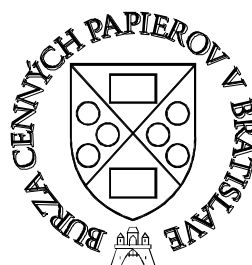




Annual Report

2017



BRATISLAVA STOCK EXCHANGE

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for the Year Ended 31 December 2017

1. INTRODUCTION

Dear shareholders and business partners,

On Bratislava Stock Exchange (“BSSE” or “the Stock Exchange” hereinafter), the year 2017 was characterised by anticipated changes and a constant search for how to effectively deliver our services under the conditions of continued decline of trading and ever-increasing European regulation.

The changes that have concluded the year 2017, however, bring critical challenges and their solution will be a factor determining future development of the operator of the regulated market in Slovakia as soon as in the short-term view.

The year 2017 was the second in line that we ended with an operating loss, which had considerably deepened. The development projected for the year 2018 is already fatal for the Stock Exchange’s existence in Slovakia. It is therefore essential to focus – together with all partners - on strategic issues concerning services that the Stock Exchange can, and is able to, provide as the operator of the regulated market.

One of the decisive factors for our successful future will continue to be the rapid increase in competitiveness of provided investment services and activities within the framework of the entire infrastructure of the capital market. The creation of an attractive investment environment in the Slovak Republic should result in a turn-around of the trend of reduction in the number of non-bank entities among the Stock Exchange members. The fatal decline in revenues from trading will lead to fundamental questions concerning the change of financing of the Stock Exchange’s operation.

From a viewpoint of the operator of the regulated market, in the year 2018 and the following period we expect the real effects of multiple changes in our capital market. The changes brought not only by the EU regulation, but also by adaptation of our members to the new conditions. The direct result will be, as soon as in 2018, the transfer of custody activities of our members to the off-exchange market with a direct financial impact on the Stock Exchange’s revenues. What will have a fundamental and fatal impact on the Stock Exchange’s operation and economy, however, is the loss caused by the transfer of trading of government bonds to the MTF platform of the London Stock Exchange (the reference platform for the secondary market of the Slovak government bonds).

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 2017, Bratislava Stock Exchange had 14 shareholders the largest of which is MH Manažment, a.s. The company had 24 employees as of the year-end 2017.

BSSE SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2017

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	
	Total	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. v likvidácii	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 ("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 (until 14 June 2017)

Ing. Ľuboš Marček
Ing. Miloslav Michalík
Ing. Viktor Reischig (from 14 June 2017)

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.
Mgr. Vladimír Ravinger, PhD., Poštová banka, a.s. (until 29 November 2017)
Ľuboš Škobla, JELLYFISH, o.c.p., a.s.
Ing. Michal Štubňa, J & T Banka, a.s., pobočka zahraničnej banky
Ing. Andrej Ungvarský, Všeobecná úverová banka, a.s.
Ing. Vladimír Vanko, Poštová banka, a.s. (from 29 November 2017)

3. SECURITIES ON THE STOCK EXCHANGE MARKETS

As of the last trading day of the year 2017, Bratislava Stock Exchange (BSSE) had 277 issues of securities (shares and bonds) placed on its market. That includes 23 issues placed on the main listed market, 22 issues on the parallel listed market and 232 issues on the regulated free market. Out of the aforementioned issues of securities, 3 issues are denominated in CZK and 2 issues are denominated in USD.

Issues admitted in the year 2017

A total of 38 new issues of securities of local issuers, in a total nominal value of EUR 4.862 billion, started to trade on the BSSE's markets in the course of the year 2017. All the newly admitted securities are bond issues. The main listed market was in 2017 joined by 2 new issues of government bonds. A total of 35 issues of securities (incl. 10 issues of mortgage bonds, 10 issues of bank bonds and 15 issues of corporate bonds) were admitted to the regulated free market.

In addition to the newly admitted bond issues, the influx of new capital to the BSSE's markets continued also through the admission of new tranches of the already admitted

bonds. The issued volume of 7 government-bond issues and 9 bond issues placed on the regulated free market was increased in this manner in the year 2017; the total nominal value of the capital admitted in this way amounted to EUR 3.265 billion. The total value of the capital newly admitted to the BSSE's markets amounted to EUR 8.127 billion.

Issues that stopped to trade in the year 2017

In the twelve months of the year 2017, trading of 3 issues ended following the issuer's request and trading of 2 issues ended due to failure to meet the information duty.

Due to maturity of bonds, the BSSE ended trading on the main listed market of 2 government-bond issues and 1 issue of state treasury bills in a total nominal value of EUR 5.828 billion.

Trading of 3 issues of mortgage bonds, in a total nominal value of 111.155 million, ended on the parallel listed market for the same reason.

Trading of 19 issues of debt securities (incl. 16 issues of mortgage bonds and 3 issues of corporate bonds), in a total nominal value of EUR 501.819 million, ended on the regulated free market.

4. TRADING

In the year 2017, the BSSE's electronic trading system was accessible to members in 247 business days. A total of 7 307 transactions were concluded in this period, in which 6 386 049 376 units of securities were traded and the achieved financial volume exceeded EUR 7.240 billion. In comparison with the year 2016's trading results, it is a decrease by 10.41% in the number of concluded transactions, an increase by 5.94% in the amount of traded securities and an increase of the achieved financial volume by 0.66%. A total of 5 573 electronic order book transactions (i.e. price-setting deals) were concluded in the twelve months of the year 2017, in a financial volume of EUR 160.703 million (-23.61% on a year-on-year basis). As regards negotiated deals, they amounted to 1 734 transactions in a volume of EUR 7.08 billion (+1.38% on a year-on-year basis). Bond transactions generated 99.76% of the total achieved financial volume in the year under review.

Debt securities in a financial volume of EUR 7.223 billion (+0.57% in a year-on-year comparison) were bought and sold in 247 business days of the year 2017. A major share of that volume was generated by negotiated deals. In the same period, the volume of traded issues of equity securities totalled EUR 17.416 million (+56.94% in a year-on-year comparison).

In comparison with the year 2016 when 8 REPO transactions were concluded in a total volume of EUR 55.92 million, no REPO transactions were concluded on the BSSE in the year 2017.

Transactions concluded by non-residents in 2017 accounted for 59.56% of the total trading volume. On the buy side the non-residents accounted for 60.50%; on the sell side

they did 59.41% of the trading volume. 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 2017, the BSSE registered on its markets 63 share issues of 44 issuers. Out of that, 6 issues were placed on the main listed market, 8 issues on the parallel listed market and 49 share issues were traded on the regulated free market.

As of the year-end 2017, the market capitalisation of equity securities traded on the BSSE's markets increased by 5.57% on a year-on-year basis to EUR 4.581 billion. The real market capitalisation, which comprises issues that have at least one market price in history (excluding share certificates), amounted to EUR 4.518 billion (+5.65% year on year) and accounted for 98.62% of the total market 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 4.05% to EUR 2.272 billion.

In the period under review, the annual traded volume of share transactions (incl. obligatory public offers to take over) totalled EUR 17.416 million in absolute terms. It is an increase by 56.94% against the comparable period of the year 2016. The shares of local companies were traded in 1 669 transactions, in which 1 808 403 units of equity securities changed hands. On a year-on-year basis it is a 21.42-percent decrease in the number of concluded transactions, with an 864.36-percent increase in the amount of traded securities. A total of 22 negotiated transactions in the issues of equity securities, in a financial volume of EUR 3.238 million, were concluded in the year 2017. As regards the electronic order book transactions in shares, they amounted to 1 647 transactions with the achieved volume of EUR 14.178 million. On a year-on-year basis it is a 107.71-percent increase in the volume generated by the electronic order book transactions and a 24.20-percent decrease of the financial volume from negotiated deals.

