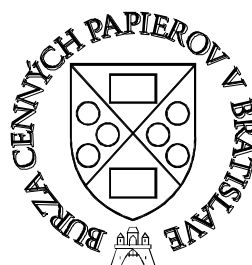




# **Annual Report**

## **2018**



**BRATISLAVA STOCK EXCHANGE**

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the Year Ended 31 December 2018

## 1. INTRODUCTION

Dear shareholders and business partners,

For Bratislava Stock Exchange (“BSSE” or “the Stock Exchange” hereinafter), 2018 was a breakthrough year in many respects. The new MiFID II regulatory package entered into effect and brought us significant changes in the service delivery system. We recorded a first year without transactions in government bonds, which moved to the off-exchange market resulting in an ultimate reduction of traded volumes. On the other hand, the focus of concluded transactions moved for the first time to the side of anonymous deals.

Fortunately, our expectations of a fatal decrease in income from trading were not fulfilled. However, it was not a positive revolution – which we all would have wanted – that came to our rescue. The activity of one of our members was sufficiently significant to allow us to end the year nearly in the black. Continuation of this business activity and its expansion to other members could be the proverbial light at the end of the tunnel. The share market in Slovakia is, after all, the smallest in the wide block of the Central and Eastern Europe.

In response to current changes, we adopted amendments to the Stock Exchange’s Fee Order in 2018 as we were forced – for the first time after more than 25 years of our operation – to increase the level of fees and to move (also mentally) the focus of our income to the listing of issues of securities. We view this solution as temporary, with the aim to realise several other activities targeted at increasing the Stock Exchange’s revenue from other operations.

The obsolescence of our systems, the lack of personnel and technical equipment, and the constantly increasing pressure and trends not only in the EU but also in neighbouring countries lead us to the preparation of an in-depth analysis to find the optimal solution for the provision of our services in future. The amendment to the Fee Order (in effect from the year 2019) envisages ensuring at least balanced financing to meet these needs; however, it will be necessary to monitor the extent to which the criteria – on which the amendment is based – are met. In the context of an uncertain environment, even this instrument of ours becomes a living organism which will evolve in the coming years in line with market needs and expectations.

In the nearest months and years, we are ready to continue to devote our primary attention to ensuring the safe operation of our institution, providing quality services to our clients, simplifying the user experience for our members, broadening our portfolio with new products and co-creating an environment attractive for active institutions of the capital market, issuers and investors. Whether it be in the area of financial instruments, *fintech* or opening of a new growth-market segment while co-operating with partners directly from the market.

## 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. BSSE's registered capital amounts to EUR 11 404 927.296\*. As of 31 December 2018, Bratislava Stock Exchange had 14 shareholders the largest of which is MH Manažment, a.s. The company had 23 employees as of the year-end 2018.

### BSSE SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2018

No.	Name of shareholder	Number 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	
	<b>Total</b>	<b>232 854</b>	<b>8 661 443.196</b>	<b>75.94</b>
2	Československá obchodní banka, 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	Arcona 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 (v konkurze)	100	33 194.000	0.29
	<b>Total</b>	<b>241 119</b>	<b>11 404 927.296</b>	<b>100.00</b>

\* 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. Ľuboš Marček

Ing. Miloslav Michalík

Ing. Viktor Reischig

### **Supervisory Board**

#### Chairman:

Ing. Igor Lichnovský

#### Members:

Ing. Jozef Gašparík

### **Advisory Committee of the BSSE Board of Directors**

#### Chairman:

Ing. Róbert Kopál, Asociácia obchodníkov s cennými papiermi

#### Members:

Mgr. Ing. Oľga Dlugopolská, 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.

MVDr. Ing. Martin Salaj, Poštová banka, a.s. (since 22 February 2018)

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. (until 22 February 2018)

## **3. SECURITIES ON THE STOCK EXCHANGE MARKETS**

As of the last trading day of the year 2018, Bratislava Stock Exchange (BSSE) had 274 issues of securities (shares and bonds) placed on its markets. That includes 25 issues placed on the main listed market, 21 issues on the parallel listed market and 228 issues on

the regulated free market. Out of the aforementioned issues of securities, 3 issues are denominated in CZK and 5 issues are denominated in USD.

### **Issues admitted in the year 2018**

A total of 43 new issues of securities of local issuers, in a total nominal value of EUR 4.786 billion, started to trade on BSSE's markets in the course of the year 2018. The main listed market was in 2018 joined by 2 new issues of government bonds and 1 issue of state treasury bills. One share issue and 2 issues of bank bonds were admitted to the parallel listed market. The regulated free market was joined by 37 issues of securities (incl. 3 issues of mortgage bonds, 4 issues of covered bonds, 12 issues of bank bonds and 18 issues of corporate bonds).

In addition to the newly admitted bond issues, the influx of new capital to BSSE's markets continued also through the admission of new tranches of the already admitted bonds. The issued volume of 7 government-bond issues was raised in this manner in the year 2018; the total nominal value of the capital admitted in this way amounted to EUR 1.296 billion.

The total value of the capital newly admitted to BSSE's market amounted to EUR 6.082 billion.

### **Issues that stopped to trade in the year 2018**

In the twelve months of the year 2018, 5 issues were cancelled following the issuer's request, in a total nominal value of EUR 21.9 million.

Due to maturity of bonds, BSSE ended trading of 1 government-bond issue, in a nominal value of EUR 3 billion, on the main listed market.

Trading of 3 issues of mortgage bonds and 1 issue of bank bonds, in a total nominal value of EUR 56.6 million, ended for the same reason on the parallel listed market.

Trading of 36 issues of debt securities (incl. 24 issues of mortgage bonds, 8 issues of corporate bonds and 4 issues of bank bonds), in a total nominal value of EUR 1.264 billion, ended on the regulated free market.

## **4. TRADING**

In the year 2018, BSSE's electronic trading system was accessible to members in 247 business days. A total of 10 101 transactions were concluded in this period, in which 511 420 units of securities were traded and the achieved financial volume exceeded EUR 479.864 million. In comparison with the year 2017's trading results it is an increase by 38.12% in the number of concluded transactions, a decrease by 99.99% in the amount of traded securities and a decrease of the achieved financial volume by 93.37%. A total of 10 098 electronic order book transactions (i.e. price-setting deals) were concluded in the twelve months of the year 2018, in a financial volume of EUR 479.038 million (+66.44% on a year-on-year basis). As regards negotiated deals, they amounted to 3 transactions in

a volume of EUR 0.827 million (-99.99% on a year-on-year basis). Bond transactions generated 98.06% of the total achieved financial volume in the year under review. Debt securities in a financial volume of EUR 470.574 million (-93.49% in a year-on-year comparison) were bought and sold in 247 business days of the year 2018). No negotiated deals in bonds were concluded in the period under review. In the same period, the volume of traded issues of equity securities amounted to EUR 9.291 million (-46.65% in a year-on-year comparison).

Zero REPO transactions were concluded in the year 2018, as had been the case in the previous year.

Transactions concluded by non-residents in 2018 amounted to 48.12% of the total trading volume. On the buy side the non-residents accounted for 20.32%; on the sell side they did 75.91% of the trading volume. Natural persons achieved a 3.27-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 2018, BSSE registered on its markets 59 share issues of 41 issuers. Out of that, 6 issues were placed on the main listed market, 9 issues on the parallel listed market and 44 share issues were traded on the regulated free market.

As of the year-end 2018, the market capitalisation of equity securities traded on BSSE's markets increased by 5.65% on a year-on-year basis to EUR 4.841 billion. The real market capitalisation, which comprises issues that have at least one market price in history (excluding share certificates), amounted to EUR 4.778 billion (+5.73% year on year) and accounted for 98.7% 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 12.08% to EUR 2.547 billion.

In the year under review, the annual traded volume of share transactions (incl. obligatory public offers to take over) totalled EUR 9.291 million in absolute terms. It is a decrease by 46.65% against the comparable period of the year 2017. The shares of local companies were traded in 1 988 transactions, in which 251 859 units of equity securities changed hands. On a year-on-year basis it is a 19.11-percent increase in the number of concluded transactions and an 86.07-percent decrease in the amount of traded securities. Three negotiated deals in the issues of equity securities, in a financial volume of EUR 0.827 million, were concluded in the year 2018. As regards the electronic order book transactions in shares, they amounted to 1 985 transactions in a volume of EUR 8.464 million. On a year-on-year basis, it is a 40.3-percent decrease of the volume generated by the electronic order book transactions and a 74.47-percent decrease of the financial volume from negotiated deals.

