



**Centrálny depozitár cenných papierov SR, a.s.**  
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Number of pages: 78

# **Annual Report**

## **for the year 2017**

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## 1. Introductory Word of the Managing Director

Dear Ladies and Gentlemen,

In December Centrálny depozitár cenných papierov SR, a. s. (hereinafter only „CDCP“ or „central depository“) celebrated 25<sup>th</sup> anniversary of its establishment. Thus we recalled the quarter-century of our business. That is one of the reasons why I am very pleased that the year was especially successful for our company at all points. We completed several important projects that will become the mile-stones in the company's history. Moreover we still keep the positive economic trend.

We have achieved positive economic result for sixth year already. I consider five successive years when the profit of the company crossed the border of a half a million EUR a success. Such result indirectly relates to loose policy of the European Central Bank (hereinafter also “ECB”) and longstanding low government bonds costs/yields. I can evaluate this year as very successful also thanks to the Agency for Debt and Liquidity Management (hereinafter also “ARDAL”) and its activity in placing the bonds. Despite long-lasting equities decline we noticed rebirth in bonds.

Last year culminated CDCP preparations for migration to the common technologic platform Target 2-Securities (hereinafter also “T2S”), which is operated by the ECB. In February 2017, together with our settlement system participants, we have successfully finished the project and connected to the T2S platform. Thus we joined the European countries that advanced towards the harmonisation and upgrade of their capital market infrastructure.

In September 2017 we completed the documentation and submitted the application for CDCP authorisation according to the European regulation, namely in compliance with the requirements of the Regulation (EU) No. 909/2014 of the European Parliament and of the Council (hereinafter also “CSDR Regulation”). At the same time we have established the internal structures and procedures supporting increase in quality of provided services and effective risk management.

Another important activity of the last year was initiation of the accreditation process with the Global Legal Entity Identifies Foundation (hereinafter also “GLEIF”), the organisation in charge of the global LEI codes system. This process was completed at the end of the year and in January 2018 we were granted the certificate confirming successful accreditation for allocating the LEI codes in the Slovak and Czech Republic.

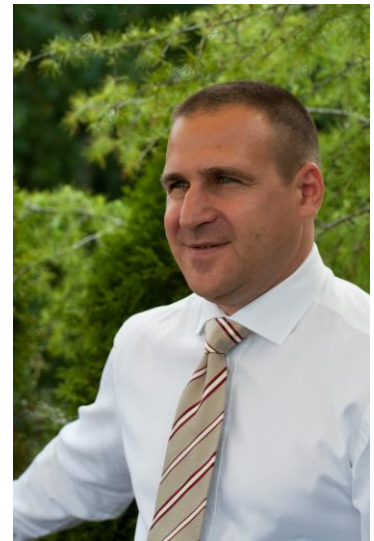
In co-operation with our participants we further stabilise CDCP position in the capital market basic infrastructure of the Slovak Republic. Jointly with the National Bank of Slovakia (hereinafter also “NBS”) and the Ministry of Finance of SR (hereinafter also “MF SR”) we actively participated in harmonizing of the domestic legislation with the European regulation and the market standards.

The last year was challenging as regards the teamwork and professionalism of CDCP employees. I would like to express my thanks to everybody for the effort and loyalty. Appreciation belongs also to our clients and participants for support and favour, and understanding showed in difficult moments that appeared during implementation of mentioned changes. I have a great regard for co-operation and professional approach of NBS and MF SR. And confidence of the shareholder - the Bratislava Stock Exchange, jsc (hereinafter only “BCPB”) means acknowledgement, as well as commitment. Thus we would like to express our respect and we would like to thank for the support we obtain.

Yours faithfully



Martin Wiedermann  
Chairman of the Board and the Managing Director of CDCP



## 2. Core Activities

### 2.1. Processing of Transfer Instructions

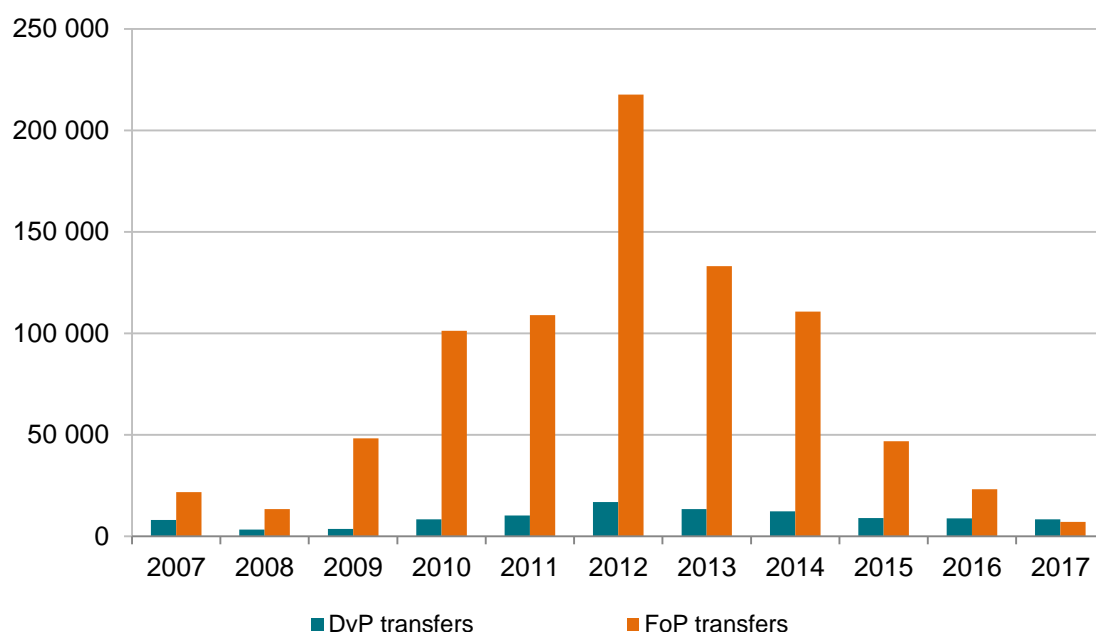
During 253 operating days in 2017, the total value of transfers reached 61 193 million euro, what represents increase by 47% compared to the year 2016. The average daily value of processed transfers reached 242 million euro. On the contrary, the number of transfers decreased by almost 52 % compared to the year 2016. The average daily number of transfers dropped to 61.

Value and Number of Transfers Total	2017	2016
Number of Days of Operation	253	256
Total Value in EUR	61 192 914 323	41 619 255 693
Average Daily Value in EUR	241 869 227	182 106 468
Number of Transfers	15 359	31 908
Average Daily Number of Transfers	61	125

Value and Number of Transfers - Total in 2017						
	DvP Transfers - Market Value		FoP Transfers - Nominal Value		Transfers Total	
	Value in EUR	No.of Transfers	Value in EUR	No.of Transfers	Value in EUR	No.of Transfers
01.2017	446 152 151	660	5 450 053 588	528	5 896 205 739	1 188
02.2017	1 010 051 884	735	5 560 412 001	633	6 570 463 885	1 368
03.2017	1 432 483 514	983	9 353 938 197	980	10 786 421 711	1 963
04.2017	537 830 652	628	4 270 249 189	542	4 808 079 841	1 170
05.2017	530 178 349	671	4 902 345 514	642	5 432 523 863	1 313
06.2017	649 418 974	519	3 154 924 027	763	3 804 343 001	1 282
07.2017	586 812 587	754	4 656 446 764	419	5 243 259 351	1 173
08.2017	327 972 198	660	2 295 331 096	339	2 623 303 294	999
09.2017	479 616 893	591	4 098 848 244	784	4 578 465 137	1 375
10.2017	1 728 796 051	954	3 815 385 451	368	5 544 181 502	1 322
11.2017	472 185 471	532	2 138 076 568	449	2 610 262 039	981
12.2017	1 112 246 301	667	2 183 158 659	558	3 295 404 960	1 225
<b>SUM</b>	<b>9 313 745 025</b>	<b>8 354</b>	<b>51 879 169 298</b>	<b>7 005</b>	<b>61 192 914 323</b>	<b>15 359</b>

Number of DvP and FoP\* transfers in 2007 - 2017:

\* see Glossary (page 76)



### 2.1.1. Delivery versus Payment Transfers

In 2017, the central depository executed DvP transfers of securities in the total market value of 9 314 million euro. In terms of the number of instructions, the central depository processed a total of 8 354 instructions in its settlement system. The average daily value of securities settled in the CDCP system reached 37 million euro, and the daily number of transfer instructions averaged at 33 instructions. Compared to situation in the year 2016, the total value of securities transferred raised by 24.65 %, which makes a year-on-year increase by 1 842 million euro. The number of transfer instructions processed decreased by 368 orders in comparison to the year 2016 (i.e. downturn by 4.22 %).

Value and Number of DvP Transfers	2017	2016
Total Value in EUR - Market Value	9 313 745 025	7 472 111 370
Average Daily Value in EUR	36 813 221	29 187 935
Number of Transfers	8 354	8 722
Average Daily Number of Transfers	33	34

### 2.1.2. Free of Payment Transfers

The value of securities transferred in 2017 as FoP transfers, expressed in the nominal value, amounted to 51 879 million euro and the average daily value of these transfers amounted to 205 million euro. Compared to the previous year, the value of securities transferred increased by 17 732 million euro, which represents a year-on-year growth by 51.93 %. In total 7 005 instructions for FoP transfer of securities was processed in the year 2017. In comparison to the year 2016, the number of FoP transfer instructions decreased by 16 181 instructions, which represents a year-on-year fall by 69.79 % and the average daily number of the processed orders was 28.

