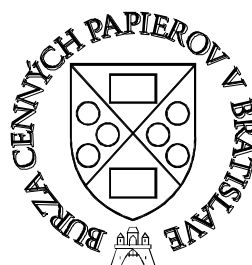




# **Annual Report**

## **2019**



**BRATISLAVA STOCK EXCHANGE**

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## **1. INTRODUCTION**

Dear shareholders and business partners,

In the year 2019, Bratislava Stock Exchange (“BSSE” or “the Stock Exchange” hereinafter) was again able to cope relatively successfully with the constantly changing conditions on the capital markets both at home and in Europe.

The year 2019 was the first year marked by the new terms of our Fee Order. In response to the long-term development of activities on the capital market and the Stock Exchange’s revenue structure, we were forced to change the philosophy behind the Stock Exchange fees and shift the focus of revenues to the listing area. When drawing the plan, we ourselves were uncertain about how our projections would be met and, along the way we looked for other sources of revenue in order to compensate for ever-increasing losses from our core listing and trading fees.

Overall, the results of fulfilment of projections of the year 2019 plan can be viewed as positive; however, their break-down indicates that more time will be needed to observe and adapt to the market trends. We can therefore consider the philosophy behind the Stock Exchange fees in forthcoming years to be open to modifications.

The current situation with spreading pandemic of the COVID-19 disease has raised many questions so far about how economies and capital markets will cope with this difficult situation and its impacts, as well as concerning our future and the manner of provision of services to our clients.

In the coming months and years, we are ready to continue to pay primary attention to ensuring safe operation of our institution, providing quality services to our clients, modernising and simplifying the user environment for our members, expanding our portfolio with new services, and co-creating an environment appealing to active institutions of the capital market, issuers and investors.

## **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 commenced its commercial activity 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 2019, Bratislava Stock Exchange has 15 shareholders the largest of which is MH Manažment, a.s. The company has 23 employees as of the year-end 2019.

## BSSE SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2019

No.	Name of shareholder	Amount of shares	Amount of contributed capital (EUR)	Share in registered capital (%)
1	MH Manažment, a.s.	3 120	1 035 652.800	
		229 734	7 625 790.396	
	<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	Poštová banka, a.s.	266	88 296.040	0.77
6	Arcona Capital Nederland N.V.	150	49 791.000	0.44
7	Middle Europe investments, a.s.	150	49 791.000	0.44
8	ING Bank N.V. prostredníctvom pobočky v SR: ING Bank N.V. , pobočka zahraničnej banky	100	33 194.000	0.29
9	Československá obchodná banka, a.s.	74	24 563.560	0.22
10	KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	72	23 899.680	0.21
11	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
12	Tatra banka, akciová spoločnosť	30	9 958.200	0.09
13	Tatra banka, akciová spoločnosť**	20	6 638.800	0.06
14	Portfolio, akciová spoločnosť	100	33 194.000	0.29
15	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  
Msc. Erika Nováková, MBA (since 14 June 2019)

**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 (until 27 February 2019)  
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.  
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.

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

As of the last trading day of the year 2019, Bratislava Stock Exchange (BSSE) had 263 issues of securities (shares and bonds) placed on its markets. That includes 21 issues placed on the main listed market, 22 issues on the parallel listed market and 220 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 2019**

A total of 29 new issues of securities of local issuers, in a total nominal value of EUR 2.590 billion, started to trade on BSSE's markets in the course of the year 2019. The main listed market was in 2019 joined by 1 new issue of government bonds. One share issue was admitted to the parallel listed market. The regulated free market was joined by 27 issues of securities (incl. 2 issues of covered bonds, 4 issues of bank bonds and 21 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 already admitted bonds. The issued volume of 4 government-bond issues was raised in this manner in the year 2019; the total nominal value of the capital admitted in this way amounted to EUR 2.021 billion. The total value of the capital newly admitted to BSSE's market amounted to EUR 4.611 billion.

### **Issues that stopped to trade in the year 2019**

In the twelve months of the year 2019, 7 issues were cancelled following the issuer's request in a total nominal value of EUR 749.664 million.

Due to maturity of bonds, BSSE ended trading on the main listed market of 1 government-bond issue and 1 issue of state treasury bills, in a total nominal value of EUR 2.328 billion.

Trading of 33 issues of debt securities (incl. 22 issues of mortgage bonds, 7 issues of corporate bonds and 4 issue of bank bonds), in a total nominal value of EUR 1.082 billion, ended on the regulated free market.

## **4. TRADING**

In the year 2019, BSSE's electronic trading system was accessible to members in 249 business days. A total of 6 059 transactions were concluded in this period, in which 345 099 units of securities were traded and the achieved financial volume exceeded EUR 237.001 million. In comparison with the year 2018's trading results it is a decrease by 40.02% in the number of concluded transactions, a decrease by 32.52% in the amount of traded securities and a decrease of the achieved financial volume by 50.61%. In the twelve months of the year 2019, a total of 6 058 electronic order book transactions (i.e. price-setting deals) were concluded in a financial volume of EUR 237.001 million (-50.51% on a year-on-year basis), plus 1 negotiated deal in a realised volume of EUR 0.001 million (-99.92% year on year). Bond transactions generated 94.54% of the total achieved financial volume in the year under review.

Debt securities in a financial volume of EUR 224.069 million (-52.38% in a year-on-year comparison) were bought and sold in 249 business days of the year 2019. 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 12.933 million (+39.2% in a year-on-year comparison).

Zero REPO transactions were concluded in the year 2019, as had been the case in the previous year.

Transactions concluded by non-residents in 2019 amounted to 41.35% of the total trading volume. On the buy side the non-residents accounted for 36.27%; on the sell side they did 46.43% of the trading volume. Natural persons achieved a 3.18-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 2019, BSSE registered on its markets 53 share issues of 39 issuers. Out of that, 3 issues were placed on the main listed market, 10 issues on the parallel listed market and 40 share issues were traded on the regulated free market.

As of the year-end 2019, the market capitalisation of equity securities traded on BSSE's markets decreased by 42.3% on a year-on-year basis to EUR 2.793 billion. The real market capitalisation, which comprises issues that have at least one market price in history (excluding share certificates), amounted to EUR 2.745 billion (-42.56% year on year) and accounted for 98.27% of the total market capitalisation of the share market. As regards the share issues placed on the market of listed securities, their market capitalisation fell since the end of the previous year by 58.59% to EUR 1.055 billion.

In the year under review, the annual traded volume of share transactions (incl. obligatory public offers to take over) totalled EUR 12.933 million in absolute terms. It is an increase by 39.2% against the comparable period of the year 2018. The shares of local companies were traded in 2 095 transactions, in which 196 582 units of equity securities changed hands. On a year-on-year basis it is a 5.38-percent increase in the number of concluded transactions and a 28.12-percent decrease in the amount of traded securities. One negotiated deal in an issue of equity securities, in a financial volume of EUR 0.001 million, was concluded in the year 2019. As regards the electronic order book transactions in shares, they amounted to 2 094 transactions in a volume of EUR 12.932 million. On a year-on-year basis, it is a 52.78-percent increase of the volume generated by the electronic order book transactions and a 99.92-percent decrease of the financial volume from negotiated deals.

From a perspective of achieved financial volume, the year 2019's most prominent share issues on the market of listed securities were Tatry mountain resorts (EUR 3.115 million; 653 transactions), Všeobecná úverová banka (EUR 2.219 million; 509 transactions) and Slovnaft (EUR 1.607 million; 336 transactions). Excluding the public offers to take over, the chart of the most successful issues of 2019 by traded volume on BSSE's regulated free market is led by the share issue Tatra banka (EUR 2.713 million; 66 transactions), followed by Tatra banka 2 (EUR 0.103 million; 1 transaction) and Prima banka Slovensko 2 (EUR 0.049 million; 2 transactions).

