal dispute.

As of the day of preparation of financial statements, the BSSE was a defendant in three lawsuits. In two cases, the plaintiffs requested a review of the decision and the BSSE's procedure. The proceedings are not yet completed and no hearing has been ordered so far. An estimate of possible cost of these proceedings only includes the cost of legal representation in the amount of EUR 1 200. In one lawsuit, the proceeding is about omission of a public authority. In this case, again, an estimate of possible cost only includes the cost of legal representation in the amount of EUR 500.

The BSSE's subsidiary – the CDCP – is a party to several significant legal disputes. Detailed information on the CDCP's contingencies can be found in Part 5 of these Notes.

21.4. Tax implications

Tax declarations for corporate income tax remain open, and may be subject to inspection over a five-year period. The fact that a year or a tax declaration related to that year has been reviewed does not exclude that year from further tax review during the seven-year period. Consequently, as of 31 December 2016, the Company's tax declarations from previous years remain open and may be subject to review. Additionally, income tax rules and regulations have undergone significant changes in recent years and there is little historical precedent or interpretative rulings.

22. Financial instruments

Management of the Company believes that the carrying values of the financial assets, receivables, other current assets and current liabilities approximate their fair values due to their short-term maturity.

As of 31 December 2016, the Company has no open forward or option contracts.

23. Events subsequent to the balance sheet date

Until the day of preparation of the financial statements (after 31 December 2016), there have not been any events that would require the application of changes in the financial statements compiled as of 31 December 2016.

The proposal for profit distribution for the year ended 31 December 2016 was not approved at the time of preparation of the financial statements.

Prepared on:

7 April 2017

*Signature of a member of
the statutory body of the
reporting enterprise or a
natural person acting as
a reporting enterprise:*

*Signature of a person
responsible for book-
keeping and preparation of
the financial statements:*

Approved on:

Statement

Issued by the Supervisory Board of the Bratislava Stock Exchange (BSSE) in regard to the BSSE's ordinary separate financial statements for the year 2016 and to the profit distribution proposal for the year 2016

The Supervisory Board:

1. Has examined the ordinary separate financial statements for the year 2016 and states that they are prepared according to the International Financial Reporting Standards as adopted by the EU, and are in compliance with the Act No 431/2002 (Coll.) on Accounting as amended by later legislation as well as with the Methodical Directive of the Ministry of Finance of the Slovak Republic governing the disclosure of information in the Notes to Financial Statements. The accounting statements and other underlying documentation included in the ordinary financial statements are complete, and the data reported as of 31 December 2016 truthfully present the performance results.
2. States that the Company has posted a profit before tax in the amount of 542 122,85 EUR. After taking into account the due and deferred taxes, the profit after tax for the accounting period is in the amount of EUR 538 434,54.
3. States that the ordinary separate financial statements were audited by auditing company KLT AUDIT, spol. s r. o. Trnava, licence No SKAU 212, which states in the auditor's report dated 7 April 2017 that the financial statements give a true and fair view of the financial position of the company Bratislava Stock Exchange as of 31 December 2016, of its financial performance and its cash flows for the year then ended in compliance with the International Financial Reporting Standards as adopted by the EU.

Based on the aforementioned, the Supervisory Board of the Bratislava Stock Exchange

recommends

to the General Meeting

- a.) To approve the Annual Report for the year 2016;
- b.) To approve the ordinary separate financial statements for the year 2016;
- c.) To approve the Board of Directors' Profit Distribution Proposal for the year 2016 as follows:

Additions to reserve fund (10% of profit after tax)	EUR 53 843,45
Unsettled profit	EUR 484 591,09

Profit distribution, total

EUR 538 434,54

Bratislava, 28 April 2017



Ing. Igor Lichnovský
Chairman of the Supervisory Board