Value and Number of FoP Transfers	2017	2016
Total Value in EUR - Nominal Value	51 879 169 298	34 147 144 323
Average Daily Value in EUR	205 056 005	133 387 283
Number of Transfers	7 005	23 186
Average Daily Number of Transfers	28	91

## 2.2. Value of Securities in CDCP Registry

### 2.2.1. Year-end Balance in Owner's Accounts

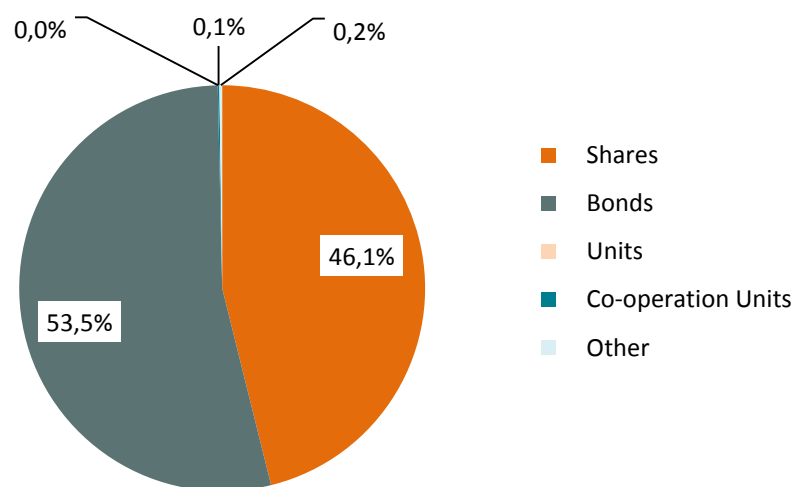
As of 31 December 2017 the book-entry securities with the total nominal value of 80 992 million euro were credited to the owners' accounts, clients' accounts and holders' accounts. The highest share of that value was represented by bonds in the total value of 43 357 million euro. The total value of shares registered in the accounts was 37 356 million euro and the value of co-operative units issued in CDCP amounted to 98 million euro. The number of issues of book-entry shares issued as of 31 December amounted to 1 810 issues. The number of issues of bonds was 526, and 256 issues of co-operative units were registered. The number and value of issues of book-entry units of the unit trust did not change in the course of the year 2017 - 16 issues with the total value of 3 million euro were registered. In Other securities category, where also one issue of bonds of the National Property Fund, SR (hereinafter also "NPF") is registered, 30 issues with the total value of 178 million euro were registered. In 2017 no single issue of treasury bills was issued.

The total value of book-entry securities issued in CDCP increased by 2.79 % compared to the previous year, and the increase expressed in the nominal value equals 2 195 million euro.

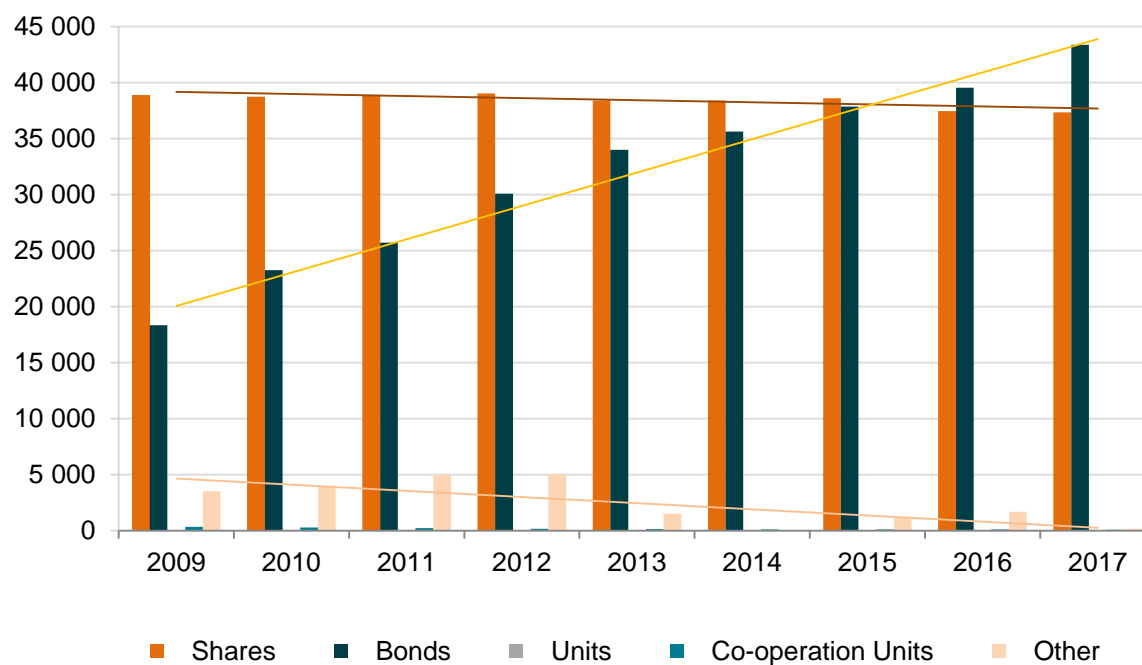
In the year 2017, the increase was recorded in bonds and their nominal value risen by 3 817 million euro. The value of issues of book-entry shares decreased by 112 million euro, as well as the value of other securities decreased by 1 499 million euro. The value of co-operative units fell by 10 million euro. In 2017 the units of the unit trust did not show any change compared to the previous year and their value was 3 million euro.

Nominal Value of Book-entry Securities - as of EOY			
	2017	2016	2015
Value Total in EUR	80 992 133 802	78 796 405 740	77 727 662 518
Shares	37 355 964 418	37 468 414 942	38 589 683 050
out of that: non-converted shares*	1 852 456 513	1 891 892 119	2 160 591 449
Bonds	43 356 836 963	39 539 568 592	37 850 371 964
Units	3 349 864	3 349 859	3 349 859
Co-operative Units	98 304 468	107 951 460	110 720 803
Other	177 678 089	1 677 120 887	1 173 536 842

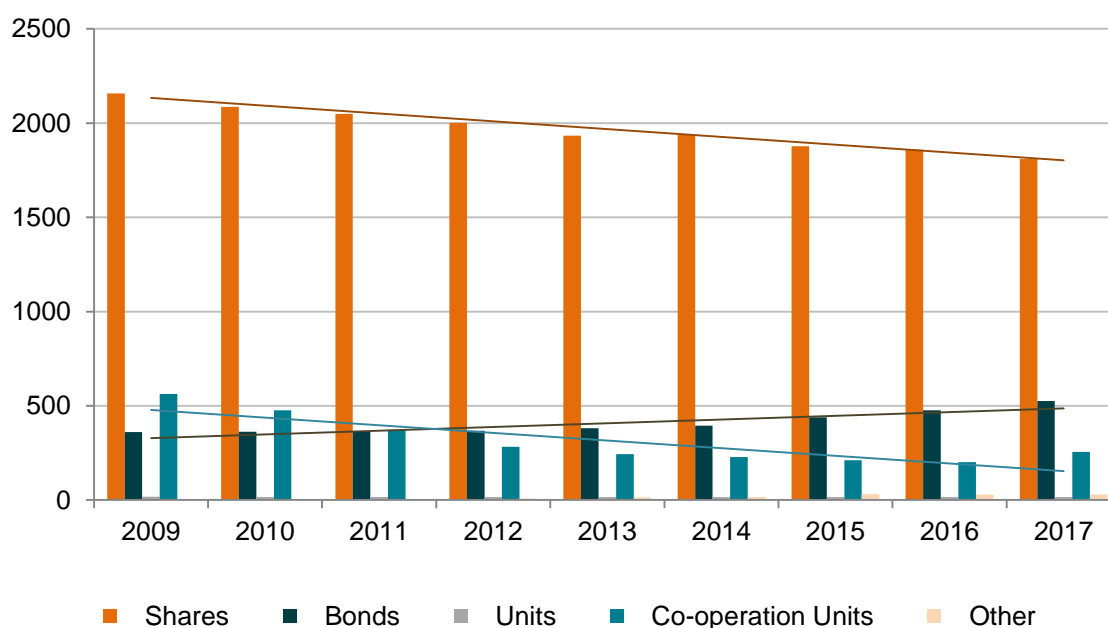
Structure of book-entry securities in 2017 (by value of issued securities):



Value of book-entry securities in the nominal value in 2009 – 2017 (millions EUR):



Number of issues of book-entry securities in 2009 – 2017:



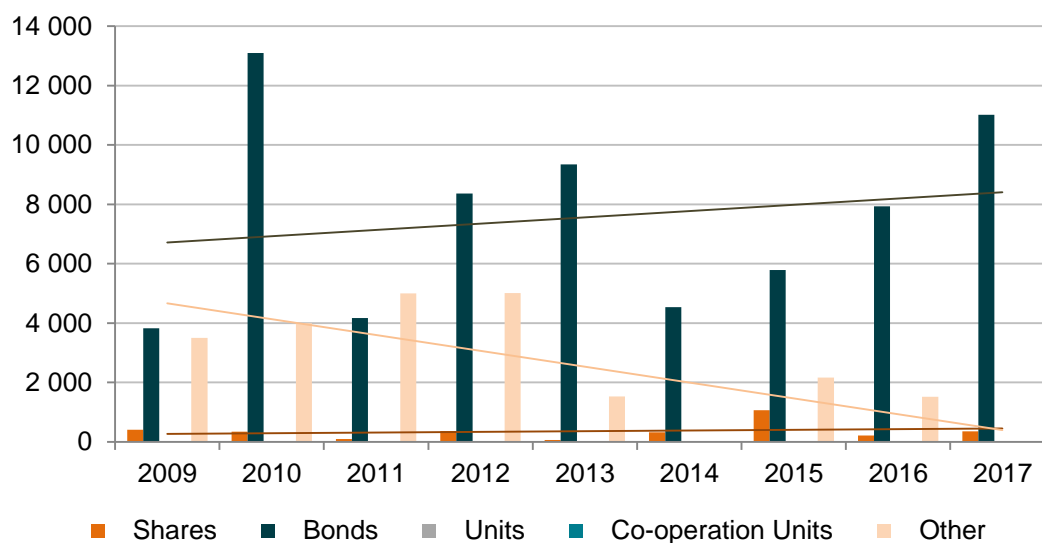
### 2.2.2. New Issues Issued in the year 2017

In 2017, in CDCP the total of 159 new issues of book-entry securities with the total nominal value of 11 380 million euro were issued. As of the end of the year in question, out of these issues the securities with the value of 6 684 million euro were credited to the accounts. The highest increase in the value of new securities was recorded in bonds, i.e. in the amount of 11 010 million euro. It was followed by the increase in shares in the value of 356 million euro and the Other Securities category amounted to 14 million euro. In 2017, 26 new issues of shares, 120 issues of bonds and 13 issues of Other Securities were issued. Not a single issue of book-entry units of unit trust or of co-operative units was issued.

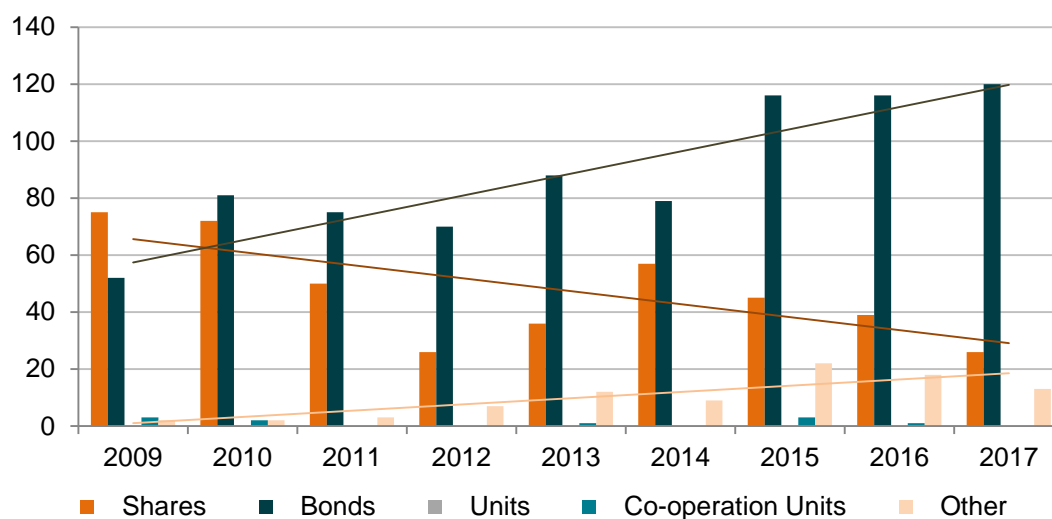
New Issues of Book-entry Securities issued in CDCP - Nominal Value		
	Value in EUR	No. of Issues
<b>Value Total</b>	<b>11 380 406 625</b>	<b>159</b>
Shares	355 695 092	26
Bonds	11 010 270 703	120
Units	0	0
Co-operative Units	0	0
Other	14 440 830	13



Value of new issues of book-entry securities in 2009 – 2017 (millions EUR):



Number of new issues of book-entry securities in 2009 – 2017 (units):



### 2.2.3. Issues Cancelled in the year 2017

In the course of 2017, securities with the nominal value of 7 252 million euro were cancelled in issuer's register of book-entry securities. The cancelled securities comprised of 177 issues in total, and out of this number, 29 issues were deleted from the issuer's register based on data from the electronic commercial register. The largest decline occurred in bonds where 71 issues were cancelled with the total value of 5 498 million euro. This was followed by 12 issues of Other Securities with the value of 1 515 million euro, 79 cancelled issues of shares with the value of 220 million euro, and co-operative units with the value of 20 million which amounted to 15 issues. No issue of units of unit trust was cancelled in 2017.

### Canceled Issues of Book-entry Securities including issues with change of form to paper securities - Nominal Value

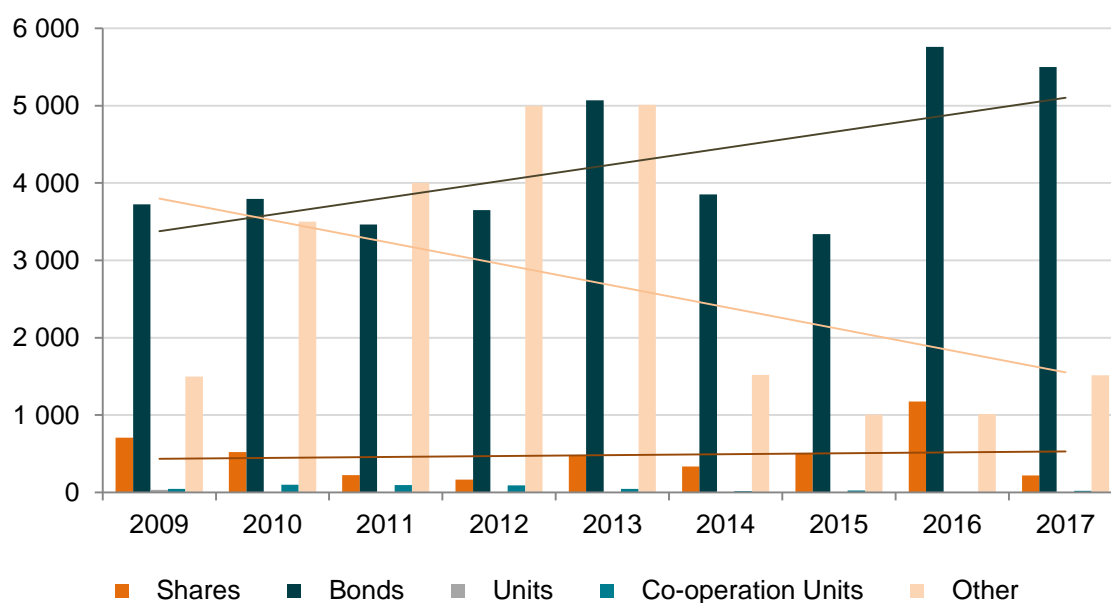
	Value in EUR	No. of Issues
<b>Value Total</b>	<b>7 252 831 714</b>	<b>177</b>
Shares	220 029 965	79
Bonds	5 498 084 957	71
Units	0	0
Co-operative Units	19 900 322	15
Other	1 514 816 470	12

### Issues deleted from the issuer's registration on the basis of data from electronic companies register

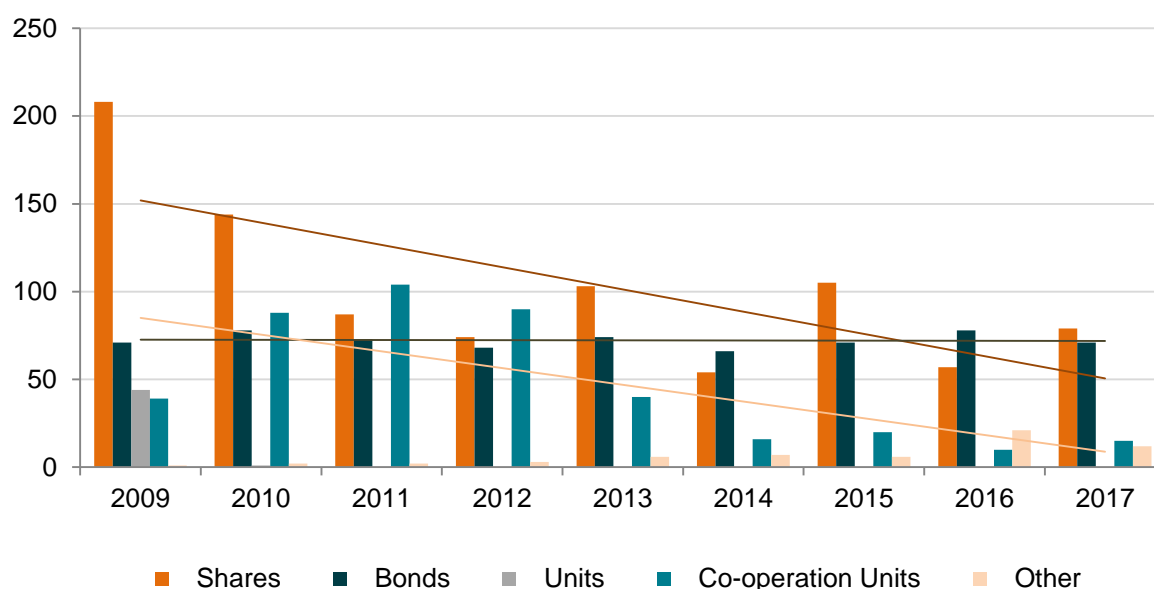
2017

<b>Number of issues</b>	29
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Value of cancelled issues of book-entry securities in 2009 – 2017 (millions EUR):



Number of cancelled issues of book-entry securities in 2009 – 2017 (units):



## 2.3. Issuer's Registers, Lists of Shareholders and Other Services

### 2.3.1. Administration of Issuer's Registry

As of 31 December 2017, CDCP kept issuer's register for 1 475 issuers of book-entry securities and one issue of a foreign issuer of securities is registered in a special register of foreign securities. Out of the mentioned issues, at least one security was credited to the owner's account, client account or holder's account. The number of issuers for whom CDCP administered an issuer's register decreased by 18 (-1.21 % y-o-y) compared to 2016.