Seven new obligatory public offers to take over and 3 voluntary public offers to take over were announced on BSSE in the year 2019; 8 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 2.826 million in 18 transactions. The volume of transactions from the public offers to take over accounted for 21.83% of the total volume of share transactions; 0.86% of transactions in equity securities were realised within the framework of these public offers to take over.

Transactions concluded by non-residents in 2019 accounted for 43.28% of the total volume of share transactions. On the buy side the non-residents accounted for 35.19%; on the sell side they did 51.37% of the trading volume.

No share issue was included in the module of market makers (MTT) in the course of the year 2019.

## Transactions in bonds

As of the last trading day of the year 2019, transactions on BSSE's markets could be concluded in 210 bond issues (incl. 89 issues of mortgage bonds, 6 issues of covered bonds, 18 issues of government bonds, 34 issues of bank bonds and 63 issues of corporate bonds). That includes 18 government-bond issues placed on the main listed market, 12 issues on the parallel listed market and 180 issues on the regulated free market.

As of the year-end 2019, the market capitalisation of debt securities admitted to BSSE's markets climbed to EUR 45.690 billion representing a 1.62-percent increase against the same period of the year 2018. As regards the bond issues placed on the market of listed securities, their market capitalisation increased since the end of December 2018 by 0.19% to EUR 38.158 billion.

A total of 3 964 bond transactions were concluded in the twelve months of the year 2019, in which 148 517 units of securities were traded in a financial volume of EUR 224.069 million. The number of concluded transactions decreased against the previous year (-51.14%), as did the amount of traded securities and the achieved financial volume (-42.78% and -52.38%, respectively). Zero negotiated deals in debt securities were concluded in the course of the year 2019. The electronic order book transactions in bonds totalled EUR 224.069 million.

One transaction in an issue of the public sector (the government bond No. 216) was concluded in the year 2019, in a volume of EUR 0.036 million

Among the issues of debt securities in the private sector, the most noticeable were issues JTEF IX 2026 (EUR 30.63 million; 153 transactions), JTEF VII 2025 (EUR 21.464 million; 96 transactions) and EMG 5.25/2022 (EUR 16.47 million; 185 transactions). The issue D JTFG IX 4.00/2023 recorded the highest number of transactions (595) in the year under review. In electronic order book transactions, the top spot was taken by the government-bond issue No. 216 in the public sector with the achieved volume of EUR 0.036 million, and by the issue JTEF IX 2026 in the private sector (EUR 30.63 million). Transactions concluded by non-residents in 2019 accounted for 41.11% of the total volume of bond transactions. On the buy side the non-residents accounted for 36.2%; on the sell side they did 46.03% of the trading volume.

As of the last trading day of the year 2019, transactions in the module of market makers could be concluded in 20 issues of securities.

## INDICES

The SAX ended the year 2019 at 351.14 points, strengthening by 5.65% against the year-end 2018. The following are year-on-year changes of the SAX index base issues in the year 2019: Biotika (+3.33%; EUR 31.00), OTP Banka Slovensko (+25%; EUR 1.25), SES Tlmače (0%; EUR 1), Všeobecná úverová banka (-11.49%; EUR 154), Tatry mountain resorts (+19.86%; EUR 33.8) and Best Hotel Properties (0%; EUR 3.04).

Two regular revisions and one extraordinary revision of the SAX index took place in the year 2019. At meetings on 7 January and 8 July 2019, 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. In compliance with the rules of the SAX index construction, an extraordinary revision of the base composition of the SAX index took place on 23 December 2019. The aim of the revision was to exclude company Slovnaft, a.s. (CS0009004452, SK1120001369, SK1120005949) from the SAX index base due to the end of trading of the issuer's share issues on the main listed market effective from 27 December 2019, to approve a new index base while keeping the 20-percent weight limit of the base issues in the index base, and to 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 2019 and factored in in the index: Všeobecná úverová banka, a.s. (EUR 9.64; date of record: 3 May 2019) and Biotika, a.s. (EUR 1.75; date of record: 13 May 2019).

## 5. CLEARING AND SETTLEMENT

	2019	2018	%
Transfer services	6 205	10 153	-38.89
Suspended transactions	0	2	-100.00
Amount of transferred securities	345 766	511 741	-32.43

## 6. MEMBERSHIP

As of 31 December 2019, BSSE has 11 regular members. In the year 2019, regular BSSE membership terminated for company Citibank Europe plc, with seat at 1 North Wall Quay, Dublin 1, Ireland, acting through Citibank Europe plc, branch of a foreign bank, IČO code: 36 861 260, with seat at Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic, registered in the Business Register of the County Court Bratislava I, Section Po, Insert No. 1662/B (effective 27 February 2019). 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 2019

The total turnover of transactions on BSSE in 2019 amounted to EUR 474.003 million (-50.61% in comparison with the year 2018) in 6 059 transactions. Out of that, shares were bought and sold in a total value of EUR 25.865 million (5.46% of the total turnover) in 2 059 transactions and bonds recorded a total turnover of EUR 448.137 million (94.54% of the total turnover) in 3 964 transactions.

The tables below show the top 10 members by turnover achieved in the year 2019 broken down to shares, bonds and total turnover.

### SHARES

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	TATRA BANKA, a.s.	6 692 282	25.87%
2	J&T BANKA, a.s., pobočka zahraničnej banky	6 127 281	23.69%

3	OTP BANKA SLOVENSKO, a.s.	2 939 420	11.36%
4	JELLYFISH o.c.p., a.s.	2 847 515	11.01%
5	PATRIA FINANCE, a.s.	2 145 974	8.30%
6	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	1 846 425	7.14%
7	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	1 602 567	6.20%
8	SLOVENSKÁ SPORITEĽNA, a.s.	829 152	3.21%
9	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	608 026	2.35%
10	POŠTOVÁ BANKA, a.s.	195 451	0.76%
	<b>TOP 10 TOTAL</b>	<b>25 834 094</b>	<b>99.88%</b>
	<b>BSSE TOTAL</b>	<b>25 865 202</b>	<b>100.00%</b>

## BONDS

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	J&T BANKA, a.s., pobočka zahraničnej banky	386 838 442	86.32%
2	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	25 509 625	5.69%
3	SLOVENSKÁ SPORITEĽNA, a.s.	20 411 191	4.55%
4	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	11 913 679	2.66%
5	PATRIA FINANCE, a.s.	2 585 946	0.58%
6	OTP BANKA SLOVENSKO, a.s..	525 411	0.12%
7	JELLYFISH o.c.p., a.s.	302 234	0.07%
8	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	50 762	0.01%
	<b>TOP 10 TOTAL</b>	<b>448 137 290</b>	<b>100.00%</b>
	<b>BSSE TOTAL</b>	<b>448 137 290</b>	<b>100.00%</b>

## TOTAL

RANK	NAME OF MEMBER	TURNOVER (EUR)	SHARE
1	J&T BANKA, a.s., pobočka zahraničnej banky	392 965 723	82.90%
2	ČESKOSLOVENSKÁ OBCHODNÁ BANKA, a.s.	27 356 050	5.77%
3	SLOVENSKÁ SPORITEĽNA, a.s.	21 240 344	4.48%
4	VŠEOBECNÁ ÚVEROVÁ BANKA, a.s.	13 516 246	2.85%
5	TATRA BANKA, a.s.	6 692 282	1.41%