From a perspective of achieved financial volume, the year 2017's most prominent share issues on the market of listed securities were Tatry Mountain Resorts (EUR 5.413 million; 354 transactions), Best Hotel Properties (EUR 4.919 million; 25 transactions) and VÚB (EUR 0.828 million; 469 transactions). Excluding the public offers to take over, the chart of the most successful issues of 2017 by traded volume on the BSSE's regulated free market is led by the share issue Tatra banka (EUR 3.677 million; 66 transactions), followed by Tatra banka 2 (EUR 1.44 million; 10 transactions) and Vipo (EUR 37 847; 12 transactions).

Eight new obligatory public offers to take over were announced on the BSSE in the year 2017; 5 public offers to take over expired in the same year. The financial volume of transactions achieved from the realised public offers to take over exceeded EUR 181 595 in 14 transactions. The volume of transactions from the public offers to take over accounted for 1.04% of the total volume of share transactions; nearly 0.6% of transactions in equity securities were realised within the framework of these public offers to take over.

Transactions concluded by non-residents in 2017 accounted for 38.63% of the total volume of share transactions. Out of that, the buy side represents 17.42% and the sell side does 59.83%.

Two share issues (of issuers Best Hotel Properties and Tatry Mountain Resorts) were tradable in the module of market makers (MTT) as of the year-end 2017. The volume of transactions in the MTT amounted to EUR 901 000 in 192 transactions, accounting for 6.35% of the total volume of electronic order book transactions in shares.

Transactions in bonds

As of the last trading day of the year 2017, transactions on the BSSE's markets could be concluded in 214 bond issues (incl. 134 issues of mortgage bonds, 17 issues of government bonds, 27 issues of bank bonds and 36 issues of corporate bonds). That includes 17 government-bond issues placed on the main listed market, 14 issues on the parallel listed market and 183 issues on the regulated free market.

As of the year-end 2017, the market capitalisation of debt securities admitted to the BSSE's markets climbed to EUR 43.427 billion representing a 2.73-percent increase against the same period of the year 2016. As regards the bond issues traded on the market of listed securities, their market capitalisation decreased since the end of December 2016 by 1.43% to EUR 37.136 billion.

A total of 5 638 bond transactions were concluded in the twelve months of the year 2017, in which 6 348 240 973 units of securities were traded in a financial volume of EUR 7.223 billion. The number of concluded transactions decreased against the previous year (-6.53%), whereas the amount of traded securities and the financial volume increased (+5.91% and +0.57%, respectively). In the trading days of the year 2017, debt securities were traded in negotiated deals (in a volume of EUR 7.076 billion) and in electronic order book transactions (in a volume of EUR 146.525 million). A total of 1 512 transactions were concluded in government bonds, in which financial means worth EUR 6.945 billion were spent. That accounts for 96.15% of the total volume of bond transactions.

From a perspective of achieved financial volume, the following were the most frequently traded bond issues of the public sector in 2017: Government bonds of series 230 (EUR 1.301 billion; 237 transactions), government bonds of series 228 (EUR 1.288 billion; 194 transactions) and government bonds of series 216 (EUR 0.6 billion; 86 transactions). As regards the issues of debt securities of the private sector, the most noticeable were issues CPI 5.00/2022 (EUR 29.885 million; 640 transactions), HZL VÚB 93 (EUR 24.496 million; 1 transaction) and JTFG V 5.25/18 (EUR 17.704 million; 392 transactions). The issue CPI 5.00/2022 recorded the highest number of transactions (640) in the year under review. In electronic order book transactions, the top spot was taken by the government bonds of series 216 (with the achieved volume of EUR 0.962 million) in the public sector and by the issue CPI 5.00/2022 (EUR 29.885 million) in the private sector.

Transactions concluded by non-residents in 2017 accounted for 60.01% of the total volume of bond transactions. Out of that, the buy side represents 60.61% and the sell side does 59.41%.

As of the last trading day of the year 2017, transactions in the module of market makers could be concluded in 16 issues of securities.

INDICES

The SAX index ended the year 2017 at 325.62 points, strengthening by 2.21% against the end of the previous year. The following are year-on-year changes of the SAX index base issues in the year 2017: Biotika (-16.69%; EUR 35.00), OTP Banka Slovensko (-16.02%; EUR 1.52), SES Tlmače (+27.5%; EUR 1.02), Slovnaft (+7.14%; EUR 75), VÚB (+2.93%; EUR 146.03), Tatry Mountain Resorts (+9.47%; EUR 26.60) and Best Hotel Properties (-4.57%; EUR 3.13).

Two regular revisions of the SAX index took place in the year 2017. At meetings on 9 January 2017 and 10 July 2017, the Commission for the SAX index decided to leave the currently valid index base unchanged while keeping the 20-percent weight limit of the base issues in the index base. At the same time, the Commission set the correction coefficients of all the base issues to the same value. Dividends of the following companies were paid out by the year-end 2017 and factored in in the index: VÚB, a.s. (EUR 5.55; date of record: 29 April 2017), Biotika a.s. (EUR 2.20; date of record: 14 June 2017) and Slovnaft, a.s. (EUR 4.00; date of record: 13 April 2017).

The group of the Slovak bond indices – the SDXGroup – ended the year 2017 with the following values: The SDXGroup for the public sector, represented by government bonds, ended the year 2017 at 124.35 (price) and 212.6331 (performance) with a yield to maturity of 1.006% and a duration of 4.902 years.

Two regular revisions of the base composition of the SDXGroup took place in 2017. At meetings on 31 January 2017 and 31 July 2017, the Commission adopted a decision to leave the currently valid composition of the SDXGroup base unchanged for the following six-month period.

5. CLEARING AND SETTLEMENT

	2017	2016	%
Transfer services	7 432	8 341	-10.90
Suspended transactions	1	1	0.00
Amount of transferred securities	6 678 803 915	6 036 887 726	+10.63

6. MEMBERSHIP

The BSSE had 13 regular members as of 31 December 2017. In the year 2017, company Sberbank Slovensko a.s. ended its regular membership on the BSSE (as of 31 July 2017) due to a merger with company Prima banka Slovensko, a.s. 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 2017

The total turnover of transactions on the BSSE in 2017 amounted to EUR 14.481 billion (+0.66% in comparison with the year 2016) in 7 313 transactions. Out of that, shares were bought and sold in a total value of EUR 34.831 million (0.24% of the total turnover) in 1 669 transactions and bonds recorded a total turnover of EUR 14.446 billion (99.76% of the total) in 5 644 transactions.

The following tables show the top 10 members by turnover achieved in the year 2017 broken down to shares, bonds and total turnover.

SHARES

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	J&T BANKA, a.s., pobočka zahraničnej banky	14 920 604	42.84%
2	PATRIA FINANCE, a.s.	5 709 789	16.39%
3	TATRA BANKA, a.s.	5 578 851	16.02%
4	POŠTOVÁ BANKA, a.s.	5 036 616	14.46%
5	JELLYFISH, o.c.p., a.s.	2 041 969	5.86%
6	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	970 642	2.79%
7	SLOVENSKÁ SPORITEĽŇA, a.s.	230 344	0.66%
8	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	135 810	0.39%
9	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	98 879	0.28%
10	OTP BANKA SLOVENSKO, a.s.	90 505	0.26%
	TOP 10 TOTAL	34 814 008	99.95%
	BSSE TOTAL	34 831 478	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	4 053 353 617	28.06%
2	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	3 481 479 193	24.10%
3	CITIBANK EUROPE plc, prostredníctvom pobočky v SR CITIBANK EUROPE plc, pobočka zahraničnej banky	3 393 523 024	23.49%
4	TATRA BANKA, a.s.	1 424 914 967	9.86%
5	SLOVENSKÁ SPORITEĽŇA, a.s.	879 168 444	6.09%
6	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	509 619 057	3.53%
7	NÁRODNÁ BANKA SLOVENSKA	421 765 184	2.92%
8	J&T BANKA, a.s., pobočka zahraničnej banky	270 610 631	1.87%