### 2.3.2. Issuers of Paper-form Shares

In 2017, the central depository administered a list of shareholders for 3 633 issuers of paper-form shares, which represents an increase by 51 issuers (increase by 1.42 % y-o-y) compared to the previous year.

Issuer's Registers and Lists of Shareholders	2017	2016	2015
Number of Issuers for whom the CDCP administers the issuer's register	1 475	1 493	1 504
Number of Issuers of registered paper shares for whom the CDCP administers the List of Shareholders	3 633	3 582	3 580

### **2.3.3. Services based on Written Request**

In the year 2017, CDCP handled a total of 16 196 written requests concerning birth registration number or Company ID submitted by authorised persons pursuant to Section 110 of Act No.566/2001 Coll. on Securities and Investment Services as amended. This figure involves 7 535 requests submitted by tax and customs offices to which the services are provided free of charge and 1 934 requests submitted by notaries. Compared to 2016, CDCP handled by 826 requests less which makes a year-on-year decline by 4.85 %.

In the year 2017, CDCP also handled a total of 13 753 written requests submitted by natural persons and legal entities for the services such as change in owner, statement of account or change in personal data and the like.

## **3. Project Target2-Securities in the year 2017**

In compliance with the plan, 6 February 2017 was the first operation date on the common platform T2S for CDCP and entire market and, at the same time, it was the first operation day for new information system of CDCP. Process of migration of CDCP to T2S was smooth and the first operation day started according expectation before 8 am in the morning. That day symbolise successful finishing of T2S project in CDCP.

## **4. Compliance**

### **4.1. European Legislation**

The Compliance department - the organisation unit liable for control and observance of compliance with legal regulations, was definitely established in the organisational structure of the company in the year 2017, together with relevant competencies, rights and responsibilities.

Main task of the Compliance function in the year 2017 was to participate and supervise preparation of documents creating attachments of the application for authorisation according to the CSDR Regulation and related implementation acts ensuring harmonisation of CDCP with the European legislation. Preparations for placing the application for authorisation were in progress from the year 2015 and resulted in submitting of the application for authorisation to the National Bank of Slovakia in September 2017. About 40 internal guidelines were prepared and approved during this extensive project, whereas many processes in CDCP are newly regulated in compliance with the European legislation. Almost 150 documents governing operation of CDCP were prepared in total.

Official procedure on granting the central depository authorisation according to the CSDR Regulation was initiated by placing the application for authorisation to the National Bank of Slovakia. We can tell that by implementation of new processes, principles and systems inside the company was assured that CDCP is presently operating in compliance with the European standards and is harmonised with the other central depositories operating in EU member states.

The CSDR Regulation together with relevant regulatory technical standards, EMIR Regulation and MiFID II Directive create in EU the basic framework of rules for systemically important infrastructures for securities. By approving of the directives in EU (or by adoption of the amendments) was evoked requirement to transpose the directives to domestic legislation. That was the reason for amendment to the act No. 566/2001 Coll. (amended by the act No. 237/2017 Coll.), by which the MiFID II Directive was implemented to the national legal regulation in the year 2017. This amendment brought multiple changes relevant to CDCP operation, e.g. implemented were new types of securities, and the LEI codes were introduced as a novelty in legislation of the Slovak Republic. Majority of these amendments to the

Act No. 566/2001 Coll. became effective on 1 November 2017 except of changes with effectivity postponed for year 2018 and 2019.

The challenge for next period is implementation of all relevant amendments of the legal regulations and their introduction to company processes so that CDCP is compliant and acts in compliance with valid legislation. In this connection we would like to mention primarily the amendment of the act No. 297/2008 Coll. on Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplement to Certain Acts, by which were adopted the provisions of the 4th AML Directive, and also adoption of completely new act No. 18/2018 Coll. on Protection of personal data and on amendments and supplement to certain acts, which reflects the GDPR Regulation. Continual inspection of effectiveness of and adherence to the regulations in the company and the knowledge examination among the employees is essential and no less important task of the Compliance function.

#### **4.2. Assessment of the Settlement System due to Migration to T2S**

In connection with migration to T2S the Eurosystem in the year 2017 executed assessment of the securities settlement systems of the depositories which migrated to T2S in the fourth wave. During the process also the securities settlement system operated by CDCP was assessed. The user assessment was made in accordance with the Framework for the assessment of securities settlement systems and links in order to indicate their eligibility for use in the Eurosystem credit operations. Based on the assessment the Eurosystem Governing Council concluded that CDCP remains eligible to be used for the monetary policy operations and the intra-day credit operations of the Eurosystem.

### **5. Risk Management**

In order to ensure credibility and stability of the company the CDCP Board of Directors attaches crucial importance to functional and complex risk management system. Nevertheless, CDCP abides not only with the requirements of the national legislation but equally respects applicable EU legal regulations. In the year 2017 CDCP established independent risk management function. The Risk Manager provides the company management with independent view on risks CDCP and its participants are exposed to, proposes necessary measures for mitigation of the risks and enforces implementation of the measures. Of course, also the other managers are engaged in the risk management system of CDCP. Adopted risk management system helps the company to achieve defined goals and implement the business strategy without fluctuation due to possible high risk exposure. As CDCP is exposed mainly to operation risks, the company management pays the highest attention that group of risks.

CDCP risk management does not take in account only eventual losses but also consequences of eventual interruption of service provision to the participants in the settlement system and other clients. CDCP maintains set of business continuity plans and recovery plans for different scenarios of standard operation disruption to ensure provision of services also in critical situation.

Pursuant to requirements resulting from the binding regulation CDCP covers all risks it is exposed to by own capital in stipulated extent. CDCP implemented procedure to obtain additional own capital in case the level of the capital should not be sufficient anymore.

CDCP shall grant access to provided services or shall open a link to another central depositories only after due assessment of risks, which the requesting person could represent for the company or the other entities using CDCP services. On the other side, adequate care is given also to management of risks which the participants and other clients are exposed to by using CDCP services or in connection with opened link.

## **6. Internal Audit**

The year 2017 was the key year for the Internal Audit function. The central depository underwent a transformation from the internal control function to the independent function of internal audit. The Internal Audit Department, directly responsible to the Supervisory Board, was created and also the Audit Committee was established as an advisory body of the Supervisory Board with aim to oversee activities of the Internal Audit in CDCP. The Audit Committee in compliance with the Statute of the Audit Committee discussed the Statute of Internal Audit, methodology of the internal audit and the Audit Committee Statute and addressed its proposals to the Supervisory Board. The Internal Audit Department prepared a strategic and operational plan of internal audit and also proposal to execute the internal audit externally; the documents were prepared in compliance with the internal audit methodology. These entire documents were approved by the Supervisory Board of the company after they were discussed by the Board of Directors. Hereby all documents required for due execution and function of the Internal Audit in CDCP became valid.

Purpose of the Internal Audit in CDCP is to provide assurance on risk management in connection with achieving of adequacy and efficiency of management, operation or information processes and systems with respect to objectives and tasks of the central depository, reliability and integrity of financial and operation information, effectivity, efficiency and economy of operations, assets protection and compliance with generally binding legal regulations, internal regulations and agreements. The Internal Audit stated in the year 2017 that the internal processes are performed in compliance with approved internal regulations for management of the company and didn't identify breach of the act No. 566/2001 Coll. on Securities and Investment services as amended and of the Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories. Alike no breach of the act No. 297/2008 Coll. on Prevention of Legalization of Proceeds of Criminal Activity an Terrorist Financing as amended was identified during audits.

## **7. International Standards**

CDCP assigns the ISIN code to issues of book-entry securities and paper-form securities which identifies the issue of securities and other financial instruments. ISIN code is assigned in compliance with the international standard ISO 6166 which stipulates the specific structure and mechanism for generating these codes. ISIN code is used as a basic identification of an issue not only in the central depository register, but also in any information systems working with securities. ISIN codes assigned to securities issued in the Slovak Republic start with the prefix "SK".

Moreover, CDCP allocates the CFI and FISN codes as identifiers required for all book-entry and paper-form securities to which also ISIN code was allocated. The ISIN code is assigned in the moment when it is generated. In accordance with the international standard ISO 10962 CDCP assigns CFI code – it is not a unique code identifying a particular issue of securities, but the code which identifies the category of securities and their relevant attributes in detail. CFI code is assigned due to existing need for consistent and uniform approach to categorisation of securities into groups mainly in cross-border trading.

CDCP assigns FISN code in compliance with the international standard ISO 18774. FISN code identifies in detail the short name of the financial instrument and is assigned in order to provide consistent and uniform approach to standardisation of the issuer's short name and description of securities. FISN code together with ISIN and CFI codes give clear identification of and information on securities to the capital market participants, who making the financial transactions, both at national and international level.