6	PATRIA FINANCE, a.s.	4 731 920	1.00%
7	OTP BANKA SLOVENSKO, a.s.	3 464 831	0.73%
8	JELLYFISH, o.c.p., a.s.	3 149 749	0.66%
9	UNICREDIT BANK CZ and SK a.s., prostredníctvom pobočky UNICREDIT BANK CZ and SK a.s., pobočka zahraničnej banky	658 788	0.14%
10	POŠTOVÁ BANKA, a.s.	195 451	0.04%
	<b>TOP 10 TOTAL</b>	<b>473 971 383</b>	<b>99.99%</b>
	<b>BSSE TOTAL</b>	<b>974 002 492</b>	<b>100.00%</b>

## 7. INSPECTION

In the course of the year 2019, 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 2020, BSSE plans to focus primarily on the following areas:

1. Upgrade of the central part of the trading system to the current version;
2. Support of development of the small and medium-sized enterprises in the form of preparation of a system of financing by means of securitised tokens and *fintech* innovations;
3. Strengthening regional co-operation in finding solutions and using the situation with the spreading of COVID-19, and impacts on financing of the real economy;
4. Support for the entry of new issuers, issues and members to the Stock Exchange;
5. Support for the implementation of measures aimed at revitalisation of the local capital market.

## 9. FINANCIAL INDICATORS OF THE YEAR 2019

### a) Statement of Comprehensive Income

Item	2019	2018	Year-on-year change
Total revenues	1 406 330	1 287 865	118 465

Total expenses	1 290 044	1 309 590	- 19 546
<b>Comprehensive income, after tax</b>	<b>116 286</b>	<b>- 21 725</b>	<b>138 011</b>

Compared to the year 2018, the Stock Exchange increased the comprehensive income after tax by EUR 138 011 as it posts a pre-tax profit of EUR 120 778 and, after accounting for current and deferred income tax, the comprehensive income after tax is EUR 116 286.

Total revenues increased mainly due to a year-on-year increase in revenues from main activity - of which the major factor was an increase in listing fees; however, other revenues also slightly increased.

Total expenses of the year 2019 are slightly lower compared to the year 2018, mainly due to lower personnel costs. At retirement, the employees are paid a retirement benefit in the amount of statutory entitlements for which a provision is created. As the age of employees gradually increases so does this item. In the year 2019 it increased by EUR 4 562. Nevertheless, total personnel expenses are lower in comparison with the previous year.

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

Item	2019	2018	Year-on-year change
Revenues	1 400 161	1 282 041	118 120
Operating costs	1 283 565	1 308 250	- 24 685
<b>Operating profit/loss</b>	<b>116 596</b>	<b>- 26 209</b>	<b>142 805</b>

The profit/loss from financial activity shown in the table below is only slightly higher compared to the previous year.

Item	2019	2018	Year-on-year change
Financial revenues	6 169	5 824	345
Financial expenses	1 987	1 929	58
<b>Total profit from financial activity</b>	<b>4 182</b>	<b>3 895</b>	<b>287</b>

## b) Statement of Financial Position

Item	2019	2018	Year-on-year change
Non-current assets	8 985 255	9 073 235	- 87 980
Current assets	3 929 043	3 789 826	139 217
<b>Total assets</b>	<b>12 914 298</b>	<b>12 863 061</b>	<b>51 237</b>

The Stock Exchange's total assets in 2019 increased by EUR 51 237 against the year 2018; out of that non-current assets decreased by EUR 87 980 and current assets increased by EUR 139 217 due mainly to an increase in cash. Investments in the purchase of non-current tangible assets were made in the course of the year in the amount of about EUR 5 000. Total accounting depreciation of EUR 93 331 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. In the year 2019 CDCP posted a profit after tax in the amount of EUR 790 137, thus increasing its equity to EUR 9 243 739, 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	2019	2018	Year-on-year change
Equity	12 611 360	12 495 074	116 286
Total liabilities	302 938	367 987	- 65 049
<b>Equity and liabilities, total</b>	<b>12 914 298</b>	<b>12 863 061</b>	<b>51 237</b>

The Stock Exchange’s equity increased by the amount of achieved profit. At the same time, there was a decrease in total liabilities by EUR 65 049 as of 31 December 2019. The financial structure of liabilities shows that the own capital/total liabilities ratio again slightly increased in 2019 (97.65%) in comparison with the year 2018 (97.14%).

#### c) Statement of Cash Flows

At the year-end 2019, cash and cash equivalents amounted to EUR 3 872 312 which is an increase by EUR 328 616 against the year 2018. From cash provided by operating activities, the Stock Exchange recorded an increase in money in the amount of EUR 333 967. The most significant part of that was pre-tax profit increased by depreciation, and then the change in receivables. The amount of EUR 5 351 was spent on purchase of non-current tangible assets.

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

Up to the publication of the Annual Report (after 31 December 2019), there were no events that would require modifications to the financial statements. Consequences of the emergency caused by the COVID-19 coronavirus pandemic cannot be reliably quantified as of the date of preparation of these financial statements, as the situation changes every day.

#### e) Proposal for Distribution of Profit for the Year 2019

Profit for the year 2019, total	EUR 116 286.29
Additions to the reserve fund	EUR 11 629.00
Transfer to undistributed profit of previous years	EUR 104 657.29

## 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

in 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 2019, the Stock Exchange had 23 employees including 11 men and 12 women.

Employees by age groups:

Up to 30 years of age:	2
30 to 50 years of age:	12
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**