From a perspective of achieved financial volume, the year 2018's most prominent share issues on the market of listed securities were Tatry mountain resorts (EUR 3.506 million; 469 transactions), Všeobecná úverová banka (EUR 1.234 million; 478 transactions) and Slovnaft (EUR 0.302 million; 200 transactions). Excluding the public offers to take over, the chart of the most successful issues of 2018 by traded volume on BSSE's regulated free market is led by the share issue Tatra banka (EUR 1.754 million; 50

transactions), followed by Tatra banka 2 (EUR 0.132 million; 1 transaction) and Garfin Holding 02 (EUR 0.125 million; 203 transactions).

Two new obligatory public offers to take over were announced on BSSE in the year 2018; 5 public offers to take over expired in the same year. The financial volume of transactions generated by the realised public offers to take over totalled EUR 1.879 million in 156 transactions. The volume of transactions from the public offers to take over accounted for 20.22% of the total volume of share transactions; nearly 7.85% of transactions in equity securities were realised within the framework of these public offers to take over.

Transactions concluded by non-residents in 2018 accounted for 73.65% of the total volume of share transactions. On the buy side the non-residents accounted for 75.73%; on the sell side they did 71.57% of the trading volume.

No share issue was included in the module of market makers (MTT) in the course of the year 2018.

### **Transactions in bonds**

As of the last trading day of the year 2018, transactions on BSSE's markets could be concluded in 215 bond issues (incl. 111 issues of mortgage bonds, 4 issues of covered bonds, 18 issues of government bonds, 1 issue of state treasury bills, 33 issues of bank bonds and 48 issues of corporate bonds). That includes 18 government-bond issues and 1 state treasury bill placed on the main listed market, 12 issues on the parallel listed market and 184 issues on the regulated free market.

As of the year-end 2018, the market capitalisation of debt securities admitted to BSSE's markets climbed to EUR 44.963 billion representing a 3.54-percent increase against the same period of the year 2017. As regards the bond issues placed on the market of listed securities, their market capitalisation increased since the end of December 2017 by 2.56% to EUR 38.085 billion.

A total of 8 113 bond transactions were concluded in the twelve months of the year 2018, in which 259 561 units of securities were traded in a financial volume of EUR 470.574 million. The number of concluded transactions increased against the previous year (+43.75%), whereas the amount of traded securities and the achieved financial volume sharply decreased (-99.996% and -93.48%, respectively). Zero negotiated deals in debt securities were concluded in the course of the year 2018. The electronic order book transactions in bonds totalled EUR 470.574 million.

No transactions in the issues of the public sector were concluded in the year 2018. As regards the issues of debt securities in the private sector, the most noticeable were issues D JTEF I 5.00/2023 (EUR 64.09 million; 287 transactions), JTEF IV 2024 (EUR 59.745 million; 379 transactions) and D TMR III 4.40%/2024 (EUR 43.512 million; 1 198 transactions). The issue D TMR III 4.40%/2024 recorded the highest number of transactions (1 198) in the year under review. In electronic order book transactions, the top spot in the private sector was taken by the issue D JTEF I 5.00/2023 (EUR 64.09 million).



Transactions concluded by non-residents in 2018 accounted for 48.89% of the total volume of bond transactions. On the buy side the non-residents accounted for 21.03%; on the sell side they did 76.74% of the trading volume.

As of the last trading day of the year 2018, transactions in the module of market makers could be concluded in 22 issues of securities.

## INDICES

The SAX index ended the year 2018 at 332.37 points, strengthening by 2.07% against the year-end 2017. The following are year-on-year changes of the SAX index base issues in the year 2018: Biotika (-14.29%; EUR 30.00), OTP Banka Slovensko (-34.21%; EUR 1), SES Tlmače (-1.96%; EUR 1), Slovnaft (+12.56%; EUR 84.42), VÚB (+19.15%; EUR 174), Tatry mountain resorts (+6.02%; EUR 28.20) and Best Hotel Properties (-2.88%; EUR 3.04).

Two regular revisions of the SAX index took place in the year 2018. At meetings on 8 January and 9 July 2018, 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 2018 and factored in in the index: Všeobecná úverová banka, a.s. (EUR 11.10; date of record: 20 April 2018), Biotika a.s. (EUR 3; date of record: 14 May 2018) and Slovnaft, a.s. (EUR 6.50; date of record: 12 April 2018).

One regular revision and one extraordinary revision of the base composition of the SDXGroup indices took place in the year 2018. At a meeting on 31 January 2018, the Commission adopted a decision to leave the currently valid composition of the SDXGroup base unchanged for the following six-month period that is February 2018 – July 2018. At an extraordinary meeting on 31 May 2018, the Commission adopted a decision to exclude - effective 1 June 2018 - from the public sector base of the SXGroup the following issues based on a review of the criteria of liquidity and frequency of tradability of individual issues included in the SDXGroup base for the public sector: Government bond 204 (SK4120004318), government bond 206 (SK4120004987), government bond 214 (SK4120007204), government bond 216 (SK4120007543), government bond 223 (SK4120008871) and government bond 225 (SK4120009044). Due to non-existent substitutes for the aforementioned bonds in the public sector and due to lack of liquid issues to be included in the private sector, the computation of the SDXGroup index was suspended effective from 1 June 2018.

The group of the Slovak bond indices – the SDXGroup – closed as of 31 May 2018 with the following values: the SDXGroup for the public sector, represented by government bonds, ended at 124.372 (price) and 202.225 (performance) with a yield to maturity of 1.008% and a duration of 4.938 years.

## 5. CLEARING AND SETTLEMENT

	2018	2017	%
Transfer services	10 153	7 432	36.61
Suspended transactions	2	1	100.00
Amount of transferred securities	511 741	6 678 803 915	- 99.99

## 6. MEMBERSHIP

BSSE had 12 regular members as of 31 December 2018. In the year 2018, company Sympatia Financie, o.c.p., a.s ended regular membership on BSSE (effective as of 31 March 2018). 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 2018

The total turnover of transactions on BSSE in 2018 amounted to EUR 959.729 million (- 93.37% in comparison with the year 2017) in 10 101 transactions. Out of that, shares were bought and sold in a total value of EUR 18.582 million (1.94% of the total turnover) in 1 988 transactions and bonds recorded a total turnover of EUR 941.147 million (98.06% of the total turnover) in 8 113 transactions.

The tables below show the top 10 members by turnover achieved in the year 2018 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	4 811 895	25.90%
2	JELLYFISH o.c.p., a.s.	3 992 210	21.48%
3	TATRA BANKA, a.s.	3 716 826	20.00%
4	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	2 076 763	11.18%
5	POŠTOVÁ BANKA, a.s.	1 760 336	9.47%
6	PATRIA FINANCE, a.s.	1 414 394	7.61%
7	SLOVENSKÁ SPORITEĽNA, a.s.	412 561	2.22%
8	OTP BANKA SLOVENSKO, a.s.	297 858	1.60%
9	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	90 073	0.48%
10	PRIMA BANKA SLOVENSKO, a.s.	8 605	0.05%
	<b>TOP 10 TOTAL</b>	<b>18 581 521</b>	<b>100.00%</b>
	<b>BSSE TOTAL</b>	<b>18 581 521</b>	<b>100.00%</b>

**BONDS**

<b>RANK</b>	<b>NAME OF MEMBER</b>	<b>TURNOVER (EUR)</b>	<b>SHARE</b>
1	J&T BANKA, a.s., pobočka zahraničnej banky	907 881 891	96.47%
2	SLOVENSKÁ SPORITEĽŇA, a.s.	16 089 873	1.71%
3	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	11 676 089	1.24%
4	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	3 778 251	0.40%
5	OTP BANKA SLOVENSKO, a.s.	664 721	0.07%
6	PATRIA FINANCE, a.s.	645 165	0.07%
7	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	354 487	0.04%
8	JELLYFISH o.c.p., a.s.	56 668	0.01%
	<b>TOP 10 TOTAL</b>	<b>941 147 145</b>	<b>100.00%</b>
	<b>BSSE TOTAL</b>	<b>941 147 145</b>	<b>100.00%</b>