9	SBERBANK SLOVENSKO, a.s.	8 539 391	0.06%
10	POŠTOVÁ BANKA, a.s.	1 781 577	0.01%
	TOP 10 TOTAL	14 444 755 085	99.99%
	BSSE TOTAL	14 445 998 110	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	4 053 489 426	27.99%
2	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	3 481 578 071	24.04%
3	CITIBANK EUROPE plc, prostredníctvom pobočky v SR CITIBANK EUROPE plc, pobočka zahraničnej banky	3 393 523 024	23.43%
4	TATRA BANKA, a.s.	1 430 493 818	9.88%
5	SLOVENSKÁ SPORITELŇA, a.s.	879 398 788	6.07%
6	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	510 589 699	3.53%
7	NÁRODNÁ BANKA SLOVENSKA	421 765 184	2.91%
8	J&T BANKA, a.s., pobočka zahraničnej banky	285 531 235	1.97%
9	SBERBANK SLOVENSKO, a.s.	8 546 711	0.06%
10	POŠTOVÁ BANKA, a.s.	6 818 193	0.05%
	TOP 10 TOTAL	14 471 734 149	99.94%
	BSSE TOTAL	14 480 829 588	100.00%

7. INSPECTION

In the course of the year 2017, 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 2018, the BSSE plans to focus primarily on the following areas:

1. Adaptation to a radical change in the conditions of provision of services due to the transfer of government-bond trading outside the BSSE's market;
2. Adoption of measures to foster the revenue growth of the BSSE;
3. Finding opportunities for international co-operation with the Stock Exchanges in the EU;
4. Support for the implementation of measures aimed at revitalisation of the local capital market;
5. Involvement in the initiative aimed at finding small- and medium-sized enterprises with growth potential and their preparation to enter the capital market.

9. FINANCIAL INDICATORS OF THE YEAR 2017

a) Statement of Comprehensive Income

Item	2017	2016	Year-on-year change
Total revenues	1 041 714	1 221 812	- 180 098
Total expenses	1 113 817	683 378	430 439
Comprehensive income, after tax	- 72 103	538 434	- 610 537

The Stock Exchange ended the year 2017 with a loss of EUR -72 103. In comparison with the year 2016 when the Stock Exchange posted an after-tax profit of EUR 538 434, there was a decrease by EUR 610 537.

The decrease in total revenues is affected by the continuing decline in proceeds from trading fees (-117 108 EUR year on year), and also by reduced revenue from listing fees and other revenues from economic activity.

Total expenses of the year 2017 are higher against the year 2016 only due to a lower amount of the cancelled adjusting entry to financial investments, which is reflected in total financial expenses described below. As can be seen in the comparison in the following table, the Stock Exchange's operating costs are lower by EUR 21 447 in comparison with the year 2016 due to implemented austerity measures.

Item	2017	2016	Year-on-year change
Revenues	1 037 550	1 212 515	- 174 965
Operating costs	1 238 207	1 259 654	- 21 447
Operating profit/loss	- 200 657	- 47 139	- 153 518

The result of the Stock Exchange's operation is a loss of EUR – 200 657. Revenues are lower by EUR 174 965, whereas operating costs only decreased by EUR 21 447.

As a result of dissolution of the remaining part of the adjusting entry to financial investments, the Stock Exchange's total comprehensive income for the year 2017 is positive; however, compared to the year 2016 it is lower by EUR 464 987.

Item	2017	2016	Year-on-year change
Financial revenues	4 164	9 297	- 5 133
Financial expenses (decrease)	- 120 110	- 579 964	459 854
Difference between financial revenues and expenses	124 274	589 261	- 464 987

As of the date of preparation of financial statements, the fair value of financial investment in subsidiary (which is Centrálny 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 393 852 against the year 2016. The adjusting entry to this investment that the Stock Exchange had created thus decreased by EUR 122 133, i.e. to zero value. The Stock Exchange therefore posted a profit from financial activity of EUR 124 274.

b) Statement of Financial Position

Item	2017	2016	Year-on-year change
Non-current assets	9 129 330	9 085 163	44 167
Current assets	3 714 575	3 822 612	- 108 037
Total assets	12 843 905	12 907 775	- 63 870

The Stock Exchange's total assets in 2017 decreased by EUR 63 870 against the year 2016; out of that non-current assets increased by EUR 44 167 and current assets decreased by EUR 108 037. The increase in carrying amount of non-current assets is mainly affected by complete dissolution of the adjusting entry to long-term financial assets. Investments into the purchase of non-current tangible assets were realised in the course of the year in the approximate amount of EUR 10 000. Total accounting depreciation in the amount of EUR 87 946 has reduced the increase in the carrying amount of tangible and intangible assets. The decrease in current assets was mainly reflected in a decrease in cash by a total amount of EUR 86 156.

Item	2017	2016	Year-on-year change
Equity	12 516 799	12 588 903	- 72 104
Total liabilities	327 106	318 872	8 234
Equity and liabilities, total	12 843 905	12 907 775	- 63 870

Equity decreased due to the loss posted. At the same time, there was an increase in total liabilities by EUR 8 234 as of 31 December 2017. The financial structure of liabilities shows that the share of own capital to total liabilities did not change in the year 2017 (97.5%) in comparison with the year 2016 (97.5%).

c) Statement of Cash Flows

At the year-end 2017, cash and cash equivalents amounted to EUR 3 639 717, which is a decrease by EUR 86 156 against the year 2016. From cash provided by operating activities, the Stock Exchange recorded a loss of money in the amount of EUR 76 178; the amount of EUR 9 978 was spent 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 2017), there were no events that would require modifications to the financial statements.

e) Proposal for Settlement of Loss for the Year 2017

Loss for the year 2017, total	EUR 72 103.02
Settlement from undistributed profit of previous years	EUR 72 103.02

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 2017, the Stock Exchange had 24 employees including 11 men and 13 women.

Employees by age groups:

Up to 30 years of age: 2

30 to 50 years of age: 14

Over 50 years of age: 8

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.

d) Own Shares

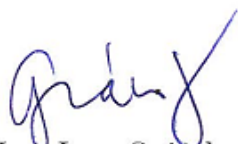
The Stock Exchange did not acquire own shares in the course of the year under review.

e) Organisational Unit Abroad

The Stock Exchange has not established an organisational unit abroad.