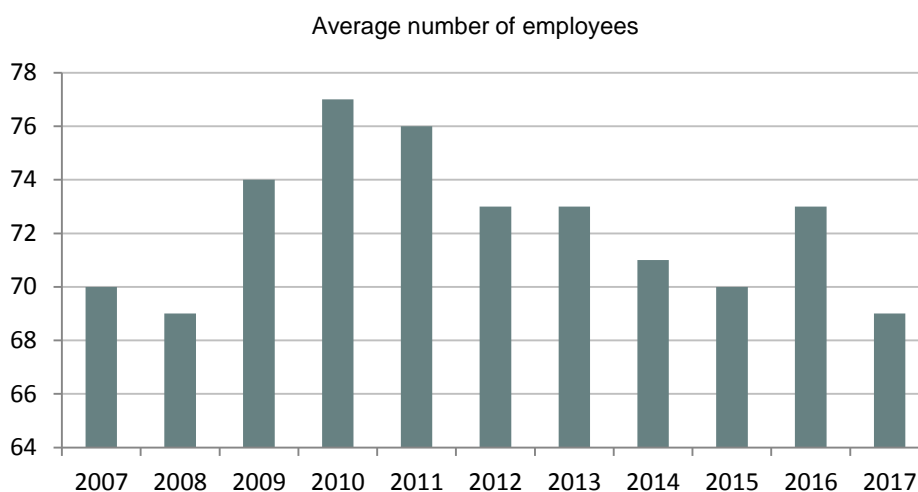
Within the Slovak Republic, ISIN, CFI and FISN codes are assigned by CDCP as the National Numbering Agency.

In 2014 CDCP started to assign LEI codes according to the international standard ISO 17442. Since 21 May 2014 when CDCP was approved as the Local Operating Unit, LEI codes assigned by CDCP may be used for identification of entities within the EU legislation (e.g. EMIR, SOLVENCY I., II.) and also other standards related to international financial market regulation.

In 2017 CDCP successfully completed accreditation process in order to become the LOU operator in the Slovak Republic. Accreditation is process during which the Global Legal Entity Identifier Foundation (GLEIF) assesses preparedness of the organisation interested in operating within the LEI Global System, assigning the LEI codes, and managing the reference data of entities with allocated LEI code. Upon accreditation the organisation functioning as a Local Operating Unit in temporary scheme (pre-LOU) becomes a member of the LEI Global System (GLEIS), entitled to operate as the accredited Local Operating Unit (LOU) in any of the countries for which it has been accredited.

## 8. Human Resources

In the year 2017 at average 86 employees were employed in CDCP.



Structure of employees in the year 2017:

Average number of employees	69 total
Out of that:	30 men
	39 women
Entries	11 employees
Terminations	18 employees
Average age of all employees	42 years
Average age of new employees	33 years

### **8.1. Education**

The employees are regarded the most valuable asset which directly affects the quality of CDCP results. We are interested in employing the competent and quality employees who understand their work, thus are performing it well. We expect mainly competence, loyalty and client-oriented approach from our current employees and also from the applicants.

To provide our employees with the opportunity to improve continually, we invest into educational activities and support both professional and personal growth of our proficient employees. In 2017 we prepared 27 educational activities for our staff, mainly seminars, trainings, conferences, and workshops, which were attended by 26 employees altogether.

### **8.2. Benefits for the Employees**

We do our best to acquire and maintain the proficient employees by co-ordinating the benefits and corporate culture, and our goal is to achieve balance between their private and working life. In 2017, each employee was provided with 5 days of leave beyond the entitlement under the Labour Code. We care about good relationships among co-workers and Christmas Party for all employees also helped to strengthen the relations.

## **9. Strategic Vision**

The strategy of our company remains unchanged and is set on three basic pillars. Improvement the quality of services and increasing the efficiency while remaining stability of provided services and achieving the profit stay in our viewpoint. Basis for realisation of our goals is the strategy for years 2016 – 2019 approved by the shareholder

The aim of the strategy is to make provided services more simple and attractive. We want to bring an added value to our customers and address the new ones. At the same time we want to be reliable partner to our members (participants in the settlement system), clients, and suppliers. That requires appropriate market conditions and consistent regulatory environment attractive to investors. Important task for CDCP will be to contribute by co-creating of stable infrastructure.

Our ambition is to further develop the strategic tasks we could consider as accomplished.

1. To prepare CDCP for granting the authorisation in accordance with the requirements of CSDR Regulation and the respective RTS.
2. To ensure implementation of T2S Project in accordance with commitments to NBS and ECB, stabilise the production information systems, and make the services available to our users.
3. To establish performance metrics for all job positions, make the organisational structure real, and finalise the working processes.
4. To obtain the accreditation of LEI codes provider and to become a full member of GLEIS

Main strategic task still are:

1. To increase efficiency of services provided through introduction of digitalisation and computerisation of internal processes.
2. To clarify and simplify the Scale of Fees in connection with the transition to T2S and the requirements of the Regulation, to ensure long-term sustainability of services.
3. To harmonize the internal processes with the requirements of EU GDPR Regulation
4. To harmonize with EU market standards and eliminate certain local specificities (divided securities, differentiation of instructions, overlapping of pledge, suspension of disposal right, etc.).



5. To cooperate actively with the Users Committee and clients of CDCP. To transform CDCP to a modern client-oriented company that meets current European standards and to develop new trends and bring new innovative solutions providing our clients with the higher added value.

The strategic goal of our company is clear. By realisation of key task we want to achieve that CDCP reaches standard level of provided services in strong European competition while accepting the local limits.

## **10. List of CDCP Participants**

CDCP provides services mainly through its participants. In compliance with Act No. 566/2001 Coll. on Securities and Investment Services as amended and in compliance with the CSDR Regulation, the bank, foreign bank, securities broker, foreign securities broker, central counterparty, clearing agent, clearing house, operator of a settlement system or payment system, state administration body, company with guarantee provided by the state in connection with participation in the settlement system or in the payment system, and a central depository may become a participant.

In the year 2017, CDCP granted the status of a participant in the securities settlement system to the Arca Brokerage House o.c.p. a.s. and Infinity ELITE, o.c.p., a.s. and to the foreign bank Raiffeisen Bank International AG, with its registered office in Vienna with the effect from 2 February 2018. Except that, CDCP granted access of the central depository to the settlement system to two international central depositories, namely to the Clearstream Banking S.A. with effect from 1 March 2018, and to the Euroclear Bank SA/NV with effect from 2 February 2018, and by granting the access the depositories became the participant in the securities settlement system. During the year 2017 CDCP discontinued status of the participant in the settlement system and membership in the central depository for the company Sberbank Slovensko, a.s. and to foreign central depositories Clearstream Banking, AG (Germany) and Krajowy Depozyt Papierów Wartościowych, S. A., (Poland). As at the end of the year 2017 CDCP had 22 participants (11 banks, 7 securities brokers, 1 foreign central depository, ARDAL, the National Bank of Slovakia, NCDCP).

All of the existing members of CDCP, after the new CDCP Rules of Operation elaborated in accordance with CSDR Regulation came into effect on February 2017, acquired the status of participant in CDCP settlement system.

In the year 2017 all participants who were granted the participant access to the securities settlement system before 6 February 2017 submitted to CDCP documentation and information declaring compliance with the participation criteria pursuant to the Rules of Operation of CDCP, which became effective on 6 February 2017.

CDCP granted access to the securities settlement system also to the other market infrastructure in the year 2017 – Burza cenných papierov v Bratislave, a.s., and to entity EuroMTS Limited (Great Britain) with effect from 2 February 2018.

List of the Participants:

**ARDAL**

**The National Bank of Slovakia**

**NCDCP**

**Foreign central depositories:**

- Centrální depozitář cenných papírů, a. s. (the Czech Republic)
- Clearstream Banking S.A. (Luxemburg) (effective from 1 March 2018)

- Euroclear Bank SA/NV (Belgium) (effective from 2 February 2018)

#### **Commercial banks:**

- Citibank Europe, Plc., acting through organizational unit Citibank Europe, Plc., branch office of a foreign bank
- Československá obchodná banka, a.s.
- J & T BANKA, a.s., acting through organizational unit J & T BANKA, a.s., branch office of a foreign bank
- OTP Banka Slovensko, a.s.
- Poštová banka, a.s.
- Prima banka Slovensko, a.s.
- Slovenská sporiteľňa, a.s.
- Tatra banka, a.s.
- UniCredit Bank Czech Republic and Slovakia, a.s., acting through organizational unit UniCredit Bank Czech Republic and Slovakia, a.s., branch office of a foreign bank
- Všeobecná úverová banka, a.s.

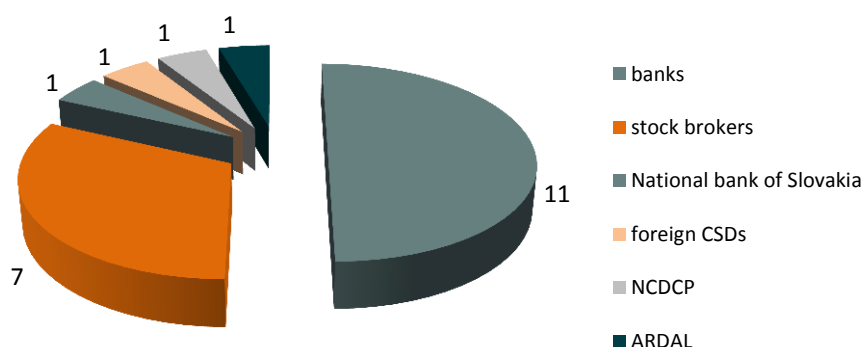
#### **Foreign commercial banks:**

- Erste Group Bank AG (with effect from 22 February 2018)
- Raiffeisen Bank International AG

#### **Securities dealers:**

- Arca Brokerage House o.c.p. a.s.
- DLHOPIS, o.c.p., a.s.
- Infinity ELITE, o.c.p., a.s.
- JELLYFISH o.c.p., a.s.
- Patria Finance, a.s.
- Slávia Capital, o.c.p., a.s.
- Sympatia Financie, o.c.p., a.s.