**TOTAL**

<b>RANK</b>	<b>NAME OF MEMBER</b>	<b>TURNOVER (EUR)</b>	<b>SHARE</b>
1	J&T BANKA, a.s., pobočka zahraničnej banky	912 693 786	95.10%
2	SLOVENSKÁ SPORITEĽŇA, a.s.	16 502 434	1.72%
3	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	13 752 853	1.43%
4	JELLYFISH o.c.p., a.s.	4 048 878	0.42%
5	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	3 778 251	0.39%
6	TATRA BANKA, a.s.	3 716 826	0.39%
7	PATRIA FINANCE, a.s.	2 059 558	0.21%
8	POŠTOVÁ BANKA, a.s.	1 760 336	0.18%
9	OTP BANKA SLOVENSKO, a.s.	962 580	0.10%
10	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	444 560	0.05%
	<b>TOP 10 TOTAL</b>	<b>959 720 061</b>	<b>99.999%</b>
	<b>BSSE TOTAL</b>	<b>959 728 666</b>	<b>100.00%</b>

## 7. INSPECTION

In the course of the year 2018, 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 2019, BSSE plans to focus primarily on the following areas:

1. Modernisation and simplification of the user experience for our members;
2. Support of development of the small and medium-sized enterprises in the form of preparations for opening of a new growth-market segment, with co-operation with partners directly from the market;
3. Implementation of measures aimed at increasing BSSE's revenues from the *fintech* area;
4. Seeking options for international co-operation with the stock exchanges in the EU;
5. Support for the implementation of measures aimed at revitalisation of the local capital market.

## 9. FINANCIAL INDICATORS OF THE YEAR 2018

### a) Statement of Comprehensive Income

Item	2018	2017	Year-on-year change
Total revenues	1 287 865	1 041 714	246 151
Total expenses	1 309 590	1 113 817	195 773
<b>Comprehensive income, after tax</b>	<b>- 21 725</b>	<b>- 72 103</b>	<b>50 378</b>

The Stock Exchange ended the year 2018 with a loss of EUR - 21 725. It is a slight improvement in comparison with the year 2017, when the Stock Exchange posted a loss of EUR - 72 103. Loss before accounting for withholding tax and deferred income tax is in the amount of EUR - 22 314 i.e. slightly higher than after tax, which is caused by a reduction in the deferred tax liability.

Total revenues increased mainly due to a year-on-year increase in proceeds from trading fees, which rose mostly in the last three months of the year 2018. A slight increase was recorded also in revenues from listing fees.

Total expenses of the year 2018 are higher against 2017, mainly due to increased depreciation of fixed assets and higher personnel costs where the latter now include also a provision for retirement benefit, in addition to labour costs and contributions to insurance funds. At retirement, the employees are paid a retirement benefit in the amount of statutory entitlements. In previous years, the Stock Exchange estimated the costs of retirement benefits and considered them insignificant so there were no provisions created for them. As the age of employees gradually increases so does this item, therefore the Stock Exchange has corrected the estimate of short-term and long-term provisions for employee benefits and created a provision for retirement benefit in the total amount of EUR 17 470.

The Stock Exchange's operating profit/loss does not differ significantly from the overall result. The following table shows an overview of revenues and expenses from operation:

Item	2018	2017	Year-on-year change
Revenues	1 282 041	1 037 550	244 491
Operating costs	1 308 250	1 238 207	70 043
<b>Operating profit/loss</b>	<b>- 26 209</b>	<b>- 200 657</b>	<b>174 448</b>

The profit/loss from financial activity shown in the table below is significantly lower compared to the previous year, as in 2018 there was no dissolution of the adjusting entry to financial investments (which was the case in previous years).

Item	2018	2017	Year-on-year change
Financial revenues	5 824.00	4 164.00	1 660.00
Financial expenses	1 929.00	- 120 110.00	122 039.00
<b>Total profit from financial activity</b>	<b>3 895.00</b>	<b>124 274.00</b>	<b>- 120 379.00</b>

## **b) Statement of Financial Position**

Item	2018	2017	Year-on-year change
Non-current assets	9 073 235	9 129 330	- 56 095
Current assets	3 789 826	3 714 575	75 251
<b>Total assets</b>	<b>12 863 061</b>	<b>12 843 905</b>	<b>19 156</b>

The Stock Exchange's total assets in 2018 increased by EUR 19 156 against the year 2017; out of that non-current assets decreased by EUR 56 095 and current assets increased by EUR 75 251 due mainly to an increase in receivables at the year-end 2018. Investments in the purchase of non-current tangible assets were made in the course of the year in the amount of EUR 38 000. Total accounting depreciation of EUR 94 282 caused a decrease in the carrying amounts of tangible and intangible assets.

As of the date of preparation of financial statements, the actual value of financial investment in subsidiary (which is Centrálny depozitár cenných papierov, "CDCP" hereinafter) could not be determined based on the prices on active markets. The adjusting entry to this financial investment, created in previous years, was dissolved in full amount back in 2017. In the year 2018 CDCP posted a profit after tax in the amount of EUR 556 111, thus increasing its equity to EUR 8 453 603, whereas the value of financial

investment in the Stock Exchange's balance sheet is EUR 7 625 772 (under the 'non-current assets' item).

Item	2018	2017	Year-on-year change
Equity	12 495 074	12 516 799	- 21 725
Total liabilities	367 987	327 106	40 881
<b>Equity and liabilities, total</b>	<b>12 863 061</b>	<b>12 843 905</b>	<b>19 156</b>

Equity decreased due to the posted loss. At the same time, there was an increase in total liabilities by EUR 40 881 as of 31 December 2018. The financial structure of liabilities shows that the share of own capital to total liabilities only slightly decreased in 2018 (97.14%) in comparison with the year 2017 (97.5%).

### c) Statement of Cash Flows

At the year-end 2018, cash and cash equivalents amounted to EUR 3 543 696, which is a decrease by EUR 96 021 against the year 2017. The Stock Exchange recorded a loss of money in the amount of EUR 57 834 from cash provided by operating activities; the amount of EUR 38 187 was spent on purchase of non-current intangible assets.

### d) Events Subsequent to the Balance Sheet Date

Up to the publication of the Annual Report (after 31 December 2018), there were no events that would require modifications to the financial statements.

### e) Proposal for Settlement of Loss for the Year 2018

Loss for the year 2018, total	EUR 21 724.87
Settlement from undistributed profit of previous years	EUR 21 724.87

## 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 Stock Exchange's conditions 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 2018, the Stock Exchange had 23 employees including 11 men and 12 women.

Employees by age groups:

Up to 30 years of age: 1

30 to 50 years of age: 13  
Over 50 years of age: 9

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.

**e) Organisational Unit Abroad**


The Stock Exchange has not established an organisational unit abroad.