11. COMMITTEE FOR AUDIT

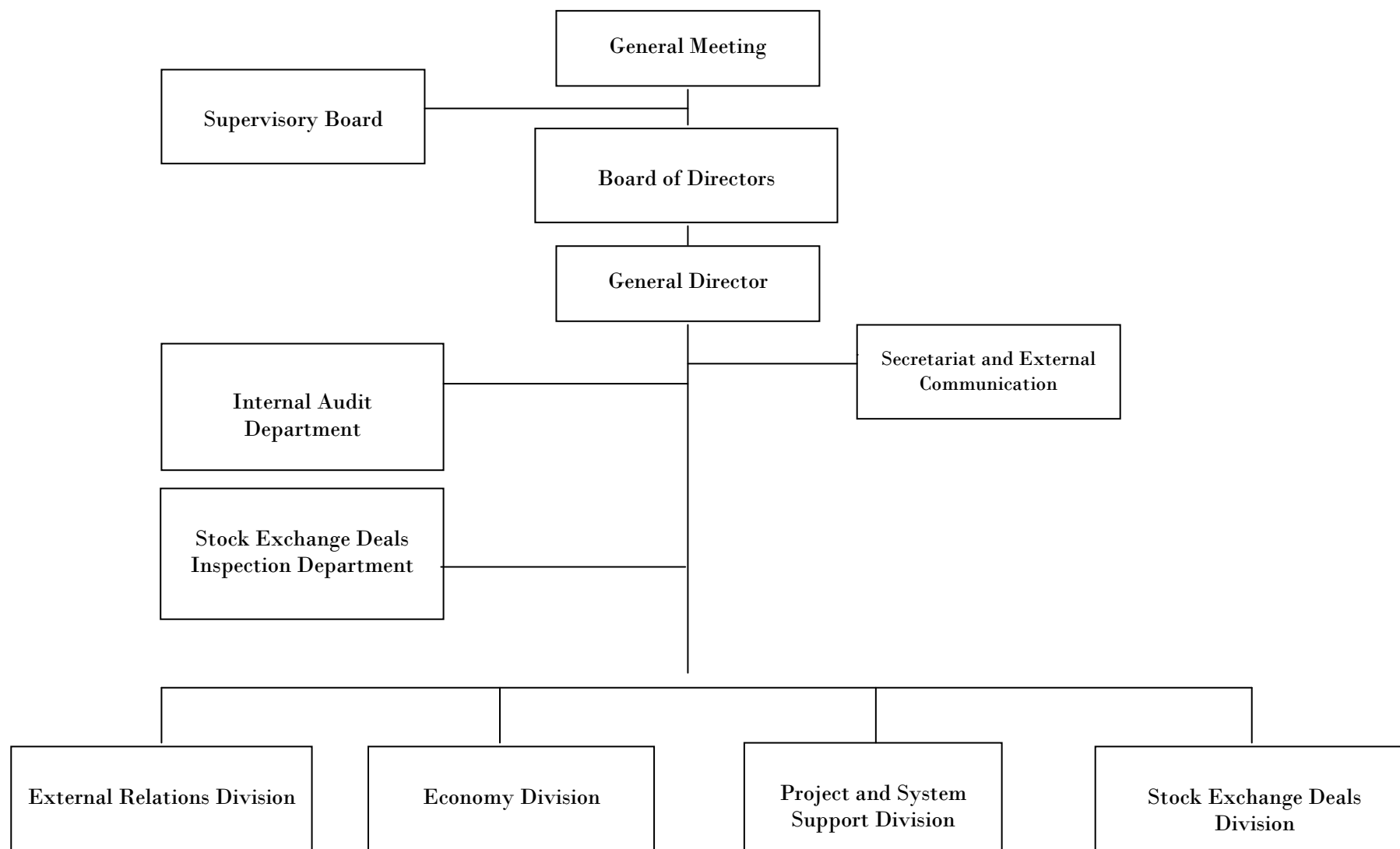
The Stock Exchange has not established a separate Committee for Audit. The function of the Committee is temporarily performed by the Supervisory Board.



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 2017

SECURITIES LISTED AS OF 31 DECEMBER 2017

SHARES – Main Listed Market:

Name of issues	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 214	SK4120007204	28.04.2010
4. Štátny dlhopis 216	SK4120007543	14.10.2010
5. Štátny dlhopis 221	SK4120008665	12.07.2012
6. Štátny dlhopis 222	SK4120008673	10.08.2012
7. Štátny dlhopis 223	SK4120008871	16.11.2012

8. Štátny dlhopis 224	SK4120008954	11.02.2013
9. Štátny dlhopis 225	SK4120009044	01.03.2013
10. Štátny dlhopis 226	SK4120009234	29.05.2013
11. Štátny dlhopis 227	SK4120009762	20.01.2014
12. Štátny dlhopis 228	SK4120010430	22.01.2015
13. Štátny dlhopis 229	SK4120011420	22.01.2016
14. Štátny dlhopis 230	SK4120011636	16.05.2016
15. Štátny dlhopis 231	SK4120012220	24.11.2016
16. Štátny dlhopis 232	SK4120012691	10.3.2017
17. Štátny dlhopis 233	SK4120013400	18.10.2017

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. Slovenská sporiteľňa, a.s. – 13. emisia HZL	SK4120005927	30.05.2008
6. VÚB a.s. Bratislava - 36. emisia HZL	SK4120005893	30.05.2008
7. VÚB a.s. Bratislava - 43. emisia HZL	SK4120006271	03.03.2009
8. Slovenská sporiteľňa, a.s. - podriadené dlhopisy 2018 II	SK4120007956	20.06.2011
9. VÚB a.s. Bratislava - 67. emisia HZL	SK4120008228	23.12.2011
10. Československá obchodná banka, a.s. HZL XIX.	SK4120008640	14.02.2013
11. Československá obchodná banka, a.s. HZL XIII.	SK4120008178	05.04.2013
12. UniCredit Bank Slovakia a.s. - 5. emisia HZL	SK4120009051	06.06.2013
13. UniCredit Bank Slovakia a.s. – HZL UCBSK11H	SK4120009598	02.12.2013
14. UniCredit Bank Slovakia a.s. – HZL UCBSK12H	SK4120009903	10.11.2014

TRADING VOLUME STATISTIC OF THE YEAR 2017

	2017	2016	CHANGE (%)
NUMBER OF TRADING DAYS	247	250	-1.20%
TOTAL VOLUME OF TRANSACTIONS (EUR)	7 240 098 475	7 193 162 036	0.65%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	29 312 140	28 772 648	1.88%
SHARES AND SHARE CERTIFICATES			
TOTAL VOLUME OF TRANSACTIONS (EUR)	17 415 739	11 097 265	56.94%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	70 509	44 389	58.84%
NUMBER OF ISSUES	63	68	-7.35%
MARKET OF LISTED SECURITIES	14	14	0.00%
REGULATED FREE MARKET	49	54	-9.26%
BONDS			
TOTAL VOLUME OF TRANSACTIONS (EUR)	7 222 682 736	7 182 064 771	0.57%
AVERAGE DAILY VOLUME OF TRANSACTIONS (EUR)	29 241 631	28 728 259	1.79%
NUMBER OF ISSUES	214	202	5.94%
MARKET OF LISTED SECURITIES	31	35	-11.43%
REGULATED FREE MARKET	183	167	9.58%

MEMBERS AND ENTITIES AUTHORISED TO TRADE ON BSSE AS OF 31 DECEMBER 2017

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	JELLYFISH, 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	Všeobecná úverová banka, a.s.

*Entity authorised to trade on BSSE



INDEPENDENT AUDITOR'S REPORT

On the financial statements prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union

For the year ended December 31st 2017

Burza cenných papierov v Bratislave, a.s.

Vysoká 17, 811 06 Bratislava
IČO: 00 604 054

Bratislava, May 2018



INDEPENDENT AUDITOR'S REPORT

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

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Burza cenných papierov v Bratislave, a.s. (the "Company"), which comprise the statement of financial position as at 31 December 2017, 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 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by 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.

Other Matter

The financial statements of Company for the year ended December 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on April 7, 2017.

Key Audit Matters

Key audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the 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.

1. Impairment of long-term financial assets

In the statement of financial position as at 31 December 2017, the Company reported a non-current financial asset of 7.626 ths. EUR, what represents 59.4% of the Company's assets recognized in the

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Bank. spojenie 2929913262-1100, IČO: 31 709 117, IČ DPH: SK2020523857
ivobosela@acceptaudit.com www.acceptaudit.sk



financial statements and it consists of the shares of the subsidiary company. Long-term financial assets are measured at acquisition value reduced by the value allowance. As at the balance sheet date, the Company assessed the fair value of those assets and cancelled the value allowance created in the previous accounting periods, as described in the Notes in paragraph 5. We consider this to be of key importance as no reliable market price data is available.

a) While planning the audit and during the audit, we identified the following most serious risk:

- The risk of incorrect valuation of investments.

b) Summary of our response to risk referred in point a):

Our response to this risk was as follows:

- Based on our audit of financial statements of the subsidiary company we have assessed the need to create a value allowance for long-term financial assets.