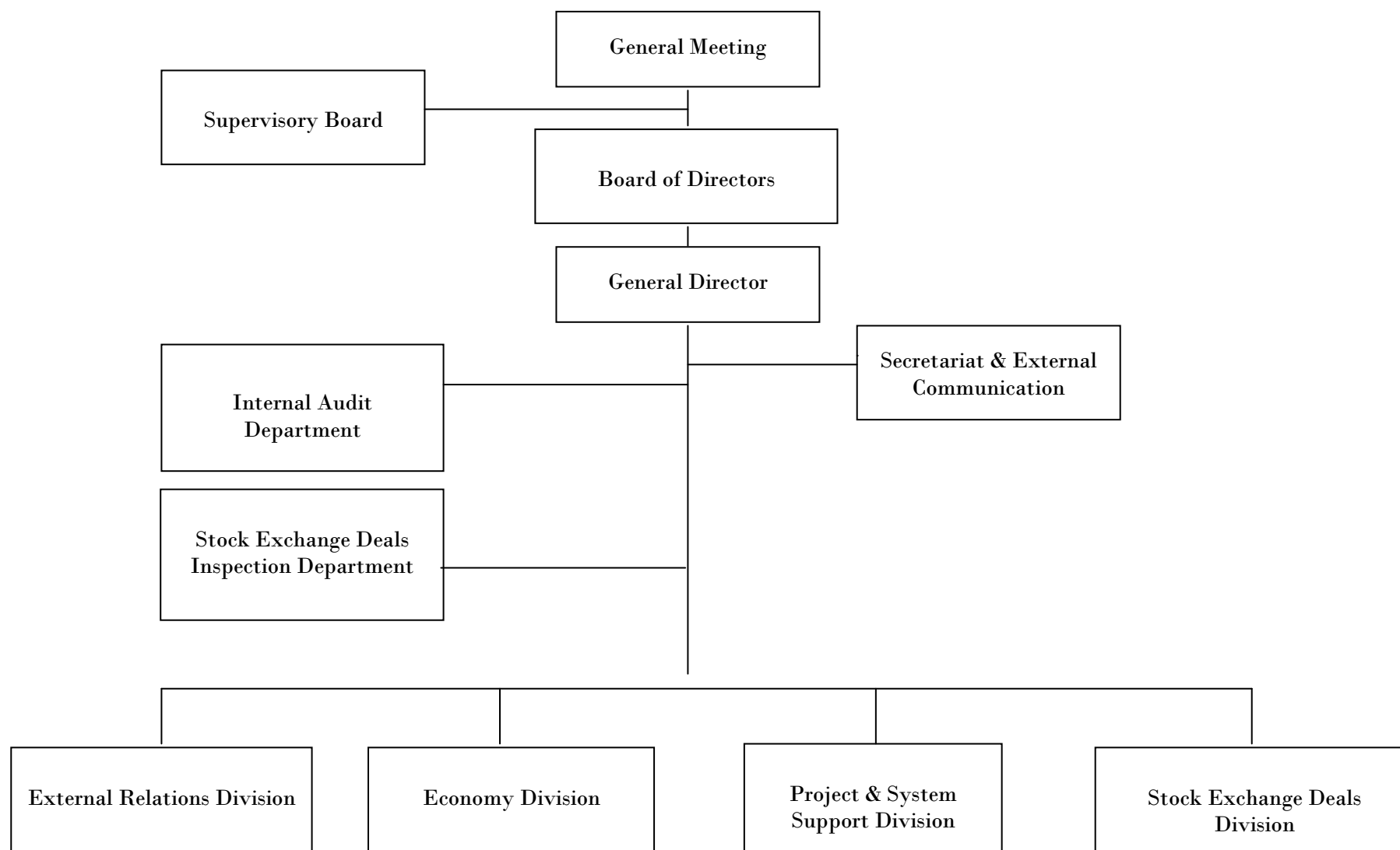
The Stock Exchange has not established a separate Committee for Audit. The function of the Committee has been temporarily performed by the Supervisory Board.



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 2019**

## SECURITIES LISTED AS OF 31 DECEMBER 2019

### SHARES – Main Listed Market:

Name of issue	ISIN	Date of listing
1. Všeobecná úverová banka a.s. Bratislava	SK1110001437	11.05.1995
2. SLOVENSKÉ ENERGETICKÉ STROJÁRNE (SES) a.s. Tlmače	SK1120008034	05.08.1998
3. 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. OTP Banka Slovensko, a.s. – 6. emisia	SK1110020684	27.02.2019
9. Best Hotel Properties a.s.	SK1120005105	29.09.2009
10. 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 206	SK4120004987	11.05.2005
2. Štátny dlhopis 214	SK4120007204	28.04.2010
3. Štátny dlhopis 216	SK4120007543	14.10.2010
4. Štátny dlhopis 221	SK4120008665	12.07.2012
5. Štátny dlhopis 222	SK4120008673	10.08.2012
6. Štátny dlhopis 223	SK4120008871	16.11.2012
7. Štátny dlhopis 224	SK4120008954	11.02.2013
8. Štátny dlhopis 225	SK4120009044	01.03.2013
9. Štátny dlhopis 227	SK4120009762	20.01.2014

10. Štátny dlhopis 228	SK4120010430	22.01.2015
11. Štátny dlhopis 229	SK4120011420	22.01.2016
12. Štátny dlhopis 230	SK4120011636	16.05.2016
13. Štátny dlhopis 231	SK4120012220	24.11.2016
14. Štátny dlhopis 232	SK4120012691	10.3.2017
15. Štátny dlhopis 233	SK4120013400	18.10.2017
16. Štátny dlhopis 234	SK4120014150	13.06.2018
17. Štátny dlhopis 235	SK4120014184	13.06.2018
18. Štátny dlhopis 236	SK4120015173	10.04.2019

**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 2019

	2019	2018	CHANGE (%)
<b>NUMBER OF TRADING DAYS</b>	249	247	0.81%
<b>TOTAL TRADING VOLUME (EUR)</b>	237 001 246	479 690 564	-50.59%
<b>AVERAGE DAILY TRADING VOLUME (EUR)</b>	951 812	1 942 067	-50.99%
<b>SHARES AND SHARE CERTIFICATES</b>			
<b>TOTAL TRADING VOLUME (EUR)</b>	12 932 601	9 290 761	39.2%
<b>AVERAGE DAILY TRADING VOLUME (EUR)</b>	51 938	37 614	38.08%
<b>NUMBER OF ISSUES</b>	53	59	-10.17%
<b>MARKET OF LISTED SECURITIES</b>	13	15	-13.33%
<b>REGULATED FREE MARKET</b>	40	44	-9.09%
<b>BONDS</b>			
<b>TOTAL TRADING VOLUME (EUR)</b>	224 068 644	470 399 804	-52.37%
<b>AVERAGE DAILY TRADING VOLUME (EUR)</b>	899 874	1 904 453	-52.75%
<b>NUMBER OF ISSUES</b>	210	215	-2.33%
<b>MARKET OF LISTED SECURITIES</b>	30	31	-3.23%
<b>REGULATED FREE MARKET</b>	180	184	-2.17%

**MEMBERS AND ENTITIES AUTHORISED TO TRADE ON BSSE  
AS OF 31 DECEMBER 2019**

<b>No.</b>	<b>Name of member or entity authorised to trade on BSSE</b>
1	Československá obchodná banka, a.s.
2	J&T BANKA, a.s. (Česká republika) prostredníctvom pobočky J&T BANKA, a.s. pobočka zahraničnej banky
3	National Bank of Slovakia*
4	OTP Banka Slovensko, a.s.
5	Patria Finance, a.s.
6	Poštová banka, a.s.
7	Prima banka Slovensko, a.s.
8	JELLYFISH, o.c.p., a.s.
9	Slovenská sporiteľňa, a.s.
10	Tatra banka, akciová spoločnosť
11	UniCredit Bank Czech Republic and Slovakia, a.s. (Česká republika) prostredníctvom pobočky UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky
12	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> 2019

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

Vysoká 17, 811 06 Bratislava

IČO: 00 604 054

Bratislava, May 2020





## 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 2019, 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 2019, 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 2019, the Company reported a non-current financial asset of 7.626 ths. EUR, what represents 59 % of the Company's assets recognized in the financial statements and it consists of the shares of the daughter company. Long-term financial assets are measured at acquisition value reduced by the 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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2/6

term financial assets (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 daughter company, we have assessed the need to create an allowance for long-term financial assets.

## 2. Revenue reporting

The company's total revenues for the year 2019 amounted to 1.400 ths. EUR, which is by 118 ths. EUR higher than in the previous accounting period. In 2019 the most significant revenues were listing fees trading 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 revenues, 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 which should have been recorded have actually been recorded and all related disclosures which should have been included to the financial statements were actually included, whether the amounts and other data related to recorded transactions and events have been recorded correctly and the related disclosures have been properly measured and explained 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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ivabosela@acceptaudit.com www.acceptaudit.sk

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.