## **11. COMMITTEE FOR AUDIT**

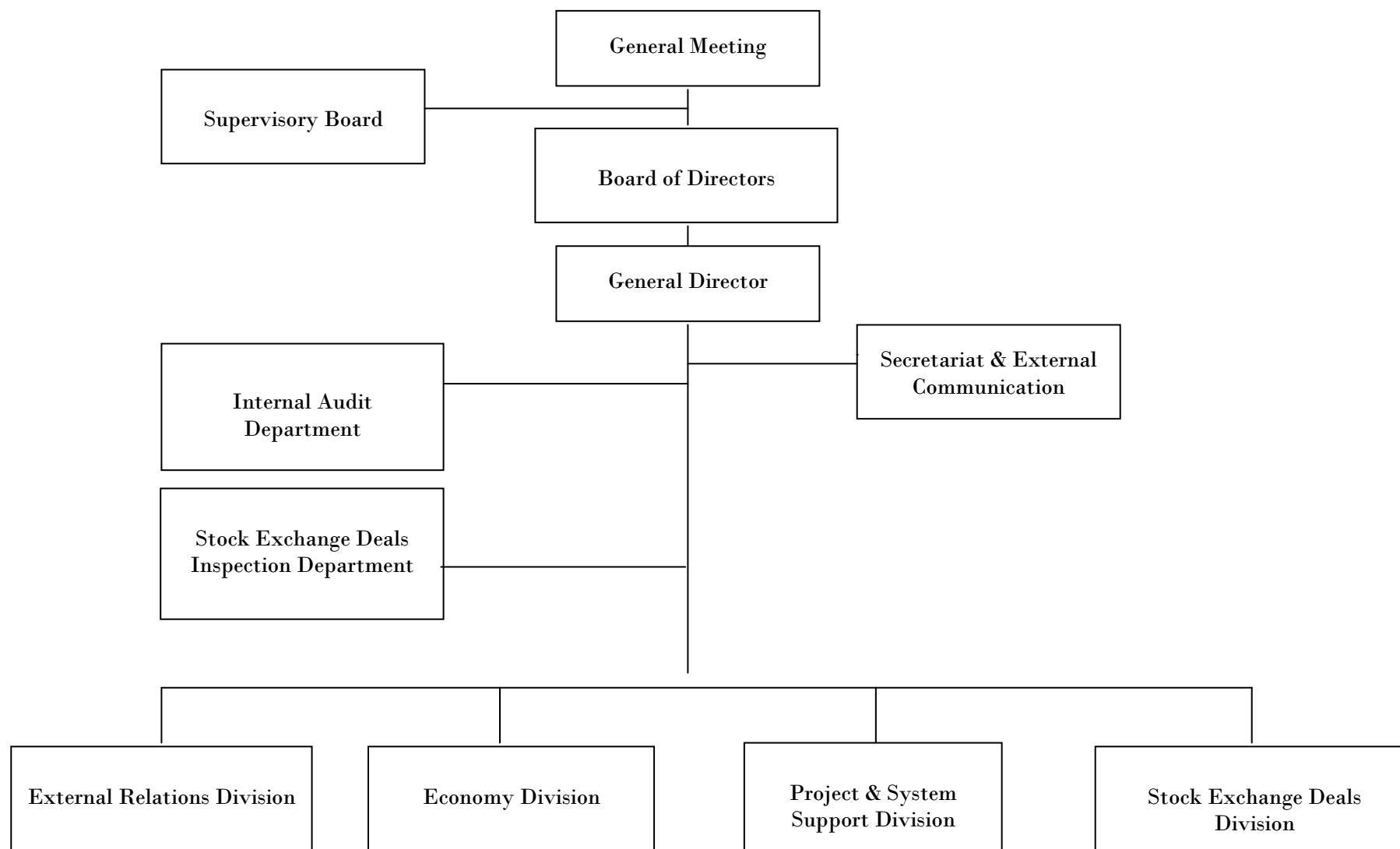
The Stock Exchange has not established a separate Committee for Audit. The function of the Committee is temporarily performed by the Supervisory Board.



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 2018**



## SECURITIES LISTED AS OF 31 DECEMBER 2018

### SHARES – Main Listed Market:

Name of issue	ISIN	Date of listing
1. Slovnaft a.s. Bratislava	CS0009004452	28.01.1993
2. Slovnaft a.s. - 2. Emisia	SK1120001369	22.09.1995
3. Slovnaft a.s. - 3. Emisia	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. emisia	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. emisia	SK1120004009	03.07.1997
3. OTP Banka Slovensko, a.s.	SK1110001452	15.01.2002
4. OTP Banka Slovensko, a.s. – 2. emisia	SK1110004613	27.04.2004
5. OTP Banka Slovensko, a.s. – 3. emisia	SK1110016559	17.04.2012
6. OTP Banka Slovensko, a.s. – 4. emisia	SK1110017532	17.03.2015
7. OTP Banka Slovensko, a.s. – 5. emisia	SK1110019850	13.03.2018
8. Best Hotel Properties a.s.	SK1120005105	29.09.2009
9. Tatry mountain resorts, a.s. - 6. emisia	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 227	SK4120009762	20.01.2014
11. Štátny dlhopis 228	SK4120010430	22.01.2015
12. Štátny dlhopis 229	SK4120011420	22.01.2016
13. Štátny dlhopis 230	SK4120011636	16.05.2016
14. Štátny dlhopis 231	SK4120012220	24.11.2016
15. Štátny dlhopis 232	SK4120012691	10.3.2017
16. Štátny dlhopis 233	SK4120013400	18.10.2017
17. Štátny dlhopis 234	SK4120014150	13.06.2018
18. Štátny dlhopis 235	SK4120014184	13.06.2018
19. Štátna pokladničná poukážka 16	SK6120000162	28.06.2018

#### **BONDS – Parallel Listed Market:**

Name of issue	ISIN	Date of listing
1. VÚB a.s. Bratislava - 20. emisía HZL	SK4120004946	20.04.2006
2. Slovenská sporiteľňa, a.s. – 11. emisía HZL	SK4120005505	01.10.2007
3. VÚB a.s. Bratislava - 30. emisía HZL	SK4120005547	01.10.2007
4. VÚB a.s. Bratislava - 31. emisía HZL	SK4120005679	21.12.2007
5. Slovenská sporiteľňa, a.s. – 13. emisía HZL	SK4120005927	30.05.2008
6. VÚB a.s. Bratislava - 36. emisía HZL	SK4120005893	30.05.2008
7. VÚB a.s. Bratislava - 43. emisía HZL	SK4120006271	03.03.2009
8. VÚB a.s. Bratislava - 67. emisía HZL	SK4120008228	23.12.2011
9. Československá obchodná banka, a.s. HZL XIX.	SK4120008640	14.02.2013
10. Československá obchodná banka, a.s. HZL XIII.	SK4120008178	05.04.2013
11. Slovenská sporiteľňa a.s. – T2 Dlhopisy SLSP 2028 I	SK4120014564	21.12.2018
12. Slovenská sporiteľňa a.s. – T2 Dlhopisy SLSP 2028 II	SK4120014572	21.12.2018

### TRADING VOLUME STATISTIC OF THE YEAR 2018

	2018	2017	CHANGE (%)
NUMBER OF TRADING DAYS	247	247	0%
TOTAL TRADING VOLUME (EUR)	479 864 333	7 240 098 475	-93.38%
AVERAGE DAILY TRADING VOLUME (EUR)	1 942 771	29 312 140	93.38%
<b>SHARES AND SHARE CERTIFICATES</b>			
TOTAL TRADING VOLUME (EUR)	9 290 761	17 415 739	-46.65%
AVERAGE DAILY TRADING VOLUME (EUR)	37 614	70 509	-46.65%
NUMBER OF ISSUES	59	63	-6.35%
MARKET OF LISTED SECURITIES	15	14	7.14%
REGULATED FREE MARKET	44	49	-10.2%
<b>BONDS</b>			
TOTAL TRADING VOLUME (EUR)	470 573 573	7 222 682 736	-93.49%
AVERAGE DAILY TRADING VOLUME (EUR)	1 905 156	29 241 631	-93.49%
NUMBER OF ISSUES	215	214	0.47%
MARKET OF LISTED SECURITIES	31	31	0.0%
REGULATED FREE MARKET	184	183	0.55%

**MEMBERS AND ENTITIES AUTHORISED TO TRADE ON BSSE  
AS OF 31 DECEMBER 2018**

<b>No.</b>	<b>Name of member or entity authorised to trade on BSSE</b>
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	Tatra banka, akciová spoločnosť
12	UniCredit Bank Czech Republic and Slovakia, a.s. (Česká republika) prostredníctvom pobočky UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky
13	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 31<sup>st</sup> 2018

**Burza cenných papierov v Bratislave, a.s.**

Vysoká 17, 811 06 Bratislava

IČO: 00 604 054

Bratislava, April 2019

## 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 2018, 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 2018, 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.

#### *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 2018, the Company reported a non-current financial asset of 7,626 ths. EUR, what represents 59.3% of the Company's assets recognized in the 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 kept the zero value of allowance to the long-

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term financial assets which was cancelled in 2017, please see the Notes, 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 2018 amounted to 1.288 ths. EUR, what is more by 23.6% than in the previous accounting period despite the expected decrease of revenues. 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.

## 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

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

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Bank. spojenie: 2929913262/1100, IČO: 31 709 117, IČ DPH: SK2020523857

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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.