2. Revenue reporting

The company's total revenues for the year 2017 amounted to 1.038 ths. EUR, what is less by 14.4 % than in the previous accounting period. The most significant revenues are trading fees and listing fees.

a) While planning the audit and during the audit, we identified the following most significant risks:

- the risk of occurrence, completeness, accuracy of reported returns, determination of revenue period - i.e. whether transactions and events that have been recorded or disclosed have actually occurred and those transactions and events relate to the entity, or whether all the transactions and events to be recorded have actually been recorded and all related publications to be included they have been included in the financial statements, whether the amounts and other data relating to recorded transactions and events have been recorded correctly and the related disclosures have been properly measured and disclosed and whether transactions and events have been recorded in the correct accounting period.

b) Summary of our response to risk referred to in point a):

Our response to this risk was as follows:

- Performing a revenue analysis, including the re-calculation of fees for trading with securities, performing substantial procedures including testing transaction details and matching with supporting documentation, verifying the correctness of particular accounting period of stated revenues in accordance with the reporting framework.

Responsibilities of Management

Management is responsible for the preparation of the financial statements to give a true and fair view in accordance with the Act on Accounting, 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.

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Member of JPA International, zapísaný v OR OS Prešov, Odd. Sro, v. l. 2365/P
Bank. spojenie: 2929913262 1100, IČO: 31 709 117, IČ DPH: SK2020523857
rvobosela@acceptaudit.com www.acceptaudit.sk



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.
- 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 and significant deficiencies in internal control that we identify during our audit.

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

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We describe these matters in our auditors' 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 by 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 2017 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 after the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public interest entities

Appointment of the Auditor

We were appointed as the statutory auditor by the Management of company on July 14, 2017 based on our approval by General Meeting of the Company held on July 14, 2017. The length of our total uninterrupted engagement including previous renewals of the engagement (extensions of the period for which we were appointed) and our reappointments as the statutory auditors is 1st year.

Consistency with the Additional Report to the Audit Committee

Our audit opinion expressed herein is consistent with the additional report prepared for the Company's Audit Committee, which we issued on the same day as the date of this report is.

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rvobosela@acceptaudit.com www.acceptaudit.sk



Non-Audit Services

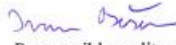
Any prohibited non-audit services referred to in Article 5 (1) of Reregulation regarding the statutory audit of public-interest entities were not provided and we remained independent of the Company when conducting the audit.

Other than statutory audit services and services disclosed in the Annual Report and Financial Statements, we provided no other services to the Company and its controlled undertakings.

In Bratislava, 14th May 2018



ACCEPT AUDIT & CONSULTING, s.r.o.
Baštová 38, 080 01 Prešov
Licence SKAU č. 000124
Reg. in Trade Reg. of DC Prešov, Section: Sro, Ins.No.:2365/P


Responsible auditor:
Ing. Ivan Bošela, CA, MBA
licence SKAU č. 955

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ACCEPT AUDIT & CONSULTING, s.r.o., Baštová 38, 080 01 Prešov, SLOVAKIA
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Bratislava Stock Exchange

**SEPARATE FINANCIAL STATEMENTS PREPARED
ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS AS ADOPTED BY THE
EUROPEAN UNION**

For the year ended 31 December 2017

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 2017

IČO: 00604054
DIČ: 2020804390

CONTENTS**Page****Statement of Financial Position****Statement of Comprehensive Income****Statement of Changes in Equity****Statement of Cash Flows****Notes to Financial Statements**

Bratislava Stock Exchange
STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2017 (EUR)

IČO: 00604054
DÍČ: 2020804390

	Note	2017	2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	3	1 475 640	1 538 660
Intangible and other assets, net	4	27 918	42 864
Investments in subsidiaries	5	7 625 772	7 503 639
Total non-current assets		9 129 330	9 085 163
CURRENT ASSETS			
Trade receivables, net	6	74 002	65 591
Income tax asset	7		29 809
Other current assets	7	856	1 339
Cash and cash equivalents	8	3 639 717	3 725 873
Total current assets		3 714 575	3 822 612
TOTAL ASSETS		12 843 905	12 907 775
EQUITY AND LIABILITIES			
EQUITY			
Registered capital	9	11 404 927	11 404 927
Capital funds	9	314 959	261 116
Accumulated profit and profit for current year		796 913	922 860
Total equity		12 516 799	12 588 903
NON-CURRENT LIABILITIES			
Deferred tax liability	19.3	117 904	126 856
Total non-current liabilities		117 904	126 856
CURRENT LIABILITIES			
Trade payables	11	22 972	26 621
Income tax liability, due	7,12	2 880	0
Provisions for liabilities	10	43 134	48 604
Other liabilities	12	140 216	116 791
Total current liabilities		209 202	192 016
Total liabilities		327 106	318 872
TOTAL EQUITY AND LIABILITIES		12 843 905	12 907 775

Bratislava Stock Exchange
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017 (EUR)

IČO: 00604054
DÍČ: 2020804390

	Note	2017	2016
REVENUES			
Core revenues		885 589	1 035 465
Other revenues		151 961	177 050
Total revenues	14	<u>1 037 550</u>	<u>1 212 515</u>
OPERATING COSTS			
Consumables and services	15	(316 968)	(351 659)
Labour and related expenses	16	(785 825)	(771 350)
Depreciation and amortisation	3, 4	(87 946)	(87 460)
Other costs	17.1	(47 468)	(49 185)
Total costs and expenses		<u>(1 238 207)</u>	<u>(1 259 654)</u>
OPERATING PROFIT/LOSS		(200 657)	(47 139)
FINANCIAL EXPENSES/INCOME			
Interest income	18	4 164	9 297
Decrease of loss from decrease of value of investment in subsidiary	5	122 133	581 565
Other financial income			0
Other financial expenses/income, net	17.2	(2 023)	(1 601)
Total financial (expenses)/income, net		<u>124 274</u>	<u>589 261</u>
Profit from continuing operation, before tax		(76 383)	542 122
Tax from continuing operation	19	(4 280)	(3 688)
Profit from continuing operation, after tax		<u>(72 103)</u>	<u>538 434</u>
Other components of comprehensive income:			
		0	0
Total comprehensive income:			
		<u>(72 103)</u>	<u>538 434</u>

Bratislava Stock Exchange
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017 (EUR)

IČO: 00604054
DIČ: 2020804390

	<i>Registered capital</i>	<i>Capital funds</i>	<i>Accumulated profit/(loss)</i>	<i>Total</i>
As of 1 January 2016	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
Contribution to legal reserve fund		53 843	(53 843)	0
Settlement from capital funds				
Unsettled loss				
Net profit for the year			(72 103)	(72 103)
As of 31 December 2017	11 404 927	314 959	796 914	12 516 800

Bratislava Stock Exchange
STATEMENT OF CASH FLOWS
For the year ended 31 December 2017 (EUR)

IČO: 00604054
DIČ: 2020804390

	Note	2017	2016
CASH FLOW FROM OPERATING ACTIVITY:			
Profit (loss) before tax		(76 383)	542 122
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation		87 946	87 460
Interest revenue and dividends		(4 164)	(9 297)
Interest expense			
(Profit)/loss on sale of tangible assets			
Provision for assets, net		(122 133)	(581 399)
Operating profit before changes in working capital		(114 734)	38 887
Changes in working capital:			
Change in trade receivables		(7 915)	59 264
Change in payables		17 173	(34 234)
Other			928
Cash generated from operations		(105 476)	64 844
Interest expense		-	-
Interest received		4 164	9 297
Income taxes paid		25 134	(57 076)
Net cash provided by operating activities		(76 178)	17 065
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Additions to property, plant and equipment		(9 978)	(5 840)
Proceeds from sale of property, plant and equipment			
Dividends received			
Net cash used in investing activities		(9 978)	(5 840)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid and other		-	-
Net cash used in financing activities		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(86 156)	11 225
CASH AND CASH EQUIVALENTS, START OF YEAR		3 725 873	3 714 648
CASH AND CASH EQUIVALENTS, END OF YEAR	8	3 639 717	3 725 873

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 2017 (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:

	2017	2016
Average number of employees	22	21
Employees as of the day of preparation of fin. statements	24	21
Including: Senior Executives	5	5

1.3. Approval of the year 2016 financial statements

The year 2016 financial statements and profit distribution of the Company were approved by an ordinary general meeting on 14 June 2017.