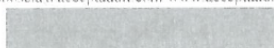
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and objectivity, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 2019 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 3<sup>rd</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, 28<sup>th</sup> May 2020



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

  
Responsible auditor:  
Ing. Ivan Bošela, CA, MBA  
SKAU licence No.: 962

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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 2019**

**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 2019

IČO: 00604054  
DIČ: 2020804390

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Bratislava Stock Exchange  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended 31 December 2019 (EUR)

IČO: 00604054  
DIČ: 2020804390

	Note	2019	2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment, net	3	1 351 175	1 424 531
Intangible and other assets, net	4	8 308	22 932
Investments in subsidiaries	5	7 625 772	7 625 772
<b>Total non-current assets</b>		<b>8 985 255</b>	<b>9 073 235</b>
<b>CURRENT ASSETS</b>			
Trade receivables, net	6	55 631	244 986
Income tax asset	7		
Other current assets	7	1 100	1 144
Cash and cash equivalents	8	3 872 312	3 543 696
<b>Total current assets</b>		<b>3 929 043</b>	<b>3 789 826</b>
<b>TOTAL ASSETS</b>		<b>12 914 298</b>	<b>12 863 061</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		891 474	775 188
<b>Total equity</b>		<b>12 611 360</b>	<b>12 495 074</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term reserves for liabilities	10	13 144	11 587
Deferred tax liability	13	114 639	115 201
<b>Total non-current liabilities</b>		<b>127 783</b>	<b>126 788</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	11	25 348	27 564
Income tax liability, due	7,19	2 881	0
Provisions for liabilities	10	52 114	46 061
Other liabilities	12	94 812	167 574
<b>Total current liabilities</b>		<b>175 155</b>	<b>241 199</b>
<b>Total liabilities</b>		<b>302 938</b>	<b>367 987</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12 914 298</b>	<b>12 863 061</b>



Bratislava Stock Exchange  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2019 (EUR)

IČO: 00604054  
DIČ: 2020804390

	Note	2019	2018
<b>REVENUES</b>			
Core revenues		1 257 878	1 143 516
Other revenues		<u>142 283</u>	<u>138 525</u>
Total revenues	14	<u>1 400 161</u>	<u>1 282 041</u>
<b>OPERATING COSTS</b>			
Consumables and services	15	(326 087)	(313 223)
Labour and related expenses	16	(811 311)	(846 551)
Depreciation and amortisation	3, 4	(93 331)	(94 282)
Other costs	17.1	<u>(41 836)</u>	<u>(54 194)</u>
Total costs and expenses		<u>1 283 565</u>	<u>(1 308 250)</u>
<b>OPERATING PROFIT/LOSS</b>		116 596	(26 209)
<b>FINANCIAL EXPENSES/INCOME</b>			
Interest income	18	6 169	5 824
Decrease of loss from decrease of value of investment in subsidiary	5		0
Other financial income			
Other financial expenses/income, net	17.2	<u>(1 987)</u>	<u>(1 929)</u>
Total financial (expenses)/income, net		<u>4 182</u>	<u>3 895</u>
Profit from continuing operation, before tax		120 778	(22 314)
Tax from continuing operation	19	<u>(4 492)</u>	<u>589</u>
Profit from continuing operation, after tax		<u>116 286</u>	<u>(21 725)</u>
Other components of comprehensive income:		0	0
<b>Total comprehensive income:</b>		<u>116 286</u>	<u>(21 725)</u>

**Bratislava Stock Exchange**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2019 (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 2018</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>
Contribution to legal reserve fund				
Settlement from capital funds				
Unsettled loss				
Profit for the year			116 286	116 286
<b>As of 31 December 2019</b>	<b>11 404 927</b>	<b>314 959</b>	<b>891 474</b>	<b>12 611 360</b>

**Bratislava Stock Exchange**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2019 (EUR)**

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

	<i>Note</i>	<b>2019</b>	<b>2018</b>
<b>CASH FLOW FROM OPERATING ACTIVITY:</b>			
Profit (loss) before tax		120 778	(22 314)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation		93 331	94 282
Interest revenue and dividends		(6 169)	(5 824)
Interest expense			
(Profit)/loss on sale of tangible assets			
Provision for assets, net		166	-1 826
<b>Operating profit before changes in working capital</b>		<b>208 106</b>	<b>64 318</b>
Changes in working capital:			
Change in trade receivables		189 232	(169 507)
Change in payables		(67 368)	46 523
Other			
<b>Cash generated from operations</b>		<b>329 970</b>	<b>(58 666)</b>
Interest expense			
Interest received		6 169	5 824
Income taxes paid		(2 172)	(4 994)
<b>Net cash provided by operating activities</b>		<b>333 967</b>	<b>(57 834)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>			
Additions to property, plant and equipment		(5 351)	(38 187)
Proceeds from sale of property, plant and equipment			
Dividends received			
<b>Net cash used in investing activities</b>		<b>(5 351)</b>	<b>(38 187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid and other			
Net cash used in financing activities		0	0
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>328 616</b>	<b>(96 021)</b>
CASH AND CASH EQUIVALENTS, START OF YEAR		3 543 696	3 639 717
CASH AND CASH EQUIVALENTS, END OF YEAR	8	3 872 312	3 543 696

## 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 2019 (EUR)

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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 number of employees for the current accounting period and for the immediately preceding accounting period:

	2019	2018
Average number of employees	23	23
Employees as of the day of preparation of fin. statements	23	23
Including: senior executives	5	5

#### 1.3. Approval of the year 2018 financial statements

The year 2018 ordinary financial statements and profit distribution of the Company were approved by an ordinary general meeting on 14 June 2019.

#### 1.4. Members of the Company bodies as of 31 December 2019

<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 Miloslav
	Member	Ing. Reischig Viktor
Supervisory Board	Chairman	Ing. Lichnovský Igor
	Member	Ing. Gašparík Jozef
	Member	Msc. Erika Nováková, MBA
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 2019:

Msc. Erika Nováková, MBA – start of membership from 14 June 2019.

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 2019:

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	Poštová banka, a.s.	88 296.040	0.77	0.77
6	Arcona Capital Nederland N.V.	49 791.000	0.44	0.44
7	Middle Europe Investments, a.s.	49 791.000	0.44	0.44
8	ING Bank N.V., pobočka zahraničnej banky	33 194.000	0.29	0.29
9	Československá obchodná banka, a.s.	24 563.560	0.22	0.22
10	KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	23 899.680	0.21	0.21
11	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
12	Tatra banka, akciová spoločnosť	9 958.200	0.09	0.09
13	Tatra banka, akciová spoločnosť	6 638.800	0.06	0.06
14	Portfolio, akciová spoločnosť	33 194.000	0.29	0.29
15	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 2019 to 31 December 2019 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 met 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

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

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**Bratislava Stock Exchange**

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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.

**Bratislava Stock Exchange**

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**Statement of compliance**

The year 2019 separate financial statements and comparable data for the year 2018 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 2019, 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 2018.

### 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 2019.

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 16 "Leases"** - International Accounting Standards Board published IFRS 16 as a new lease accounting standard (with effect for accounting periods starting 1 January 2019 or later);
- **IFRS 23 "Uncertainty over income tax treatment"** - adopted by EU on 23 November 2018 (with effect for accounting periods starting 1 January 2019 or later);
- **Amendments to IFRS 9 "Prepayment features with negative compensation"** to address the concerns about how IFRS 9 classifies particular pre-payable financial assets (with effect for accounting periods starting 1 January 2019 or later);
- **Amendments to IAS 28 "Long-term interests in associates and joint ventures"** - published on 12 October 2017 (with effect for accounting periods starting 1 January 2019 or later);
- **Amendments to IAS 19 "Plan amendment, curtailment or settlement"** (with effect for accounting periods starting 1 January 2019 or later);
- **Amendments to various standards "IFRS quality improvement project"** - as part of its process to make urgent but necessary amendments to IFRS, IASB issued annual improvements in the "IFRS 2015 - 2017" cycle. Resulting from annual IFRS quality improvement project: IFRS 3, IFRS 11, IAS 12, IAS 23 (with effect for accounting periods starting 1 January 2019 or later);

**IFRS 16 Leases** ("IFRS 16") has replaced the IAS 17 "Leases" standard and related interpretations. 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 fewer, 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.