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

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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 2018 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 2<sup>nd</sup> 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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#### Non-Audit Services

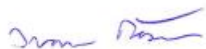
Any prohibited non-audit services referred to in Article 5 (1) of Reregulation regarding the statutory audit of public-interest entities were not provided and we remained independent of the Company when conducting the audit.

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, 24<sup>th</sup> April 2019



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. 962

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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 THE INTERNATIONAL  
FINANCIAL REPORTING STANDARDS AS  
ADOPTED BY THE EUROPEAN UNION**

**For the year ended 31 December 2018**

**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 2018

IČO: 00604054  
DIČ: 2020804390

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Bratislava Stock Exchange  
STATEMENT OF FINANCIAL POSITION  
For the year ended 31 December 2018 (EUR)

IČO: 00604054  
DIČ: 2020804390

	Note	2018	2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment, net	3	1 424 531	1 475 640
Intangible and other assets, net	4	22 932	27 918
Investments in subsidiaries	5	7 625 772	7 625 772
Total non-current assets		9 073 235	9 129 330
<b>CURRENT ASSETS</b>			
Trade receivables, net	6	244 986	74 002
Income tax asset	7		
Other current assets	7	1 144	856
Cash and cash equivalents	8	3 543 696	3 639 717
Total current assets		3 789 826	3 714 575
<b>TOTAL ASSETS</b>		<b>12 863 061</b>	<b>12 843 905</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Registered capital	9	11 404 927	11 404 927
Capital funds	9	314 959	314 959
Accumulated profit and profit for current year		775 188	796 913
Total equity		12 495 074	12 516 799
<b>NON-CURRENT LIABILITIES</b>			
Long-term reserves for liabilities	10	11 587	
Deferred tax liability	13	115 201	117 904
Total non-current liabilities		126 788	117 904
<b>CURRENT LIABILITIES</b>			
Trade payables	11	27 564	22 972
Income tax liability, due	7,19	0	2 880
Provisions for liabilities	10	46 061	43 134
Other liabilities	12	167 574	140 216
Total current liabilities		241 199	209 202
Total liabilities		367 987	327 106
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12 863 061</b>	<b>12 843 905</b>

Bratislava Stock Exchange  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2018 (EUR)

IČO: 00604054  
DÍČ: 2020804390

	Note	2018	2017
<b>REVENUES</b>			
Core revenues		1 143 516	885 589
Other revenues		138 525	151 961
Total revenues	14	<u>1 282 041</u>	<u>1 037 550</u>
<b>OPERATING COSTS</b>			
Consumables and services	15	(313 223)	(316 968)
Labour and related expenses	16	(846 551)	(785 825)
Depreciation and amortisation	3, 4	(94 282)	(87 946)
Other costs	17.1	(54 194)	(47 468)
Total costs and expenses		<u>(1 308 250)</u>	<u>(1 238 207)</u>
<b>OPERATING PROFIT/LOSS</b>		(26 209)	(200 657)
<b>FINANCIAL EXPENSES/INCOME</b>			
Interest income	18	5 824	4 164
Decrease of loss from decrease of value of investment in subsidiary	5	0	122 133
Other financial income			0
Other financial expenses/income, net	17.2	<u>(1 929)</u>	<u>(2 023)</u>
Total financial (expenses)/income, net		<u>3 895</u>	<u>124 274</u>
Profit from continuing operation, before tax		(22 314)	(76 383)
Tax from continuing operation	19	589	4 280
Profit from continuing operation, after tax		<u>(21 725)</u>	<u>(72 103)</u>
Other components of comprehensive income:		0	0
<b>Total comprehensive income:</b>		<u>(21 725)</u>	<u>(72 103)</u>

**Bratislava Stock Exchange**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2018 (EUR)**

**IČO: 00604054**  
**DIČ: 2020804390**

	<i>Registered capital</i>	<i>Capital funds</i>	<i>Accumulated profit/(loss)</i>	<i>Total</i>
<b>As of 1 January 2017</b>	<b>11 404 927</b>	<b>261 116</b>	<b>922 860</b>	<b>12 588 903</b>
Contribution to legal reserve fund		53 843	(53 843)	0
Settlement from capital funds				
Unsettled loss			(72 103)	(72 103)
Net loss for the year				
<b>As of 31 December 2017</b>	<b>11 404 927</b>	<b>314 959</b>	<b>796 914</b>	<b>12 516 800</b>
Contribution to legal reserve fund				
Settlement from capital funds				
Unsettled loss			(21 725)	(21 725)
Net loss for the year				
<b>As of 31 December 2018</b>	<b>11 404 927</b>	<b>314 959</b>	<b>775 188</b>	<b>12 495 074</b>

Bratislava Stock Exchange  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2018 (EUR)

IČO: 00604054  
DIČ: 2020804390

	Note	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITY:</b>			
Profit (loss) before tax		(22 314)	(76 383)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation		94 282	87 946
Interest revenue and dividends		(5 824)	(4 164)
Interest expense			
(Profit)/loss on sale of tangible assets			
Provision for assets, net		-1 826	(122 133)
<b>Operating profit before changes in working capital</b>		<b>64 318</b>	<b>(114 734)</b>
Changes in working capital:			
Change in trade receivables		(169 507)	(7 915)
Change in payables		46 523	17 173
Other			
<b>Cash generated from operations</b>		<b>(58 666)</b>	<b>(105 476)</b>
Interest expense		-	-
Interest received		5 824	4 164
Income taxes paid		(4 994)	25 134
<b>Net cash provided by operating activities</b>		<b>(57 834)</b>	<b>(76 178)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>			
Additions to property, plant and equipment		(38 187)	(9 978)
Proceeds from sale of property, plant and equipment			
Dividends received			
<b>Net cash used in investing activities</b>		<b>(38 187)</b>	<b>(9 978)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid and other		-	-
Net cash used in financing activities		-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(96 021)</b>	<b>(86 156)</b>
CASH AND CASH EQUIVALENTS, START OF YEAR		3 639 717	3 725 873
CASH AND CASH EQUIVALENTS, END OF YEAR	8	<u>3 543 696</u>	<u>3 639 717</u>



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Notes to Separate Financial Statements prepared according to International Financial Reporting Standards as adopted by the European Union, for the year ended 31 December 2018 (EUR)

IČO: 00604054  
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### 1. General

#### 1.1. Description of business

<b>Business name and seat</b>	Burza cenných papierov v Bratislave, a.s. Vysoká 17, 811 06 Bratislava
<b>Date of founding</b>	8 January 1991
<b>Date of incorporation</b>	15 March 1991
<b>(according to the Business Register)</b>	Business Register of the County Court Bratislava I Section: Sa, Insert No. 117/B
<b>Company identification number</b>	00604054
<b>Tax identification number</b>	2020804390
<b>Business activities</b>	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:

	2018	2017
Average number of employees	23	22
Employees as of the day of preparation of fin. statements	23	24
Including: Senior Executives	5	5

#### 1.3. Approval of the year 2017 financial statements

The year 2017 ordinary financial statements and profit distribution of the Company were approved by an ordinary general meeting on 19 October 2018.

#### 1.4. Members of the Company bodies as of 31 December 2018

<b>Body</b>	<b>Function</b>	<b>Name</b>
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	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

#### Changes in the composition of the Supervisory Board in the year 2018:

JUDr. Čunderlík Ľubomír, PhD – end of membership from 16 February 2018.

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 2018:

No.	Shareholders	Share in registered capital		Voting rights (%)
		(EUR)	(%)	
1	MH Manažment, a.s.	8 661 443.196	75.94	75.94
2	Československá obchodní banka, 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	Arcona 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	Tatra banka, akciová spoločnosť	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 2018 to 31 December 2018 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, the 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

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Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC with document, which is reflected in national legislation.

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

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### **Statement of compliance**

The year 2018 separate financial statements and comparable data for the year 2017 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 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 going 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.

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 2018, 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 2017.

### Standards and interpretations in effect in the current accounting period

BSSE 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 2018.