CDCP Participants in 2017



## 11. Economic Result in the year 2017

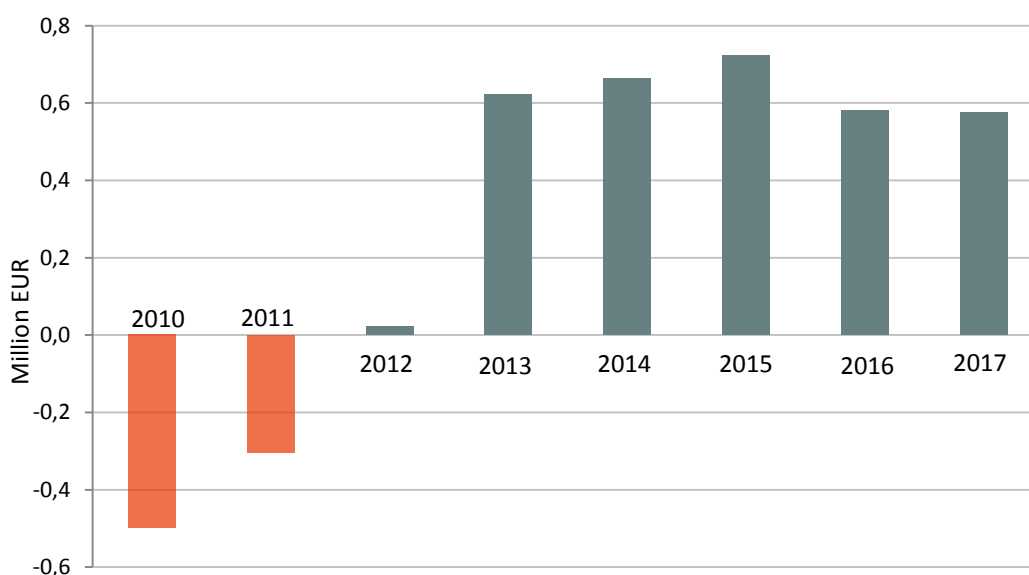
### a) Economic result:

In the year 2017 CDCP continued in the positive trend of the economic results achieved in previous years, which exceeded sum of 0.50 million EUR after taxation. Compared to last year the economic result decreased by 1 percent.

The year-on-year development of the economic result was affected by almost same decrease in expenses and revenues, which area about 16% lower than in the year 2016.

The expenses and revenues of CDCP also in the year 2017 were affected by accounting procedures applied toward the related party in the amount of 1 256 008 EUR, both in expenses and revenues, i.e. without affecting the economic result. These expenses, and revenues as well, increased by 2% compared to the year 2016, and will have partial impact to the year 2018 too.

Economic results for years 2010 – 2017 (millions EUR):



mil. EUR	2010	2011	2012	2013	2014	2015	2016	2017
RESULT	-0.50	-0.30	0.21	0.62	0.66	0.72	0.58	0.57

Total value of CDCP expenses in the year 2017 was influenced mainly by the increase in depreciation by 146% relating to planned filing of new production software (project Target2-Securities). Equally services provided by third parties necessary to ensure provision of services increased by 9% compared to previous year. CDCP registered the opposite situation in connection with creation of reserves and adjustments to receivables and in creation of reserves for judicial disputes. Both types of expenses were affected by active recovering of debts and positive development in and closing of some judicial disputes of CDCP. The personal expenses, which create one of the most important groups of CDCP

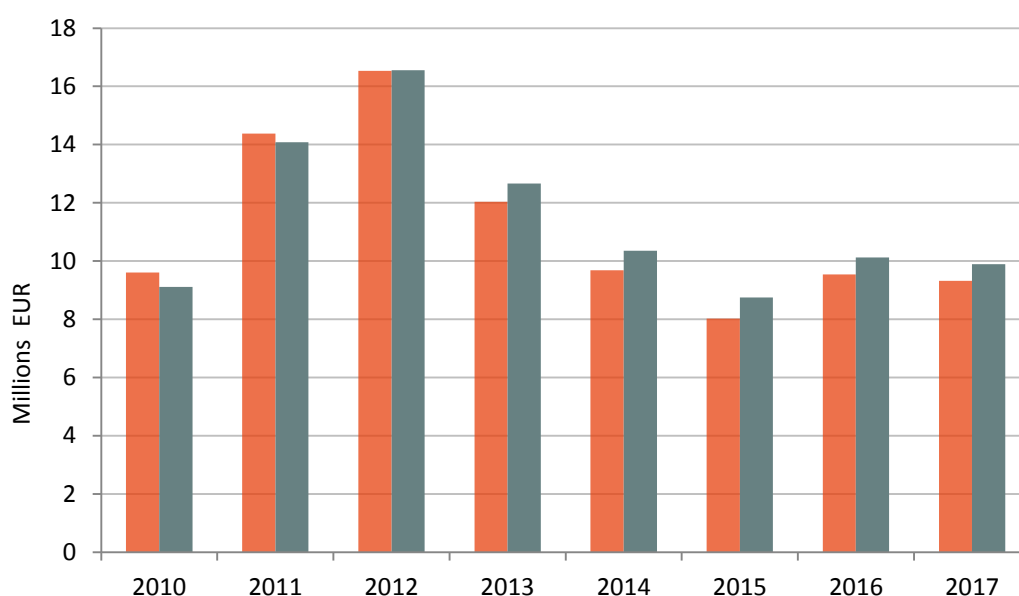
expenses, are higher by 1% then in previous year, what reflects minimal changes in count of employees and remuneration policy of CDCP.

Total revenues were affected primarily by the sales from own services which decreased by 1%.

These are, similarly as during last years, markedly affected by revenues from administration of securities owner's account and registration services for issues of book-entry securities and business services for the issuers of paper form securities.

Financial revenues fell by 41% compared to the previous year, due to a decline in interest rates for term deposits as in the last year.

Costs and Revenues for the years 2010 – 2017 (millions EUR):



mil. EUR	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES	9.61	14.38	16.53	12.03	9.68	8.02	9.54	9.31
REVENUES	9.11	14.08	16.55	12.66	10.34	8.74	10.12	9.89

#### b) Financial position of CDCP

In the year 2017 total capital of CDCP decreased by 1 % compared to the year 2016

Current assets fell by 1% in comparison to previous year, whereas the long-term receivables decreased by 5%, short term receivables increased by 3%, and financial accounts decreased by 1 %.

The financial situation of CDCP was stable during whole year. Current and capital costs were covered by own resources

Year-on-year increase in own capital by 5% was affected by positive economic result of 0.5 million EUR. Liabilities dropped by 2% compared to previous year.

**c) Investment activities**

The capital outlay of CDCP in the year 2017 reached value of 0.97 million EUR. The investment activities were used primarily to amend the production software and partial reconstruction of premises.

**Distribution of profit**

The General Meeting will decide on distribution of profit for the accounting period of the year 2017 in the amount of 0.57 million EUR. The proposal of statutory body to the General Meeting is the following:

- contribution to reserve fund (10%) 0,057 million EUR,
- transfer to retained earnings from previous years 0.51 million EUR.

## **12. Additional Information**

**a) impact of the accounting entity on the environment**

The accounting entity does not have distinctive/special impact on the environment.

**b) Research and development expenses**

The company did not have expensed for research and development in the year 2017.

**c) Own shares**

The company didn't acquire own shares in the year 2017 and does not have any own shares.

**d) Foreign branch of the company**

The company does not have a foreign branch.



**Centrálny depozitár cenných papierov SR, a.s.**  
**ul. 29. augusta 1/A, 814 80 Bratislava 1**

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**13. Independent Auditor's Report and Financial Statements  
as of 31 December 2017**

### **13.1. Independent Auditor's Report**



## **INDEPENDENT AUDITOR'S REPORT**

on audit of the financial statements  
as of 31 December 2017

### **Centrálny depozitár cenných papierov SR, a.s.**

ul. 29. augusta 1/A, 814 80 Bratislava  
Identification No.: 31 338 976

Bratislava, March 2018





## **INDEPENDENT AUDITOR'S REPORT**

To the shareholder, the supervisory board, and the board of directors of the company  
Centrálny depozitár cenných papierov SR

### ***Report on audit of the financial statements***

#### ***Opinion***

We have performed the audit of the financial statements of the company Centrálny depozitár cenných papierov SR, a.s. ("the Company") which consists of the balance sheet as of 31 December 2017, the profit and loss statement for the year ending on the same date, and notes which include overview of relevant accounting principles and accounting methods.

In our opinion, the financial statements present true and reliable image of the financial situation of the Company as of 31 December 2017 and of its economic result for the year which ended on stated date in compliance with the Act No. 431/2002 Coll. on Accounting as amended (hereinafter only „Act on Accounting“).

#### ***Basis for opinion***

We have performed the audit in compliance with the International Standards on Auditing (ISA). Our responsibility pursuant these standards is defined in section Auditor's responsibility for audit of the financial statements. We are independent from the Company in accordance with the provisions of the Act No. 423/2015 Coll. on Statutory Audit and on Amendments and Supplements to the Act No. 431/2002 Coll. on Accounting as amended (hereinafter only "Act on Statutory Audit") with respect to ethics, including Auditor Code of Conduct, relevant for our audit of the financial statements, and we were compliant also with other requirements of these provisions related to ethics. We are convinced that obtained audit evidence is providing sufficient and acceptable basis for our opinion.