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

Application of IFRS 16 has no significant effect because the liabilities related to operational lease where the company acts as a lessee are of low value. They include rental of parking spaces, mailboxes and small property.

The Stock Exchange reports revenues from operational lease of non-residential premises evenly throughout the lease period (point 14). Contracts are concluded for an indefinite period, with an agreed-upon notice period. The rental price, increased by services directly related to the rental of non-residential premises - such as heat, water, sewer, waste collection and cleaning - is agreed upon as a fixed amount. In the event of an increase in the cost of services, the price will be reassessed and can only be increased through a separate addendum to the lease contract. The cost of electricity consumption is usually invoiced separately based on the actual consumption of the lessee.

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:



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- **Amendments to IAS 1 "Presentation of financial statements"** and **Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors** – the amendments explain and unify the definition of materiality in order to improve consistency when applying this principle in different IFRS standards (with effect for accounting periods starting from 1 January 2019 or later).
- **Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform** – the amendments deal with issues affecting financial reporting in the period before the IBOR reform, are mandatory and apply to all hedging relationships that are directly affected by the uncertainties related to the IBOR reform. All companies that have hedges that are affected by the IBOR reform must:
  - o assess whether the interest rate benchmark on which cash flow hedging is based will not change as a result of the IBOR reform, when assessing whether future cash flows are highly probable. In the case of terminated hedges, the same assumption applies also to determine whether the hedged future cash flows are expected to occur;
  - o assess whether the economic relationship between the hedged item and the hedging instrument exists based on assumptions that the interest rate benchmark - on which the hedged item and the hedging instrument are based - will not change as a result of the IBOR reform;
  - o not terminate the hedging relationship during the uncertainty period resulting from the IBOR reform for the sole reason that the actual hedging results are outside of the 80% - 125% range;
  - o apply the requirement of separate identifiability only at the beginning of the hedging relationship.

A similar exemption is provided for re-determination of hedged items in hedges where the often hedged items are terminated as intended for hedging, and are again designated as hedged – e.g. macro hedge.

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 2019 to 31 December 2019.

**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 costs 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:

<b>Group of assets</b>	<b>Useful life (years)</b>	<b>Rate (%)</b>
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%

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

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

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

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

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

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

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

**Cash and cash equivalents** - 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 2019. 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. 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.

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.

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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.

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 from trading of securities, 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 2019</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	848 816		3 502 765
Additions		5 350		5 350
Disposals		224 154		224 154
Transfers				
Closing balance of acquisition cost	2 653 949	630 012		3 283 961
Opening balance of accumulated depreciation	1 288 693	789 540		2 078 234
Depreciation change	55 520	23 186		78 706
Disposals		224 154		224 154
Transfers				
Closing balance of accumulated depreciation	1 344 214	588 572		1 932 786
Opening balance of adjusting entries				
Additions				
Disposals				
Closing balance of adjusting entries	0	0		0
<b>Net book value as of 1 January 2019</b>	<b>1 365 255</b>	<b>59 275</b>		<b>1 424 531</b>
<b>Net book value as of 31 December 2019</b>	<b>1 309 735</b>	<b>41 440</b>		<b>1 351 175</b>

Additions in the course of the year comprise the necessary renewal/upgrades of information technologies. Disposals comprise excluded obsolete unused assets.

<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 renewal/upgrades 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 2019</b>	<b>Software</b>	<b>Assets in course of construction</b>	<b>Total</b>
Opening balance of acquisition cost	240 055		240 055
Additions			
Disposals			
Transfers			
Closing balance of acquisition cost	240 055		240 055
Opening balance of accumulated depreciation	217 122		217 122
Depreciation change	14 625		14 625
Disposals			
Transfers			
Closing balance of accumulated depreciation	231 747		231 747
Opening balance of adjusting entries			
Additions			
Disposals			
Closing balance of adjusting entries	0		0
<b>Net book value as of 1 January 2019</b>	<b>22 933</b>		<b>22 933</b>
<b>Net book value as of 31 December 2019</b>	<b>8 308</b>		<b>8 308</b>

<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>

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

<b>Insured object</b>	<b>Type of insurance</b>	<b>Amount paid 2019</b>	<b>Amount paid 2018</b>	<b>Name and seat of insurance company</b>
Passenger vehicles	Against theft, motor hull	954	954	Allianz – SP Bratislava
Building	Against natural disasters	6 607	7 460	Allianz – SP Bratislava

Net book value of insured vehicles is EUR 0.

Net book value of insured building is EUR 876 554.

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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 2019 the CDCP reported an after-tax profit of EUR 790 137 (year 2018: EUR 556 111), and its equity thus increased to EUR 9 243 739.

As of 31 December 2019, 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 2019 and for the period ended 31 December 2018:

	2019	2018
Total assets	32 406 805	30 681 678
Total equity	9 243 739	8 453 603
Total income	8 724 224	8 578 300
Total expenses	7 934 087	8 022 189

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 21 316 982 (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 the owner and ultimate owner of the subsidiary might be required. As of 31 December 2019, the CDCP created provisions for risks connected with those legal claims in the amount of EUR 21 316 982. An estimate of probable 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 2019	Due	Overdue	Trade receivables, total
Receivables from Stock Ex. Members (both current and former)	35 590	11 274	46 864
Other receivables	15 836	4 205	20 041
<b>Trade receivables, total</b>	<b>51 426</b>	<b>15 479</b>	<b>66 905</b>
Provision for doubtful receivables		(11 274)	(11 274)
<b>Trade and other receivables, net</b>	<b>51 426</b>	<b>4 205</b>	<b>55 631</b>

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Receivables overdue for more than one year are recognised in the amount of EUR 11 274; a provision is created for them in the amount of 100%. Receivables overdue for less than 90 days are recognised in the amount of EUR 2 989.

<i>As of 31 December 2018</i>	<i>Due</i>	<i>Overdue</i>	<i>Trade receivables, total</i>
Receivables from Stock Ex. Members (current and former)	218 081	11 274	229 355
Other receivables	26 905	166	27 071
<b>Trade receivables, total</b>	<b>244 986</b>	<b>11 440</b>	<b>256 426</b>
Provision for doubtful receivables		(11 440)	(11 440)
<b>Trade and other receivables, net</b>	<b>244 986</b>	<b>0</b>	<b>244 986</b>

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. 2019</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. 2019</i>
Receivables from former Stock Exchange members	11 274	-	-	-	11 274
Other receivables	166		166		0
<b>Adjusting entries to trade receivables, total</b>	<b>11 440</b>		<b>166</b>		<b>11 274</b>

## 7. Other receivables and other current assets

Other current assets consist of the following items:

	<b>2019</b>	<b>2018</b>
VAT receivables	691	686
Income tax receivables	0	0
Other receivables	337	66
Other current assets	72	392
<b>Other current assets, total</b>	<b>1 100</b>	<b>1 144</b>

Other receivables comprise the receivables from employees; other current assets in 2019 comprise deferred income from credit note on electricity consumption for December 2019.