The following standards and 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:

- **IFRS 9 "Financial instruments"** adopted by EU on 22 November 2016 and effective from 1 January 2018, replaced the previous accounting standard – IAS 39. The rules set out in the new standard apply to impairment losses of financial assets measured in amortised cost or fair value through other profits or losses. Applies primarily to the accounting of changes in cash flows of debt instruments;
- **IFRS 15 "Revenues from contracts with customers"** and amendments to IFRS 15 "Effective date of IFRS 15" adopted by EU on 22 September 2016 (with effect for accounting periods starting 1 January 2018 or later);
- **Amendments to IFRS 4 "Insurance contracts"** – application of IFRS 9 "Financial instruments" and IFRS 4 "Insurance contracts" – adopted by EU on 3 November 2017 (with effect for accounting periods starting 1 January 2018 or later, or when IFRS 9 "Financial instruments" is applied for the first time);
- **Amendments to IFRS 15 "Revenues from contracts with customers"** – Explanation of IFRS 15 "Revenues from contracts with customers" – adopted by EU on 31 October 2017 (with effect for accounting periods starting 1 January 2018 or later);
- **Amendments to IFRS 2 "Share-based payment"** – Classification and measurement of share-based payment transactions (effective for accounting periods starting 1 January 2018 or later);
- **Amendments to IAS 40 "Investment property"** – Transfers of property investments (effective for accounting periods starting 1 January 2018 or later);
- **Amendments to various standards "Annual IFRS improvements (2014–2016 cycle)"** resulting from annual IFRS improvements project (IFRS 1, IFRS 12 and IAS 28) aimed in particular at eliminating inconsistencies and clarifying the wording (amendments to IFRS 12 apply to accounting periods starting 1 January 2017 or later, and amendments to IFRS 1 and IAS 28 apply to accounting period starting 1 January 2018 or later);
- **IFRIC 22 "Foreign-currency transactions and advance consideration"** (effective for accounting periods starting 1 January 2018 or later).

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

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

**IFRS 16 Leases** (effective for accounting periods starting 1 January 2019). The standard eliminates the current dual accounting model for the lessee. Instead, it requires companies to report most of the balance sheet leases according to a unified model, eliminating the distinction between operational and financial leasing. Under IFRS 16, a contract is a lease or contains a lease if it transfers the right to control the use of the identified asset for a period of time for consideration. In such contracts, the new model requires the lessee to recognise the right of use and the lease obligation as an asset. The right of use is depreciated and the liability is remunerated. This will result in higher costs for most leases right from the start even if the lessee pays the constant annual rent. The new standard also provides a few exceptions for the lessee, which include:

- Leases with a lease term of 12 months and which do not include an option to buy;
- Leases for which the object of lease is of low value ("small-ticket" leases).

The introduction of the new standard for the most part does not affect the lessor's accounting. The lessor will continue to differentiate between financial and operational leasing.

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Upon its first application, the new standard is not expected to have a significant effect on BSSE's financial statements as the liabilities related to operational lease, where the Company acts as lessee, are of low value. They include the renting of parking spots, mailboxes and small property.

**Amendments to IFRS 9: Prepayment features with negative compensation** (effective for period of year starting 1 January 2019). These amendments deal in more detail with accounting for financial assets that include the partial option of contractual prepayments. Particular attention is paid to how a company classifies and measures a debt instrument, if the debtor has been allowed to prepay at an amount less than the principal outstanding and interest due. This prepayment is often described as involving a negative compensation.

- **Amendments to IAS 28 Investments in associates and joint ventures** (effective for accounting period starting 1 January 2019);
- **Annual IFRS improvements of the 2015–2017 cycle** (effective for accounting period starting 1 January 2019);
- **Amendments to IFRS 19: Employee benefits;**
- **Amendments to IFRS 3 Business combinations** (effective for accounting period starting after or on 1 January 2020);
- **Amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors** (effective for accounting period starting after or on 1 January 2020);
- **IFRIC 23 Uncertainty over income tax treatments** (effective for accounting period starting 1 January 2019);

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 2018 to 31 December 2018.

**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 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 - 6	25%-16.6%
Group 2 – Non-current tangible assets (machines and equipment, fixtures and fittings)	8	12.5%
Group 3 – Non-current tangible assets (air-conditioning devices)	10 - 15	10%-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

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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** - consist of cash in hand, funds in transit 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 2018. The accruals of interests are reported under 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 balance; however, the transfers in the Guarantee Fund accounts are not recorded in the Company's main accounting book.

**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, respectively. The Company only discontinues the recognition of financial liabilities when its liabilities are repaid, cancelled or expired. Modifications according to IFRS 9 represent a change in the contractual cash flow of a loan/asset under contract terms

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**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.

**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.

In previous years, the Company estimated the costs of such liability as insignificant. New and updated estimates of these liabilities required their correction and modification of the financial statements. The corrections of accounting estimates are not recognised retrospectively; hence the Company in 2018 reported losses from additions to the reserve for retirement benefits in the Statement of Comprehensive Income. The cost of retirement benefits is measured at current value of the expected future cash expenditures, the level of which was estimated by recalculating the current average monthly earnings.

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

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

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

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

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

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

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



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

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

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

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

In the Company's conditions, such assessments comprise the following:

- Assessment of useful lives of non-current assets and the level of depreciation;
- Assessment of reserves for leave, retirement benefits, bonuses and unbilled deliveries;
- Assessment of adjusting entries.

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.

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

### Management of financial risks

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

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

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

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

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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.

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**3. Non-current tangible assets**

Non-current tangible assets are comprised of the following:

<i>Year ended 31 December 2018</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	823 143		3 477 092
Additions		26 234		26 234
Disposals		562		562
Transfers				
Closing balance of acquisition cost	2 653 949	848 815		3 502 764
Opening balance of accumulated depreciation	1 233 174	768 279		2 001 453
Depreciation change	55 519	21 824		77 343
Disposals		562		562
Transfers				
Closing balance of accumulated depreciation	1 288 693	789 540		2 078 233
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
<b>Net book value as of 1 January 2018</b>	<b>1 420 775</b>	<b>54 864</b>		<b>1 475 639</b>
<b>Net book value as of 31 December 2018</b>	<b>1 365 256</b>	<b>59 275</b>		<b>1 424 531</b>

Additions in the course of the year comprise the necessary restoration of information technologies. Disposals comprise excluded obsolete unused 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 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		2 206 613
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	1 223 174	768 279		2 001 453
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
<b>Net book value as of 1 January 2017</b>	<b>1 476 295</b>	<b>62 365</b>		<b>1 538 660</b>
<b>Net book value as of 31 December 2017</b>	<b>1 420 775</b>	<b>54 864</b>		<b>1 475 639</b>

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

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**4. Non-current intangible assets**

Non-current intangible assets consist of the following items:

<b>Year ended 31 December 2018</b>	<b>Software</b>	<b>Assets in course of construction</b>	<b>Total</b>
Opening balance of acquisition cost	228 103		228 103
Additions	11 952		11 952
Disposals			
Transfers			
Closing balance of acquisition cost	240 055		240 055
Opening balance of accumulated depreciation	200 184		200 184
Depreciation change	16 938		16 938
Disposals			
Transfers			
Closing balance of accumulated depreciation	217 122		217 122
Opening balance of adjusting entries			
Additions			
Disposals			
Closing balance of adjusting entries	0		0
<b>Net book value as of 1 January 2018</b>	<b>27 918</b>		<b>27 918</b>
<b>Net book value as of 31 December 2018</b>	<b>22 933</b>		<b>22 933</b>

<b>Year ended 31 December 2017</b>	<b>Software</b>	<b>Assets in course of construction</b>	<b>Total</b>
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
<b>Net book value as of 1 January 2017</b>	<b>42 864</b>		<b>42 864</b>
<b>Net book value as of 31 December 2017</b>	<b>27 918</b>		<b>27 918</b>

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

<b>Insured object</b>	<b>Type of insurance</b>	<b>Amount paid 2018</b>	<b>Amount paid 2017</b>	<b>Name and seat of insurance company</b>
Passenger vehicles	Against theft, motor hull	954	964	Allianz – SP Bratislava
Building	Against natural disasters	7 460	7 404	Allianz – SP Bratislava

Net book value of insured vehicles is EUR 0.  
Net book value of insured building is EUR 943 029.

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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 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, 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 on the basis of two independent expert opinions. If the CDCP's equity decreases below the acquisition cost at which this investment is assessed in the Statement of Financial Position, BSSE recognises a loss from decrease of value in the form of adjusting entry to investments in subsidiary.