1.4. Members of Company bodies

Body	Function	Name
Board of Directors	Chairman	Ing. Gránsky Ivan
	Vice Chairman	Ing. Kopál Róbert
	Member	Ing. Marček Ľuboš
	Member	Ing. Michalík Miroslav
	Member	Ing. Reischig Viktor
Supervisory Board	Chairman	Ing. Lichnovský Igor
	Member	JUDr. Čunderlík Ľubomír, PhD.
	Member	Ing. Gašparík Jozef
Executive Management	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.

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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 2017:

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	Palmer Capital Nederland 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 Czech Republic and Slovakia, a.s., podnikajúca na území Slovenskej republiky prostredníctvom organizačnej zložky UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky	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. v likvidácii	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 2017 to 31 December 2017 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) as amended later, 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 accompanying Notes are an integral part of the Financial Statements.

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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.

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Statement of compliance

The year 2017 separate financial statements and comparable data for the year 2016 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 2017, 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 2016.

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 2017.

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

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 IAS 7 "Statement of cash flows" – Initiative to improve disclosure – adopted by EU on 6 November 2017 (effective for accounting periods starting 1 January 2017 or later);

Amendments to IAS 12 "Income taxes" – Recognition of deferred tax receivables from unrealized losses – adopted by EU on 6 November 2017 (effective for accounting periods starting 1 January 2017 or later);

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

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

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:

IFRS 2 Share-based payment – amendment clarifying classification and measurement of share based payment transactions (effective for accounting periods starting 1 January 2018 or later; this amendment has not so far been adopted by EU);

IFRS 4 Insurance contracts – amendment relating to interactions between IFRS 4 and IFRS 9 (effective for accounting periods starting 1 January 2018 or later);

IFRS 7 Financial instruments: disclosures – amendment requiring additional disclosures to first application of IFRS 9 (effective through application of IFRS 9);

IFRS 9 Financial instruments: classification and measurement – amendment relating to prepayment features with negative compensation (effective for accounting periods starting 1 January 2018 or later);

IFRS 10 Consolidated financial statements – amendment relating to sale or contribution of assets between an investor and its associates or joint venture (effective date has not been specified; this amendment has not yet been adopted by EU);

IFRS 14 Regulatory deferral accounts (effective for accounting periods starting 1 January 2016 or later; this standard has not yet been adopted by EU);

IFRS 15 "Revenues from contracts with customers" (effective for accounting periods starting 1 January 2018 or later);

IFRS 16 Leases (effective for accounting periods starting 1 January 2019 or later);

IFRS 17 Insurance contracts (effective for accounting periods starting 1 January 2021 or later; this standard has not yet been adopted by EU);

IAS 19 Employee benefits – amendment relating to plan amendment, curtailment or settlement (effective for accounting periods starting 1 January 2019 or later);

IAS 28 Investments in associates and joint ventures – amendment relating to sale or contribution of assets between an investor and its associates or joint venture (effective date has not been specified; this amendment has not yet been adopted by EU);

IAS 28 Investments in associates and joint ventures – amendment relating to long-term interests in associates or joint ventures (effective for accounting periods starting 1 January 2019 or later; this amendment has not yet been adopted by EU);

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IAS 39 Financial instruments: classification and measurement – amendment stipulating exemptions in application of IFRS 9 for hedge accounting (effective through application of IFRS 9);
IAS 40 Investment property – amendment clarifying transfers of property assets to and from investment property (effective for accounting periods starting 1 January 2018 or later; this amendment has not yet been adopted by EU);
IFRIC 22 Foreign currency transactions and advance consideration (effective for accounting periods starting 1 January 2018 or later; this amendment has not yet been adopted by EU);
IFRIC 23 Uncertainty over income tax treatments (effective for accounting periods starting 1 January 2019 or later; this amendment has not yet been adopted by EU);
Annual IFRS improvements (issued in December 2016; effective for accounting periods starting 1 January 2018 or later).
Annual IFRS improvements (issued in December 2017; effective for accounting periods starting 1 January 2019 or later; these amendments have not yet been adopted by EU).

These changes have the following impacts:

IFRS 9 Financial instruments: classification and measurement

IFRS 9 replaces IAS 39 and reduces the categories of financial assets to financial assets measured at amortised cost and financial assets measured at fair value. Financial instruments are classified at their initial recognition based on the results of the business model test and the cash-flow characteristics test. IFRS 9 includes the revaluation of financial assets at fair value through profit or loss if such measurement significantly reduces inconsistency in measurement or initial recognition. An accounting entity may irrevocably determine at initial recognition whether or not to recognise equity instruments that are not intended to be traded at fair value through other comprehensive income, with only dividend yield being reported in profit or loss. The standard introduces the "expected credit loss" model for depreciation of financial assets. IFRS 9 introduces a new hedging model that is designed to be better aligned with the way companies manage the risk management of financial and non-financial exposures.

IFRS 15 Revenues from contracts with customers

IFRS 15 introduces a new five-tier model that will be applied to revenues from customer contracts. In accordance with IFRS 15, revenues are recognized at the amount that reflects the consideration that the accounting entity is expecting in exchange for the transfer of goods and services to customers. The IFRS 15 principles provide a more structured approach to measurement and reporting of revenues. The new revenue standard is designed for all entities and replaces all current IFRS revenue accounting requirements. Complete or modified re-application is required for accounting period starting 1 January 2018 or later, with earlier application being permitted. The application of this standard will not significantly affect the Company's financial statements.

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.

Accounting period – the Company prepares financial statements for the period from 1 January 2017 to 31 December 2017.

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 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

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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. 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 2017. The accruals of interests are recognised in other assets.

Guarantee fund – the Company administers 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 account

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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

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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.

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.

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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. The Company does not have any interest-bearing not-own capital; 97.5% of total capital is made up of own capital.

A significant risk for the future is the continuing decline of revenues, which is a key issue to address in the following accounting period.

3. Non-current tangible assets

Non-current tangible assets are comprised of the following:

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<i>Year ended 31 December 2017</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		9 979		9 979
Disposals		739 500		739 500
Transfers				
Closing balance of acquisition cost	2 653 949	823 143		3 477 092
Opening balance of accumulated depreciation	1 177 654	1 490 299		2 667 953
Depreciation change	55 520	17 480		73 000
Disposals		739 500		739 500
Transfers				
Closing balance of accumulated depreciation	1 233 174	768 279		2 001 453
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
Net book value as of 1 January 2017	1 476 295	62 365		1 538 660
Net book value as of 31 December 2017	1 420 775	54 864		1 475 639

Additions in the course of the year comprise the necessary restoration of information technologies. Disposals comprise excluded obsolete non-current tangible assets. Compared with the balance in the Statement of Financial position, the difference from the rounding-off is 1 EUR.

<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.

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 2017</i>	<i>Software</i>	<i>Assets in course of construction</i>	<i>Total</i>
Opening balance of acquisition cost	228 103		228 103
Additions			
Disposals			
Transfers			
Closing balance of acquisition cost	228 103		228 103
Opening balance of accumulated depreciation	185 239		185 239
Depreciation change	14 946		14 946
Disposals			
Transfers			
Closing balance of accumulated depreciation	200 184		200 184
Opening balance of adjusting entries			
Additions			
Disposals			
Closing balance of adjusting entries	0		0
Net book value as of 1 January 2017	42 864		42 864
Net book value as of 31 December 2017	27 918		27 918

<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

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

<i>Insured object</i>	<i>Type of insurance</i>	<i>Amount paid 2017</i>	<i>2016</i>	<i>Name and seat of insurance company</i>
Passenger vehicles	Against theft, motor hull	964	949	Allianz – SP Bratislava
Building	Against natural disasters	7 404	8 136	Allianz – SP Bratislava

Net book value of insured vehicles is EUR 0.
Net book value of insured building is EUR 987 594.