## 8. Cash and cash equivalents

Cash and cash equivalents include:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	3 578	2 869
Current bank accounts	210 927	287 641
Time deposits	3 657 807	3 253 186
<b>Cash and cash equivalents, total</b>	<b>3 872 312</b>	<b>3 543 696</b>

A time deposit in the nominal amount of EUR 1 038 622 bears an interest rate of 0.6% p. a. and is due on 31 December 2019; a time deposit in the nominal amount of EUR 904 503 bears an interest rate of 0.15% p. a. and is due on 31 December 2019; a time deposit in the nominal amount of EUR 1 313 964 bears an interest rate of 0.05% p.a. and is due on 5 March 2020.

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



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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 BSSE shareholders will be preserved.

#### Distribution of statutory profit or settlement of loss for the year 2018

On 14 June 2019, a general shareholder meeting approved the following settlement of loss for the year 2018:

	Year 2018
Loss for the accounting period	21 725
Approved settlement of loss for accounting period	Year 2018
From the legal reserve fund	-
From statutory and other funds	-
From accumulated profit from previous years	21 725
Other	-
Total	21 725

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 2019	Additions	Use	Cancellation	Balance as of 31 December 2019
Reserve for leave	10 561	10 842	9 872	689	10 842
Reserve for bonuses	20 400	24 000		20 400	24 000
Reserve for audit and preparation of financial statements	8 251	10 695	10 754	775	7 417
Short-term part of reserve for retirement benefits	5 883	3 005			8 888
Other reserves	966				966
Reserves, total	46 061				52 114

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**10.2 Long-term reserves**

<i>Name of item</i>	<i>Balance as of 1 January 2019</i>	<i>Additions</i>	<i>Use</i>	<i>Cancellation</i>	<i>Balance as of 31 December 2019</i>
Long-term reserves for retirement benefits	11 587	1 557			13 144

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, since 2018 the Company has recognised both long-term and short-term reserves for employee benefits.

**11. Trade payables**

Trade payables consist of the following items:

	<b>2019</b>	<b>2018</b>
Payables to suppliers	25 348	27 564
Advances received	-	-
Other trade payables	-	-
<b>Trade payables, total</b>	<b>25 348</b>	<b>27 564</b>

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

**12. Other payables**

	<b>2019</b>	<b>2018</b>
<i>Payables from current income tax</i>	2 881	0

Other payables and accruals consist of the following items:

	<b>2019</b>	<b>2018</b>
Payables to employees	38 614	76 609
Social security	26 411	52 157
Tax payables	8 043	18 517
Other payables (especially the social fund)	10 194	8 608
Deferred income (advances received for IT services)	11 550	11 683
<b>Other current payables and accruals, total</b>	<b>94 812</b>	<b>167 574</b>

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

**Social fund payables**

	<b>2019</b>	<b>2018</b>
Opening balance as of 1 January	8 551	1 134
Total creation:	11 006	11 091
<i>From expenses according to law</i>	2 710	2 795
<i>Other creation</i>	8 296	8 296
Total drawing:	9 705	3 674
<i>Contribution to employee catering</i>	5 105	3 674
<i>Contribution to transportation to workplace</i>	0	0
<i>Contribution to labour force recovery</i>	4 600	0
<b>Closing balance as of 31 December</b>	<b>9 852</b>	<b>8 551</b>

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### 13. Deferred tax payable

	2019	2018
<b>Temporary differences between book value of assets and tax basis, including:</b>		
Deductible		(166)
Taxable	600 844	596 033
<b>Temporary differences between book value of liabilities and tax basis, including:</b>		
Deductible	(54 943)	(47 292)
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>114 639</b>	<b>115 201</b>
Change in deferred tax payable	(562)	2 703
Accounted for as expense	(562)	2 703
Accounted for in equity		

### 14. Revenues

Revenues are comprised of the following items:

	2019	2018
Securities trading fees	302 661	657 535
Listing fees	715 585	300 661
Annual membership fees	135 000	81 340
Fees for provision of information	104 632	103 980
<b>Core revenues, total</b>	<b>1 257 878</b>	<b>1 143 516</b>
Revenues from organising educational courses	1 080	1 533
Revenues from sale of assets	0	0
Revenues from lease of non-residential premises	127 356	115 054
Sundry revenues	13 847	21 938
<b>Other revenues, total</b>	<b>142 283</b>	<b>138 525</b>
<b>Operating revenues, total</b>	<b>1 400 161</b>	<b>1 282 041</b>

Sundry revenues in 2019 comprise mainly the payments for clearing and settlement of transactions in securities realized through the CDCP, other re-invoiced expenses of the CDCP and interest. 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.

Total revenues from lease of premises comprise also services related to the use of leased premises in the following structure:

- Electricity consumption, based on actually measured consumption	EUR 8 924
- Recalculated consumption of other services (heat, water, security, cleaning, waste disposal)	EUR 45 777
- Rent	EUR 72 655
<b>TOTAL</b>	<b>EUR 127 356</b>

### 15. Consumables and services

Consumables and services consist of the following items:

	2019	2018
Repairs and maintenance of IT systems and assets	153 157	153 907
Material and energy consumption	38 708	39 747
Cost of telecommunication services	8 930	8 765
Building safeguarding	60 462	45 897

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Training and consulting	3 257	9 530
Travel expenses	3 530	4 213
Representation costs	5 896	4 036
Cleaning and waste disposal expenses	19 469	19 148
Audit expenses	8 192	5 751
Other services	24 486	22 229
<b>Material and services, total</b>	<b>326 087</b>	<b>313 223</b>

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 are expenses on connection services, advertising, promotion and various small services.

### 16. Personnel expenses

Personnel expenses are comprised of the following:

	2019	2018
Wages and salaries	517 944	533 937
Remuneration for members of Company bodies	62 914	61 048
Social security costs and other social expenses	230 453	251 566
<b>Total labour and related expenses</b>	<b>811 311</b>	<b>846 551</b>

The average number of employees was as follows:

	Management	Other employees	Total
Average number of employees, total as of 31 December 2019	5	18	23
Average number of employees, total as of 31 December 2018	5	18	23

### 17. Other expenses and other financial expenses

#### 17.1. Other expenses

Other expenses, net, consist of the following:

	2019	2018
Other taxes and charges	6 209	6 650
Provisions for doubtful receivables and write-off of receivables	(166)	0
Non-current assets sold	0	0
Statutory charges and membership fees in various organizations	10 017	10 034
Insurance of assets	11 834	13 046
Other expenses	13 942	24 464
<b>Total other expenses, net</b>	<b>41 836</b>	<b>54 194</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:

	2019	2018
Exchange rate differences, net	77	26
Other expenses, net	1 910	1 903
Including:		
Bank fees	1 910	1 903
<b>Total other financial expenses, net</b>	<b>1 987</b>	<b>1 929</b>

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

The Company has concluded an audit contract for the year 2019; the auditing company does not provide other services apart from audit.

The expenses on audit of financial statements in 2019 amounted to the sum of created reserves, that is EUR 8 195 (2018: EUR 5 751).