For the year 2018 the CDCP reported an after-tax profit of EUR 556 111, and its equity thus increased to EUR 8 453 603.

As of 31 December 2018, 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 the Slovak accounting standards for the period ended 31 December 2018 and for the period ended 31 December 2017:

	2018	2017
Total assets	30 681 678	28 332 070
Total equity	8 453 603	7 897 491
Total income	8 578 300	9 888 993
Total expenses	8 022 189	9 314 727

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 19 994 939 (incl. charges and interest). 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 statutory requirements (limits) applicable to its activities and to continue its operations as a going concern. Under these circumstances, additional funding and support from BSSE and ultimate owner of the subsidiary might be required. As of 31 December 2018, the CDCP created provisions for risks connected with those legal claims in the amount of EUR 18 618 837. 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.

### 6. Trade receivables

Trade receivables are comprised of the following:

As of 31 December 2018	Due	Overdue	Trade receivables, total
Receivables from Stock Ex. Members (both current and former)	218 081	11 274	229 355
Other receivables	22 269	4 802	27 071
<b>Trade receivables, total</b>	<b>240 350</b>	<b>16 076</b>	<b>256 426</b>

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Provision for doubtful receivables	(11 440)	(11 440)
<b>Trade and other receivables, net</b>	<b>240 350</b>	<b>244 986</b>

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

Receivables overdue more than one year are recognised in the amount of EUR 11 440. Receivables overdue more than 90 days and less than one year are recognised in the amount of EUR 1 159.

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. 2018</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. 2018</i>
Receivables from former Stock Exchange members	11 274	-	-	-	11 274
Other receivables	1 992			1 826	166
<b>Adjusting entries to trade receivables, total</b>	<b>13 266</b>			<b>1 826</b>	<b>11 440</b>

## 7. Other receivables and other current assets

Other current assets consist of the following items:

	<b>2018</b>	<b>2017</b>
VAT receivables	686	302
Income tax receivables	0	0
Other receivables	66	72
Other current assets	392	482
<b>Other current assets, total</b>	<b>1 144</b>	<b>856</b>

Other receivables comprise the receivables from employees; other current assets in 2018 comprise the future income from accrued interest on time deposits.

## 8. Cash and cash equivalents

Cash and cash equivalents include:

	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	2 869	4 279
Current bank accounts	287 641	1 700 292
Time deposits	3 253 186	1 935 146
<b>Cash and cash equivalents, total</b>	<b>3 543 696</b>	<b>3 639 717</b>

A time deposit in the nominal amount of EUR 1 034 580 bears an interest rate of 0.6% p. a. and is due on 31 December 2018; a time deposit in the nominal amount of EUR 904 739 bears an interest rate of 0.15% p. a. and is due on 31 December 2018; a time deposit in the nominal amount of EUR 1 313 866 bears an interest rate of 0.05% and is due on 5 March 2019.

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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 BSSE's asset). 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 BSSE's registered capital in the amount of 74.2% (2005: 22.13%). In 2009, the National Property Fund increased its stake in BSSE's registered capital to 75.94% by exercising a pre-emption right on the shares of the Stock Exchange. The National Property Fund was terminated by a decision of the National Council of the Slovak Republic; joint-stock company MH Manažment became its legal successor from 1 January 2016. The ownership interest of MH Manažment in the Stock Exchange's registered capital can be subject to further privatisation, while the pre-emption right of the existing shareholders will be preserved.

#### Distribution of statutory profit or settlement of loss for the year 2017

On 19 October 2018, a general shareholder meeting approved the following settlement of loss for the year 2017:

	Year 2017
Loss for the accounting period	72 103
Approved settlement of loss for accounting period	Year 2017
Additions to legal reserve fund	-
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	72 103
Other	-
<b>Total</b>	<b>72 103</b>

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

### 10. Reserves for payables

#### 10.1 Short-term reserves

Name of item	Balance as of 1 January 2018	Additions	Use	Cancellation	Balance as of 31 December 2018
Reserve for leave	13 526	10 561		13 256	10 561
Reserve for bonuses	20 400	20 400		20 400	20 400
Reserve for audit and preparation of financial statements	8 242	8 251	7 572	670	8 251
Short-term part of reserve for retirement benefits		5 883			5 883
Other reserves	966				966
<b>Reserves, total</b>	<b>43 134</b>	<b>45 095</b>	<b>7 572</b>	<b>34 596</b>	<b>46 061</b>

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**10.2 Long-term reserves**

<i>Name of item</i>	<i>Balance as of 1 January 2018</i>	<i>Additions</i>	<i>Use</i>	<i>Cancellation</i>	<i>Balance as of 31 December 2018</i>
Long-term reserves for retirement benefits	0	11 587			11 587

The Company recomputed an estimated amount of long term reserves for future expenses on retirement benefits, whose level it had estimated as insignificant in previous years. Based on this new estimate, in 2018 the Company recognises both long-term and short-term reserves for employee benefits.

**11. Trade payables**

Trade payables consist of the following items:

	<b>2018</b>	<b>2017</b>
Payables to suppliers	27 564	22 972
Advances received	-	-
Other trade payables	-	-
<b>Trade payables, total</b>	<b>27 564</b>	<b>22 972</b>

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

**12. Other payables**

	<b>2018</b>	<b>2017</b>
Payables from current income tax	0	2 880

Other payables and accruals consist of the following items:

	<b>2018</b>	<b>2017</b>
Payables to employees	76 609	67 088
Social security	52 157	45 119
Tax payables	18 517	15 082
Other payables (especially the social fund)	8 608	1 377
Deferred income (advances received for IT services)	11 683	11 550
<b>Other current payables and accruals, total</b>	<b>167 574</b>	<b>140 216</b>

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

**Social fund payables**

	<b>2018</b>	<b>2017</b>
Opening balance as of 1 January	1 134	1 167
Total creation:	11 091	12 571
From expenses according to law	2 795	4 275
Other creation	8 296	8 296
Total drawing:	3 674	12 604
Contribution to employee catering	3 674	6 546
Contribution to transportation to workplace	0	1 708
Contribution to labour force recovery	0	4 350
<b>Closing balance as of 31 December</b>	<b>8 551</b>	<b>1 134</b>

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### 13. Deferred tax payable

	2018	2017
<b>Temporary differences between book value of assets and tax basis, including:</b>		
Deductible	(166)	(979)
Taxable	596 033	592 183
<b>Temporary differences between book value of liabilities and tax basis, including:</b>		
Deductible	(47 292)	(29 758)
Taxable		
<b>Possibility to amortise future tax loss</b>		
<b>Possibility to transfer unused tax deductions</b>		
<b>Income tax rate (%)</b>	21	21
<b>Deferred tax receivable</b>		
<b>Applied tax receivable</b>		
Accounted for as expense reduction		
Accounted for in equity		
<b>Deferred tax payable</b>	<b>115 201</b>	<b>117 904</b>
Change in deferred tax payable	2 703	8 953
Accounted for as expense	2 703	8 953
Accounted for in equity		

The Company does not apply a deferred tax receivable due to losses of previous taxable periods as there is low probability of its amortisation in the future.