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

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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;
- In 2016, in the amount of EUR 581 565, its equity thus increased to EUR 7 503 639.

For the year 2017 the CDCP reported an after-tax profit of EUR 574 266 and its equity thus increased to EUR 7 897 491. Having considered all circumstances, BSSE decided to lower and later completely cancel the created adjusting entry in the residual amount of EUR 122 133.

As of 31 December 2017, the value of this financial investment is as follows:

Acquisition cost	EUR 7 625 772
Balance of adjusting entry	EUR 0
Value of investment in subsidiary	EUR 7 625 772

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 2017 and for the period ended 31 December 2016:

	2017	2016
Total assets	28 332 070	28 523 194
Total equity	7 897 491	7 503 639
Total income	9 888 993	10 120 849
Total expenses	9 314 727	9 539 284

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 19 151 505 (incl. charges and interest) (year 2016: EUR 27 375 376). A substantial part of legal cases has been going on for a long period and may not be resolved in several years.

The ultimate resolution of these legal disputes cannot be accurately estimated. 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 2017, the CDCP created provisions for risks connected with those legal claims in the amount of EUR 17 246 105. 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 1 381 267.

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6. Trade receivables

Trade receivables are comprised of the following:

<i>As of 31 December 2017</i>	<i>Due</i>	<i>Overdue</i>	<i>Trade receivables, total</i>
Receivables from Stock Ex. Members (both current and former)	47 055	11 274	58 329
Other receivables	26 947	1 992	28 939
Trade receivables, total	74 002	13 266	87 268
Provision for doubtful receivables		(13 266)	(13 266)
Trade and other receivables, net	74 002	0	74 002

<i>As of 31 December 2016</i>	<i>Due</i>	<i>Overdue</i>	<i>Trade receivables, total</i>
Receivables from Stock Ex. Members (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 12 934. Receivables overdue more than 90 days and less than one year are recognised in the amount of EUR 332.

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. 2017</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. 2017</i>
Receivables from former Stock Exchange members	11 274	-	-	-	11 274
Other receivables	1 660	332			1 992
Adjusting entries to trade receivables, total	12 768	332			13 266

7. Other receivables and other current assets

Other current assets consist of the following items:

	2017	2016
VAT receivables	302	152
Income tax receivables	0	29 809
Other receivables	72	41
Other current assets	482	1 146
Other current assets, total	856	31 148

Other receivables comprise the receivables from employees; other current assets in 2017 comprise future income from accrued interest on time deposits.

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8. Cash and cash equivalents

Cash and cash equivalents include:

	2017	2016
Cash and cash equivalents	4 279	2 413
Current bank accounts	1 700 292	478 183
Time deposits	1 935 146	3 245 277
Cash and cash equivalents, total	3 639 717	3 725 873

A time deposit in the nominal amount of EUR 1 030 114 bears an interest rate of 0.6% p. a. and is due on 31 December 2017; a time deposit in the nominal amount of EUR 905 031 bears an interest rate of 0.15% p. a. and is due on 31 December 2017; a time deposit in the nominal amount of EUR 1 313 646 bears an interest rate of 0.05% and is due on 5 March 2018.

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, a.s. became its legal successor from 1 January 2016. The ownership interest of MH Manažment, a.s. 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 2016

On 14 June 2017, a general shareholder meeting approved the following distribution of profit for the year 2016:

Profit for the accounting period	Year 2016
	538 434
Approved distribution of profit for accounting period	Year 2016
Additions to legal reserve fund	53 843
Additions to statutory and other funds	-
Settlement of loss from previous years	-
Distribution of share in profit to shareholders	-
Transfer to undistributed profit of previous years	484 591
Other	-
Total	538 434

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.

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10. Reserves for payables

Name of item	Balance as of 1 January 2017	Additions	Use	Cancellation	Balance as of 31 December 2017
Reserve for leave	17 964	14 117	18 555	-	13 526
Reserve for bonuses	20 400	20 400	20 400	-	20 400
Reserve for audit and preparation of financial statements	9 274	8 242	7 621	1 653	8 242
Other reserves	966	-	-	-	966
Reserves, total	48 604	42 759	46 576	1 653	43 134

The Company recomputed an estimated amount of long term reserves for future expenses on retirement benefits and estimated that the level of such liability is not significant; hence the Company did not account for long term reserves for this type of employee benefits.

11. Trade payables

Trade payables consist of the following items:

	2017	2016
Payables to suppliers	22 972	23 892
Advances received	-	-
Other trade payables	-	2 729
Trade payables, total	22 972	26 621

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

12. Other payables

	2017	2016
Payables from current income tax	2 880	0
Other payables and accruals consist of the following items:		
	2017	2016
Payables to employees	67 088	56 396
Social security	45 119	37 573
Tax payables	15 082	12 668
Other payables (especially social fund)	1 377	1 254
Deferred income (advances received for IT services)	11 550	8 900
Other current payables and accruals, total	140 216	116 791

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

Social fund payables

	2017	2016
Opening balance as of 1 January	1 167	1 448
Total creation:	12 571	12 550
From expenses according to law	4 275	4 257
Other creation	8 296	8 296
Total drawing:	12 604	12 831
Contribution to employee catering	6 546	8 631
Contribution to transportation to workplace	1 708	-
Contribution to labour force recovery	4 350	4 200
Closing balance as of 31 December	1 134	1 167

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13. Deferred tax payable

	2017	2016
Temporary differences between book value of assets and tax basis, including:		
Deductible	(979)	(11 921)
Taxable	592 183	683 513
Temporary differences between book value of liabilities and tax basis, including:		
Deductible	(29 758)	(30 915)
Taxable		(36 600)
Possibility to amortise future tax loss		
Possibility to transfer unused tax deductions		
Income tax rate (%)	21	21
Deferred tax receivable		
Applied tax receivable		
Accounted for as expense reduction		
Accounted for in equity		
Deferred tax payable	117 904	126 856
Change in deferred tax payable	(8 953)	(1 024)
Accounted for as expense	(8 953)	(1 024)
Accounted for in equity		

14. Revenues

Revenues are comprised of the following items:

	2017	2016
Securities trading fees	407 494	524 602
Listing fees	282 947	321 104
Annual membership fees	91 300	92 960
Fees for provision of information	103 846	96 799
Core revenues, total	885 589	1 035 465
Revenues from organising educational courses	6 670	4 364
Revenues from sale of assets		0
Revenues from lease	129 282	48 678
Sundry revenues	16 009	124 008
Other revenues, total	151 961	177 050
Operating revenues, total	1 037 550	1 212 515

Sundry revenues in 2017 comprise mainly the payments for clearing and settlement of transactions in securities realized through the CDCP, and other re-invoiced expenses of the CDCP.
Core revenues of the Company come mainly from activities performed on the territory of the Slovak Republic. An insignificant part of payments for information provision, membership fees and trading fees comes from sources abroad.

15. Consumables and services

Consumables and services consist of the following items:

	2017	2016
Repairs and maintenance of IT systems and assets	165 344	196 043
Material and energy consumption	40 177	38 947
Cost of telecommunication services	9 033	10 323
Building safeguarding	45 825	44 750
Training and consulting	4 128	5 747
Travel expenses	1 916	4 272
Representation costs	4 591	3 331
Cleaning and waste disposal expenses	19 632	20 468
Audit expenses	5 765	6 751
Other services	20 557	21 027
Material and services, total	316 968	351 659

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.