### 18. Interest income

Interest income includes:

	2019	2018
Interest income from time deposits	6 169	5 824
Interest income from current bank accounts	0	0
<b>Interest income, total</b>	<b>6 169</b>	<b>5 824</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:

	2019			2018		
	Tax base b	Tax c	Tax in % d	Tax base e	Tax f	Tax in % g
a						
Profit before tax	120 778			-22,314		
including:						
Theoretical tax		25,363	21		-4,686	21
Non-deductible expenses	34 634	7,273	6	63,502	24,658	-111
Non-taxable income	-22,880	-4,805	-4	-40,201	-32,812	147
Impact of unreported deferred tax asset						
Amortisation of tax loss	-88,023	-18,485		-987	-227	
Other - application of tax license + tax credit		-6,466				
Total	44,509	2,881	2.39	0	-13,067	59
Income tax paid through deduction		1,173	0.97		2,114	-9.47
Total tax paid abroad		1,000			0	
Deferred income tax		-562	-0.47		-2,703	12.11
<b>Income tax, total</b>		<b>4,492</b>	<b>3.72</b>		<b>-589</b>	<b>2.64</b>
Impact of change in tax rate on deferred tax		0			0	

#### 19.2. Income tax expense

Analysis of income tax expense:

	2019	2018
Current income tax	2 881	2 114
Deferred income tax	- 562	- 2 703
<b>Income tax, total</b>	<b>4 492</b>	<b>- 589</b>

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### 19.3. Deferred income tax

Analysis of deferred income tax:

	<i>Non-current assets</i>	<i>Reserves</i>	<i>Unpaid services</i>	<i>Provision for receivables</i>	<i>Tax loss</i>	<i>Total</i>
As of 31 December 2018	(125 167)	9 888	43	35	0	(115 201)
Income/(Expense)	(1 010)	1 539	68	(35)		562
<b>As of 31 December 2019</b>	<b>(126 177)</b>	<b>11 427</b>	<b>111</b>	<b>0</b>		<b>(114 639)</b>

Following the prudent policy principles, BSSE did not account for the balance of deferred tax asset of the unpaid tax loss from 2017, whose balance is EUR 6 918 as of 31 December 2019.

### 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 2019 comprise the following:

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
MH Manažment a.s.	-	-	-	-
Československá obchodní banka, a.s.	-	-	-	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	11 768
Slovenská sporiteľňa, a.s.	464	-	119 890	-
Arcona Capital Nederland N.V.	-	-	-	-
Poštová banka, a.s.	12	-	12 543	-
ING Bank N.V., pobočka zahraničnej banky	-	-	-	863
Československá obchodná banka, a.s.	22	-	31 050	-
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	5	-	16 091	-
Tatra banka, akciová spoločnosť	113	-	28 331	-
Tatra banka, akciová spoločnosť	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
<b>Total</b>	<b>616</b>	<b>-</b>	<b>207 905</b>	<b>12 631</b>

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

<i>Company</i>	<i>Receivables</i>	<i>Payables</i>	<i>Revenues</i>	<i>Expenses</i>
MH Manažment a.s.	-	-	-	-
Patria Online a.s.	-	-	-	-
Allianz – Slovenská poisťovňa, a.s.	-	-	-	12 970
Slovenská sporiteľňa, a.s.	869	-	81 893	-
Palmer Capital Nederland N.V.	-	-	-	-
Poštová banka, a.s.	5	-	7 875	-
ING Bank N.V., pobočka Bratislava	-	-	-	868
Československá obchodná banka, a.s.	154	-	13 811	-
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	-	18 435	-

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 2019 (EUR)

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Tatra banka, a.s.	389	-	15 476	-
Tatra banka, a.s.	-	-	-	-
Portfolio, akciová spoločnosť	-	-	-	-
Všeobecná investičná spoločnosť, a.s. v likvidácii	-	-	-	-
<b>Total</b>	<b>1 612</b>	<b>-</b>	<b>137 472</b>	<b>13 838</b>

### 20.2. Subsidiary

Transactions with subsidiary as of 31 December 2019 comprise the following:

<b>Company</b>	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Expenses</b>
Centrálny depozitár cenných papierov v SR, a.s.	907	1 097	111 498	13 540
<b>Total</b>	<b>907</b>	<b>1 097</b>	<b>111 498</b>	<b>13 540</b>

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

<b>Company</b>	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Expenses</b>
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>

### 20.3. Members of Company bodies

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

<b>Body</b>	<b>Number</b>	<b>Bonuses (EUR)</b>	<b>Salaries (EUR)</b>
Board of Directors	5	40 630	
Supervisory Board	3	22 284	
Stock Exchange Committees	8	0	
Executive management	5	31 940	164 386
<b>Total</b>		<b>94 854</b>	<b>164 386</b>

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

<b>Body</b>	<b>Number</b>	<b>Bonuses (EUR)</b>	<b>Salaries (EUR)</b>
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>

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 2019 and 2018, 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 2019 comprise the following

<b>Company</b>	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Expenses</b>
Slovenský plynárenský priemysel, a.s.		225		10 812

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 2019 (EUR)

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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

## 21. Commitments and contingencies

### 21.1. Guarantee Fund

BSSE performs the administration and keeping of the Guarantee Fund accounts. As of 31 December 2019, the balance of the Guarantee Fund accounts is EUR 76 292.53 (31 December 2018: EUR 76 245.84). 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.

### 21.2. 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 appeal against the dismissal of the action, which was upheld by the court and remitted to the lower court for further proceedings. 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.

### 21.3. 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 2019, 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 2019, the Company has zero open forward or option contracts.

## 23. Events subsequent to the balance sheet date

News from China concerning COVID-19 (Coronavirus) first appeared at the end of the year 2019. In the first months of 2020, the virus spread around the world and negatively affected many countries. Although the situation is constantly changing as of the date of publication of these financial statements, it appears that the negative impact on world trade, on companies and on individuals may be more serious than originally expected. As the situation is still evolving, the management does not think it is possible to provide quantitative estimates of the potential impact of the current situation on the reporting enterprise. Any negative impact or losses will be included by the reporting enterprise in its accounts and financial statements in the year 2020.

Until the day of preparation of the financial statements (after 31 December 2019), there have not been any events that would require the application of modifications in the financial statements compiled as of



**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 2019 (EUR)

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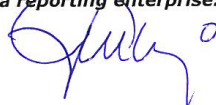
31 December 2019, except for the effect of legislative changes in tax laws resulting from the COVID-19 pandemic. The Stock Exchange took the opportunity to amortise most of tax losses from previous years.

The proposal for profit distribution for the year ended 31 December 2019 was not approved at the time of preparation of the financial statements.

**Prepared on:**

**12 May 2020**

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



**Approved on:**

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



## Statement

Issued by the Supervisory Board of the Bratislava Stock Exchange (BSSE) in regard to  
BSSE's ordinary separate financial statements for the year 2019 and to the Profit  
Distribution Proposal for the year ended 31 December 2019

### The Supervisory Board:

1. Has examined the ordinary separate financial statements for the year 2019 and states that they are prepared according to the International Financial Reporting Standards as adopted by 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 2019 truthfully present the performance results.
2. States that the Company has posted a profit before tax in the amount of EUR 120 778.06. After taking into account the due and deferred taxes, the profit for the accounting period 2019 is in the amount of EUR 116 286.29.
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 28 May 2020 that the financial statements give a true and fair view of the financial position of company Bratislava Stock Exchange as of 31 December 2019, of its financial performance and its cash flow for the year then ended in compliance with the International Financial Reporting Standards as adopted by EU.

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

### *recommends*

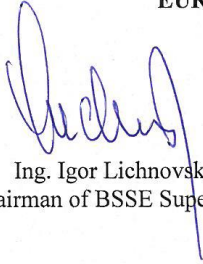
#### to the General Meeting

- a.) to approve the Annual Report for the year 2019
- b.) to approve the ordinary separate financial statements for the year 2019
- c.) to approve the Profit Distribution Proposal for the year 2019 as follows:

Additions to the reserve fund	EUR 11 629.00
Transfer to undistributed profits of previous years	EUR 104 657.29

**Profit distribution, total** EUR 116 286.29

Bratislava, 27 August 2020

  
Ing. Igor Lichnovský  
Chairman of BSSE Supervisory Board