#### ***Responsibility of the statutory body for the financial statements***

Management of the Company is responsible for the preparation of these financial statements so that provides true and authentic image pursuant to the Act on Accounting and for the internal controls regarded necessary for preparation of the financial statements that are free from material incorrectness, whether due to fraud or error.

At preparing the financial statements, the statutory body is responsible for assessment of Company's ability to pursue its activities continuously, for description of facts related to continuous pursuit of activities if necessary, and for application of presumption of continual pursuit of activities in the accounting, unless it has an intention to liquidate the Company or terminate the operation, or it would not have other realistic option than to do so.

#### ***Auditor's responsibility for audit of the financial statements***



Our responsibility is to obtain adequate assurance that the financial statements as a whole does not includes material incorrectness, whether due to fraud or error and to issue auditor report, including the opinion. Adequate assurance is assurance of grate extent, but is not guarantee that audit performed in compliance with the International Standards on Auditing shall always disclose material incorrectness if existent. Incorrectness can arise in consequence of fraud or error, and are deemed material in case of reasonable expectation that these could have, individually or collectively, impact on economic decisions of users made on basis of these financial statements.

Within audit performed pursuant to the International Standards for Auditing, we apply expert judgment and retain professional scepticism during whole audit. Beyond that:

- We identify and assess risks of material incorrectness in the financial statements, whether due to fraud or error, propose and exercise audit procedures reacting to these risks and are obtaining audit evidence which is sufficient and suitable to provide basis for our opinion. Risk that material incorrectness is not detected is higher in case of fraud than in case of error, because fraud can include collusion, falsification, intentional omission, untrue declaration or avoidance of internal control.
- We get acquainted with internal controls relevant for audit to be able to propose audit procedures appropriate for given circumstances, but not for purpose of provision of opinion on effectiveness of internal controls of the Company.
- We are assessing suitability of applied accounting principles and accounting methods and adequacy of accounting estimations and related information made by the statutory body.
- We make conclusion whether the statutory body is properly using assumption of continuous pursuing of activity in the accounting, and based on obtained audit evidence conclusion whether material uncertainty in connection with events or circumstances which could cast significant doubts on ability of the Company to pursue its activities continuously exists. If we come to conclusion that material uncertainty exists, we are obliged to give notice in our auditor report of related information stated in the financial statements, or to modify our opinion if the information is insufficient. Our conclusions arise from audit evidence obtained before date of the audit report. However, future events or circumstances may cause that the Company shall stop continuous pursue of its activities
- We are assessing overall presentation, structure and content or the financial statements including information stated in it, and also whether the financial statements reflect realised transactions and events in a way allowing true representation.

## **Report on other requirements arising from the acts and other legal regulations**

### ***Report on information stated in the Annual Report***

The Statutory body is responsible for information stated in the Annual Report prepared in compliance with requirements of the Act on Accounting. Our above stated opinion to the financial statements does not apply to other information in the Annual Report.

In connection with audit of the financial statements our responsibility is to obtain knowledge on information stated in the Annual Report and to assess whether there is no significant discrepancy



between contained information and the financial statements or our knowledge we have obtained during audit of the financial statements, or whether these are not notably incorrect in any other way.

The Annual Report of the Company was not at our disposal on the date when the auditor report on audit of the financial statements was issued.

After receiving the Annual Report we will assess, if the Annual Report of the Company includes information required by the Act on Accounting and based on work performed during audit of the financial statements we shall give our opinion whether:

- information stated in the Annual Report for 2017 is compliant with the financial statements for given year
- the Annual Report includes information pursuant to the Act on Accounting.

In addition, we will state whether we have found material incorrectness in the Annual Report based on our knowledge on the accounting unit and situation obtained during audit of the financial statements.

In Bratislava on 15 March 2018

(round stamp)

(signature)

ACCEPT AUDIT & CONSULTING, s.r.o.  
Baštová 38, 080 01 Prešov  
SKAU licence No. 000124  
Commercial Register of DC Prešov, file No. 2365/P

Auditor in charge:  
Ing. Ivan Bošela, CA, MBA  
SKAU licence No. 962

**13.2. Financial Statements as of 31 December 2017**

# Final Accounts

As of 31. 12. 2017

Tax ID	Financial statements	Accounting Unit	month	year
2 0 2 0 3 1 2 8 3 3				
Identification Number	x proper	small	For period	from 1 2017
3 1 3 3 8 9 7 6	extraordinary	x large	until	12 2017
Code SK NACE	current		Previous period	from 1 2016
6 6 . 1 1 . 0			until	12 2016

x Balance sheet in euro	x Profit and loss statement in euro	x Notes in euro or euro cents
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Trade Name of the accounting unit	
C E N T R Á L N Y D E P O Z I T Á R C E N N Ý C H P A P I E R O V S R , a . s .	
Seat of the accounting unit	
Street	Number
2 9 . A U G U S T A	1 / A
Postal Code	Place
8 1 4 8 0	B R A T I S L A V A
Companies register and registration number	
Companies register of District Court Bratislava I., Section Sa, File: 493/B	
Phone Number	Fax Number
E-mail address	

Prepared on: 15.3.2018	Signature of the person responsible for bookkeeping:	Signature of the person responsible for preparing the financial statements:	Signature of the members of the company's statutory body:
Approved on:			

Tax office notes:	
Registration Number	Tax office stamp

**Balance Sheet as of 31 December 2017 – The Assets Side** (in EUR)

Title	A S S E T S	Line No.	In current acc. period			Previous acc. period
			Gross	Correction	Net	
	<b>TOTAL ASSETS (lines 002+ 033+074)</b>	<b>001</b>	<b>47 748 318</b>	<b>19 416 248</b>	<b>28 332 070</b>	<b>28 523 194</b>
<b>A.</b>	<b>Fixed assets (lines 003+ 011+ 021)</b>	<b>002</b>	<b>20 183 504</b>	<b>13 433 215</b>	<b>6 750 289</b>	<b>6 823 048</b>
<b>A.I</b>	<b>Total long-term intangible assets (lines 004 through 010)</b>	<b>003</b>	<b>14 080 691</b>	<b>9 361 170</b>	<b>4 719 521</b>	<b>4 738 728</b>
A.I.1	Capitalized development costs	004				
2.	Software	005	13 930 562	9 354 043	4 576 519	580 564
3.	Valuable rights	006	17 429	7 127	10 302	12 045
4.	Goodwill	007				
5.	Other long-term intangible assets	008				
6.	Acquisition of long-term intangible assets	009	132 700		132 700	4 146 119
7.	Advance payments for long-term intangible assets	010				
<b>A.II.</b>	<b>Total long-term tangible assets (lines 012 through 020)</b>	<b>011</b>	<b>6 101 574</b>	<b>4 072 045</b>	<b>2 029 529</b>	<b>2 083 081</b>
A.II.1	Land	012	431 521		431 521	431 521
2.	Buildings	013	3 815 382	2 366 369	1 449 013	1 466 075
3.	Stand-alone movable objects and groups of movable objects	014	1 758 073	1 699 024	59 049	41 119
4.	Perennial crops	015				
5.	Breeding and draught animals	016				
6.	Other long-term tangible assets	017	95 314	6 652	88 662	122 241
7.	Acquisition of long-term tangible assets	018	1 284		1 284	22 125
8.	Advance payments for long-term tangible assets	019				
9.	Adjustment to acquired assets	020				
<b>A.III.</b>	<b>Total long-term financial assets (lines 022 through 032)</b>	<b>021</b>	<b>1 239</b>		<b>1 239</b>	<b>1 239</b>
A.III.1	Stocks and shares in linked acc. units	022				
2.	Stocks and shares with interests excluding linked acc. units	023				
3.	Other long-term securities and shares	024	1 239		1 239	1 239
4.	Loans to accounting entity in consolidated whole	025				
5.	Loans within share with interest except linked accounting units	026				
6.	Other loans	027				
7.	Debt securities and other long-term financial assets	028				
8.	Loans and other long-term financial assets with maturity max. 1 year	029				
9.	Bank accounts with fixation longer than 1 year	030				
10.	Acquisition of long-term financial assets	031				
11.	Advance payments for long-term financial assets	032				
<b>B.</b>	<b>Current assets (line 034+ 041+ 053+ 066+ 071)</b>	<b>033</b>	<b>27 518 245</b>	<b>5 983 033</b>	<b>21 535 212</b>	<b>21 647 081</b>