### 14. Revenues

Revenues are comprised of the following items:

	2018	2017
Securities trading fees	657 535	407 494
Listing fees	300 661	282 947
Annual membership fees	81 340	91 300
Fees for provision of information	103 980	103 846
<b>Core revenues, total</b>	<b>1 143 516</b>	<b>885 589</b>
Revenues from organising educational courses	1 533	6 670
Revenues from sale of assets	0	0
Revenues from lease	115 054	129 282
Sundry revenues	21 938	16 009
<b>Other revenues, total</b>	<b>138 525</b>	<b>151 961</b>
<b>Operating revenues, total</b>	<b>1 282 041</b>	<b>1 037 550</b>

Sundry revenues in 2018 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:

	2018	2017
Repairs and maintenance of IT systems and assets	153 907	165 344
Material and energy consumption	39 747	40 177
Cost of telecommunication services	8 765	9 033
Building safeguarding	45 897	45 825
Training and consulting	9 530	4 128
Travel expenses	4 213	1 916
Representation costs	4 036	4 591
Cleaning and waste disposal expenses	19 148	19 632
Audit expenses	5 751	5 765
Other services	22 229	20 557
<b>Material and services, total</b>	<b>313 223</b>	<b>316 968</b>

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

**16. Personnel expenses**

Personnel expenses are comprised of the following:

	2018	2017
Wages and salaries	533 937	484 743
Remuneration for members of Company bodies	61 048	75 981
Social security costs and other social expenses	251 566	225 101
<b>Total labour and related expenses</b>	<b>846 551</b>	<b>785 825</b>

The average number of employees was as follows:

	Management	Other employees	Total
Average number of employees, total as of 31 December 2018	5	18	23
Average number of employees, total as of 31 December 2017	5	17	22

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

Other expenses, net, consist of the following:

	2018	2017
Other taxes and charges	6 650	6 344
Provisions for doubtful receivables and write-off of receivables	0	332
Non-current assets sold	0	0
Statutory charges and membership fees in various organizations	10 034	10 799
Insurance of assets	13 046	13 414
Other expenses	24 464	16 579
<b>Total other expenses, net</b>	<b>54 194</b>	<b>47 468</b>

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:

	2018	2017
Exchange rate differences, net	26	89
Other expenses, net	1 903	1 934
Including:		
Bank fees	1 903	1 934
<b>Total other financial expenses, net</b>	<b>1 929</b>	<b>2 023</b>

**17.3. Expenses on audit and other related services**

The Company has concluded an audit contract for the year 2018; the auditing company does not provide other services apart from audit.

The expenses on audit of financial statements in 2018 amounted to the sum of created reserves, that is EUR 5 751 (2017: EUR 5 742).

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### 18. Interest income

Interest income includes:

	2018	2017
Interest income from time deposits	5 824	4 164
Interest income from current bank accounts	0	0
<b>Interest income, total</b>	<b>5 824</b>	<b>4 164</b>

### 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:

	2018			2017		
a	Tax base b	Tax c	Tax in % d	Tax base e	Tax f	Tax in % g
Profit before tax	-22 314			-76 399		
including:						
Theoretical tax		-4 686	21		-16 044	21
Non-deductible expenses	63 502	13 335	-60	117 421	24 658	-32
Non-taxable income	-40 201	-8 442	38	-156 246	-32 812	43
Impact of unreported deferred tax asset						
Amortisation of tax loss	-987	-207			0	
Other						
Total	0	0	0,00	-115 224	-24 198	32
Income tax paid through deduction		2 114	-9,47		1 792	-2,35
Tax licence		0			2 880	
Deferred income tax		-2 703	12,11		-8 953	11,72
<b>Income tax, total</b>		<b>-589</b>	2,64		<b>-4 281</b>	5,60
Impact of change in tax rate on deferred tax		0			0	

#### 19.2. Income tax expense

Analysis of income tax expense:

	2018	2017
Current income tax	2 114	4 672
Deferred income tax	- 589	- 8 953
<b>Income tax, total</b>	<b>1 525</b>	<b>-</b>

#### 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 2017	(124 358)	6 218	31	206	0	(117 904)
Income/(Expense)	(809)	3 671	12	(171)		2 703
<b>As of 31 December 2018</b>	<b>(125 167)</b>	<b>9 888</b>	<b>43</b>	<b>35</b>		<b>(115 201)</b>

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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 BSSE as a subsidiary of MH Manažment a.s.

#### 20.1. Shareholders

Transactions with shareholders as of 31 December 2018 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
MH Manažment a.s.	-	-	-	-
Československá obchodní banka, a.s.	-	-	-	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	12 970
Slovenská sporiteľňa, a.s.	869	-	80 103	-
Arcona Capital Nederland N.V.	-	-	-	-
Poštová banka, a.s.	5	-	7 812	-
ING Bank N.V., pobočka zahraničnej banky	-	-	-	868
Československá obchodná banka, a.s.	154	-	22 068	-
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	195	-	11 297	-
Tatra banka, akciová spoločnosť	389	-	14 423	-
Tatra banka, akciová spoločnosť	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
<b>Total</b>	<b>1 612</b>	<b>-</b>	<b>135 703</b>	<b>13 838</b>

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

Company	Receivables	Payables	Revenues	Expenses
MH Manažment a.s.	-	-	-	-
Patria Online a.s.	-	-	-	-
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 Bratislava	-	-	-	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, a.s.	1 394	-	45 637	-
Tatra banka, a.s.	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
<b>Total</b>	<b>14 542</b>	<b>-</b>	<b>277 615</b>	<b>13 456</b>

#### 20.2. Subsidiary

Transactions with subsidiary as of 31 December 2018 comprise the following:

Company	Receivables	Payables	Revenues	Expenses
Centrálny depozitár cenných papierov v SR, a.s.	1 515	7 799	99 211	22 483
<b>Total</b>	<b>1 515</b>	<b>7 799</b>	<b>99 211</b>	<b>22 483</b>

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

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**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 2018 (EUR)

IČO: 00604054  
DIČ: 2020804390

Transactions with subsidiary as of 31 December 2017 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.	1 315	1 316	113 170	16 241
<b>Total</b>	<b>1 315</b>	<b>1 316</b>	<b>113 170</b>	<b>16 241</b>

**20.3. Members of Company bodies**

Salaries and bonuses of members of the Company bodies as of 31 December 2018:

<i>Body</i>	<i>Number</i>	<i>Bonuses (EUR)</i>	<i>Salaries (EUR)</i>
Board of Directors	5	42 123	
Supervisory Board	2	18 755	
Stock Exchange Committees	9	170	
Executive management	5	32 420	160 311
<b>Total</b>		<b>93 468</b>	<b>160 311</b>

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	0	
Executive management	5	28 450	155 001
<b>Total</b>		<b>104 431</b>	<b>155 001</b>

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 2018 and 2017, 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 2018 comprise the following

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
Slovenský plynárenský priemysel, a.s.		846		10 862

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

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

BSSE performs the administration and keeping of the Guarantee Fund accounts. As of 31 December 2018, the balance of the Guarantee Fund accounts is EUR 76 245.84 (31 December 2017: EUR 87 700.58). These funds are not BSSE's asset; they can only be used to offset the members' liabilities in compliance with the Rules of BSSE. The financial means of the Guarantee Fund are kept separately in the so-called subordinate accounts for each individual member.

## 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 2018 (EUR)

IČO: 00604054  
DIČ: 2020804390

### 21.2. Investments

The investment budget for the year 2018 is summarised as follows:

Year	Investments
2018	38 187

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

### 21.3. Legal disputes

BSSE is presently not a plaintiff in any legal dispute.

As of the day of preparation of financial statements, BSSE was a defendant in the following lawsuits: In one case the plaintiff requested a review of BSSE's decision and procedure. The action was dismissed by a competent court. The plaintiff then filed a cassation complaint against dismissal. The proceeding has not been yet concluded. A cost estimate for this proceeding only includes the cost of legal representation in an estimated amount of EUR 600. In the second 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.

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 2018, 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 2018, the Company has zero 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 2018), there have not been any events that would require the application of modifications in the financial statements compiled as of 31 December 2018.

The proposal for loss settlement for the year ended 31 December 2018 was not approved at the time of preparation of the financial statements.

Prepared on:

24 April 2019

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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## Statement

Issued by the Supervisory Board of the Bratislava Stock Exchange (BSSE) in regard to the BSSE's ordinary separate financial statements for the year 2018 and to the Loss Settlement Proposal for the year ended 31 December 2018

### The Supervisory Board:

1. Has examined the ordinary separate financial statements for the year 2018 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 2018 truthfully present the performance results.
2. States that the Company has posted a profit before tax (loss) in the amount of EUR - 22 314. After taking into account the due and deferred taxes, the loss for the accounting period is in the amount of EUR - 21 725.
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 24 April 2019 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

### Recommends

#### To the General Meeting

- a.) To approve the Annual Report for the year 2018;
- b.) To approve the ordinary separate financial statements for the year 2018;
- c.) To approve the Loss Settlement Proposal for the year 2018 from undistributed profit of previous years as follows:

Undistributed profit

EUR 21 724.87

**Loss settlement, total**

**EUR 21 724.87**

Bratislava, 3 May 2019



Ing. Igor Lichnovský  
Chairman of the BSSE Supervisory Board