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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:

	2017	2016
Wages and salaries	484 743	476 027
Remuneration for members of Company bodies	75 981	77 641
Social security costs and other social expenses	225 101	217 682
Total labour and related expenses	785 825	771 350

The average number of employees was as follows:

	Management	Other employees	Total
Average number of employees, total as of 31 December 2017	5	17	22
Average number of employees, total as of 31 December 2016	5	16	21

17. Other expenses and other financial expenses

17.1. Other expenses

Other expenses, net, consist of the following:

	2017	2016
Other taxes and charges	6 344	4 937
Provision for doubtful receivables and write-off of receivables	332	166
Non-current assets sold	0	0
Statutory charges and membership fees in various organizations	10 799	10 763
Insurance of assets	13 414	14 683
Other expenses	16 579	18 636
Total other expenses, net	47 468	49 185

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:

	2017	2016
Exchange rate differences, net	89	108
Other expenses, net	1 934	1 493
Including:		
Bank fees	1 934	1 493
Total other financial expenses, net	2 023	1 601

17.3. Expenses on audit and other related services

The Company has concluded an audit contract for the year 2017; the auditing company does not provide other services apart from audit.

The expenses on audit of financial statements in 2017 amounted to the sum of created reserves, that is EUR 5 742 (2016: EUR 6 774).

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18. Interest income

Interest income includes:

	2017	2016
Interest income from time deposits	4 164	9 283
Interest income from current accounts	0	14
Interest income, total	4 164	9 297

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:

	2017			2016		
a	Tax base b	Tax c	Tax in % d	Tax base e	Tax f	Tax in % g
Profit before tax	-76,399			542,122		
including:						
Theoretical tax		-16,044	21		113,846	21
Non-deductible expenses	117,421	24,658	-32	44,966	9,893	2
Non-taxable income	-156,246	-32,812	43	-623,689	-137,212	-25
Impact of unreported deferred tax asset						
Amortisation of tax loss		0			0	
Other						
Total	-115,224	-24,197	31.67	-36,601	-13,473	-2
Income tax paid through deduction		1,792	-2.35		1,832	0.34
Tax licence		2,880			2,880	
Deferred income tax		-8,953	11.72		-1,024	-0.19
Income tax, total		-4,281	5.60		3,688	0.68
Impact of change in tax rate on deferred tax		0			-7,139	

19.2. Income tax expense

Analysis of income tax expense:

	2017	2016
Current income tax	4 672	4 712
Deferred income tax	- 8 953	-1 024
Income tax, total	-	3 688

19.3. Deferred income tax

Analysis of deferred income tax:

	Non-current assets	Reserves	Unpaid services	Provision for receivables	Tax loss	Total
As of 31 December 2016	(143 538)	6 435	57	2 504	7 686	(126 856)
Income/(Expense)	19 180	(217)	(26)	(2 298)	(7 686)	8 953
As of 31 December 2017	(124 358)	6 218	31	206	0	(117 904)

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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 2017 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
MH Manažment a.s.	-	-	-	-
Patria Online, a.s.	176	-	12 415	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	13 377
Slovenská sporiteľňa, a.s.	2 508	-	101 184	-
Palmer Capital Nederland N.V.	-	-	-	-
Poštová banka, a.s.	20	-	9 370	-
ING Bank N.V., pobočka zahraničnej banky	-	-	-	79
Československá obchodná banka, a.s.	3 686	-	53 615	-
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	-	-	-	-
UniCredit Bank Czech Republic and Slovakia a.s., podnikajúca na území Slovenskej republiky prostredníctvom organizačnej zložky UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraničnej banky	-6 934	-	67 809	-
Tatra banka, akciová spoločnosť	1 394	-	45 637	-
UNIQA poisťovňa, a.s.	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
Total	14 718	-	290 030	13 456

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	-
Palmer Capital Nederland N.V.	-	-	-	-
Poštová banka, a.s.	27	-	8 872	-
ING Bank N.V., pobočka Bratislava	-	-	-	318
Československá obchodná banka, a.s.	3 796	-	50 809	-
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	-	-	-	-
UniCredit Bank Czech Republic and Slovakia a.s., podnikajúca na území Slovenskej republiky prostredníctvom organizačnej zložky UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraničnej banky	6 971	-	57 458	-
Tatra banka, a.s.	2 246	-	61 895	-
UNIQA poisťovňa, a.s.	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
Total	21 299	-	303 190	14 212

20.2. Subsidiary

Transactions with subsidiary as of 31 December 2017 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
Centrálny depozitár cenných papierov v SR, a.s.	1 315	1 316	113 170	16 241
Total	1 315	1 316	113 170	16 241

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

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

20.3. Members of Company bodies

Salaries and bonuses of members of the Company bodies as of 31 December 2017:

<i>Body</i>	<i>Number</i>	<i>Bonuses (EUR)</i>	<i>Salaries (EUR)</i>
Board of Directors	5	50 090	
Supervisory Board	3	25 891	
Stock Exchange Committees	9		
Executive management	5	28 450	155 001
Total		104 431	155 001

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	0	
Executive management	4	36 100	165 450
Total		113 741	165 450

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 2017 and 2016, 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 2017 comprise the following

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
Slovenský plynárenský priemysel, a.s.		655		11 767

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

21. Commitments and contingencies

21.1. Guarantee Fund

The BSSE performs the administration and keeping of the Guarantee Fund accounts. As of 31 December 2017, the balance of the Guarantee Fund accounts is EUR 87 700.58 (31 December 2016: EUR 145 698). 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.

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21.2. Investments

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

Year	Investments
2017	9 978

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

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 the following lawsuits: In one case the plaintiff requested a review of the BSSE's decision and procedure. The action was dismissed by a competent Regional Court in the year 2018. The order to dismiss the action came into force in the year 2018.

In another case, the plaintiff also requests a review of the BSSE's decision and procedure. The proceeding is not yet completed and no hearing has been ordered so far. An estimate of possible cost of this proceeding only includes the cost of legal representation in the amount of EUR 600.

In the third 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 2017, 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 2017, 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 2017), there have not been any events that would require the application of modifications in the financial statements compiled as of 31 December 2017.

The proposal for profit distribution for the year ended 31 December 2017 was not approved at the time of preparation of the financial statements.

Prepared on:

11 May 2018

*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:

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

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S t a t e m e n t

Issued by the Supervisory Board of the Bratislava Stock Exchange (BSSE) in regard to the BSSE's ordinary separate financial statements for the year 2017 and to the Loss Settlement Proposal for the year ended 31 December 2017

T h e S u p e r v i s o r y B o a r d:

1. Has examined the ordinary separate financial statements for the year 2017 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 2017 truthfully present the performance results.
2. States that the Company has posted a profit before tax (loss) in the amount of EUR -76 383. After taking into account the due and deferred taxes, the loss for the accounting period is in the amount of EUR -72 103.
3. States that the ordinary separate financial statements were audited by auditing company ACCEPT AUDIT & CONSULTING Ltd, licence SKAU No. 000124, which states in the auditor's report dated 14 May 2018 that the financial statements give a true and fair view of the financial position of the company Bratislava Stock Exchange as of 31 December 2017, 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

R e c o m m e n d s

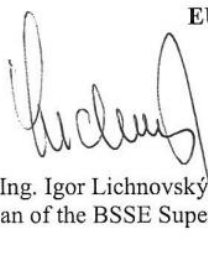
To the General Meeting

- a.) To approve the Annual Report for the year 2017;
- b.) To approve the ordinary separate financial statements for the year 2017;
- c.) To approve the Loss Settlement Proposal for the year 2017 from undistributed profit of previous years as follows:

Undistributed profit EUR 72 103.02

Loss settlement, total **EUR 72 103.02**

Bratislava, 18 September 2018


Ing. Igor Lichnovský
Chairman of the BSSE Supervisory Board