<b>B.I.</b>	<b>Total inventories (lines 035 through 040)</b>	<b>034</b>	<b>1 654</b>		<b>1 654</b>	<b>1 145</b>
B.I.1	Stocks	035	1 654		1 654	1 145
2.	Work-in-process and semi-finished products	036				
3.	Finished products	037				
4.	Animals	038				
5.	Goods	039				
6.	Advance payments for stocks	040				
<b>B.II.</b>	<b>Total long-term receivables (lines 42 + 046 through 052)</b>	<b>041</b>	<b>1 602 504</b>		<b>1 602 504</b>	<b>1 679 191</b>
B.II.1	<b>Total trade receivables (lines 43 +44+ 45)</b>	042	486 153		486 153	485 887
1.a.	Trade receivables in linked accounting units	043				
1.b.	Trade receivables within share participation except linked accounting units	044				
1.c.	Other trade receivables	045	486 153		486 153	485 887
2.	Net order value	046				
3.	Other receivables from linked accounting units	047				
4.	Other receivables within share participation excl. linked accounting units	048				
5.	Receivables from partners, members and association	049				
6.	Receivables from derivative operations	050				
7.	Other receivables	051	23 774		23 774	34 642
8.	Deferred tax receivable	052	1 092 577		1 092 577	1 158 662
<b>B.III.</b>	<b>Total short-term receivables (lines 054 + 058 through 065)</b>	<b>053</b>	<b>9 683 474</b>	<b>5 983 033</b>	<b>3 700 441</b>	<b>3 603 951</b>
B.III.1	Total trade receivables	054	9 562 269	5 983 033	3 479 127	3 479 127
1.a.	Trade receivables within linked accounting units	055	144 866		144 866	118 092
1.b.	Trade receivables within share participation except linked accounting units	056				
1.c.	Other trade receivables	057	9 417 403	5 983 033	3 434 370	3 361 035
2.	Net order value	058				
3.	Other receivables from linked accounting units	059				
4.	Other receivables within share participation excl. linked accounting units	060				
5.	Receivables from partners, members and association	061				
6.	Social insurance	062				
7.	Tax receivables	063	90 446		90 446	88 592
8.	Receivables from derivative operations	064				
9.	Other receivables	065	30 759	30 759		36 232
<b>B.IV.</b>	<b>Total short-term financial assets (lines 067 through 070)</b>	<b>066</b>				
B.IV.1	Short-term financial assets within consolidated whole	067				
2.	Short-term financial assets w/o financial assets in linked accounting units	068				
3.	Own stocks and own trade shares	069				
4.	Acquisition of short-term financial assets	070				

<b>B.V.</b>	<b>Financial accounts (lines 072 + 073)</b>	<b>071</b>	<b>16 230 613</b>		<b>16 230 613</b>	<b>16 362 794</b>
B.V.1	Cash	072	20 981		20 981	19 068
2.	Bank accounts	073	16 209 632		16 209 632	16 343 726
<b>C.</b>	<b>Accruals (line 075 +76 + 77+ 078)</b>	<b>074</b>	<b>46 569</b>	<b>46 569</b>		<b>53 065</b>
C.1	Deferred expenses – long-term	075	1 436		1 436	3 140
2.	Deferred expenses – short-term	076	30 213		30 213	37 941
3.	Accrued revenues – long-term	077				
4.	Accrued revenues – short-term	078	14 920		14 920	11 984

**Balance Sheet as of 31 December 2017 – The Liabilities Side**

<b>Title</b>	<b>LIABILITIES</b>	<b>Line no.</b>	<b>Current acc. period</b>	<b>Previous acc. period</b>
	<b>TOTAL EQUITY AND LIABILITIES (line 080+ 101+ 141)</b>	<b>079</b>	<b>28 332 070</b>	<b>28 523 194</b>
<b>A.</b>	<b>Own equity (lines 081+ 085+ 086+ 087+ 090 +93 +97 +100)</b>	<b>080</b>	<b>7 897 491</b>	<b>7 503 639</b>
<b>A.I.</b>	<b>Total registered capital (lines 082 through 084)</b>	<b>081</b>	<b>10 489 304</b>	<b>10 489 304</b>
A.I.1.	Registered capital	082	10 489 304	10 489 304
2.	Change in registered capital	083		
3.	Receivables for subscribed registered capital	084		
<b>A.II.</b>	<b>Share premium</b>	<b>085</b>		
<b>A.III.</b>	<b>Other capital funds</b>	<b>086</b>		
<b>A.IV.</b>	<b>Legal reserve funds (lines 88 + 89)</b>	<b>087</b>	<b>377 457</b>	<b>319 301</b>
A.IV.1	Legal reserve fund and Indivisible fund	088	377 457	319 301
2.	Reserve fund for own stocks and shares	089		
<b>A.V.</b>	<b>Total profit generated funds (lines 091 + 092)</b>	<b>090</b>	<b>1 942</b>	<b>1 942</b>
A.V.1.	Statutory funds and other funds	091		
2.	Other funds	092	1 942	1 942
<b>A.VI.</b>	<b>Adjustments due to revaluation (lines 94 through 96)</b>	<b>093</b>	<b>-143</b>	<b>-143</b>
A.VI.1	Adjustments of assets and liabilities due to revaluation	094	-143	-143
2.	Adjustments of capital interests	095		
3.	Adjustments due to revaluation at merger, fusion or split	096		
<b>A.VII.</b>	<b>Profit or loss of previous years (line 098 + 099)</b>	<b>097</b>	<b>- 3 545 335</b>	<b>-3 888 330</b>
A.VII.1.	Retained profit from previous years	098		
2.	Accumulated loss from previous years	099	- 3 545 335	-3 888 330
<b>A.VIII.</b>	<b>Profit or loss for accounting period after tax +/- (line 001- (081+ 085+ 086+ 087+ 090+ 093 +097 +101 +141))</b>	<b>100</b>	<b>574 266</b>	<b>581 565</b>
<b>B.</b>	<b>Total payables (line 102+ 118 + 121+ 122+ 136 + 139 +140)</b>	<b>101</b>	<b>20 407 824</b>	<b>20 911 764</b>
<b>B.I.</b>	<b>Total long terms payables (lines 103 + 107 through 117)</b>	<b>102</b>	<b>147 310</b>	<b>146 695</b>
B.I.1.	Total long-term trade payables (line 104 through 106)	103		
1.a.	Trade payables towards linked accounting units	104		



1.b.	Trade payables within share with interest excl. linked accounting units	105		
1.c.	Other trade payables	106		
2.	Net order value	107		
3.	Other payables to linked accounting units	108		
4.	Other payables within share with interest excl. linked accounting units	109		
5.	Other long-term payables	110		
6.	Long-term advance payments received	111		
7.	Long-term bills of exchange to be paid	112		
8.	Bonds issued	113		
9.	Payables from social fund	114	5 883	5 063
10.	Other long-term payables	115		
11.	Long-term payables from derivative operations	116		
12.	Deferred tax payable	117	141 427	141 632
<b>B.II.</b>	<b>Long-term reserves (lines 119 + 120)</b>	<b>118</b>	<b>18 814 216</b>	<b>19 163 868</b>
B.II.1	Legal reserves	119		
2.	Other reserves	120	18 814 216	19 163 868
<b>B.III.</b>	<b>Long-term bank loans</b>	<b>121</b>		
<b>B.IV.</b>	<b>Total short-term payables (lines 123 + 127 through 135)</b>	<b>122</b>	<b>1 230 241</b>	<b>1 403 651</b>
<b>B.IV.1.</b>	<b>Total trade payables (lines 124 through 126)</b>	<b>123</b>	<b>420 217</b>	<b>446 037</b>
1.a	Trade payables to linked accounting units	124	97 906	117 702
1.b	Trade payables within share with interest excl. linked accounting units	125		
1.c	Other trade payables	126	322 311	328 335
2.	Net order value	127		
3.	Other payables to linked accounting units	128		
4.	Other payables within share with interest excl. linked accounting units	129		
5.	Payables to partners and association	130		
6.	Payables to employees	131	76 673	94 549
7.	Payables to social security	132	63 076	70 096
8.	Tax payables and subsidies	133	627 733	758 086
9.	Payables from derivative operations	134		
10.	Other payables	135	42 542	34 883
<b>B.V.</b>	<b>Short-term reserves (lines 137 + 138)</b>	<b>136</b>	<b>215 952</b>	<b>197 324</b>
B.V.1	Legal reserves	137	68 456	51 914
2.	Other reserves	138	147 496	145 410
<b>B.VI.</b>	<b>Current bank loans</b>	<b>139</b>	<b>105</b>	<b>226</b>
<b>B.VI.</b>	<b>Short-term financial grant</b>	<b>140</b>		
<b>C.</b>	<b>Total accruals (lines 142 through 145)</b>	<b>141</b>	<b>26 755</b>	<b>107 791</b>
C.1.	Accrued expenses, long-term	142		

2.	Accrued expenses, short-term	143	2 835	2 277
3.	Deferred revenues, long-term	144	8 640	15 120
4.	Deferred revenues, short-term	145	15 280	90 394

**Profit and Loss Statement as of 31 December 2016**

<b>Title</b>	<b>I T E M</b>	<b>Line no.</b>	<b>Current acc. period</b>	<b>Previous acc. period</b>
<b>*</b>	<b>Net turnover</b>	<b>01</b>	<b>8 481 877</b>	<b>8 537 018</b>
<b>**</b>	<b>Total revenues from economic activity (lines 03 through 09)</b>	<b>02</b>	<b>9 847 632</b>	<b>10 050 483</b>
I.	Returns from sale of goods	03		
II.	Returns from own products	04		
III.	Returns from services	05	8 481 877	8 537 018
IV.	Change in inventories	06		
V.	Capitalization (acc. group 62)	07		
VI.	Returns from sale of long-term assets (tangible/intangible) and material	08	2 181	4 690
VII.	Other revenues from economic activity	09	1 363 574	1 508 775
<b>**</b>	<b>Total expenses on economic activity (lines 11 through 15 + 20 through 26)</b>	<b>10</b>	<b>9 132 378</b>	<b>9 518 208</b>
A	Cost of goods sold	11		
B	Consumption of material, energy and other non-storable supplies	12	109 671	120 487
C	Adjustment entries to inventory	13		
D	Services (acc. group 51)	14	3 703 927	3 389 931
E	Total personnel expenses (lines 16 through 19)	15	2 210 985	2 199 282
E.1.	Wages and salaries	16	1 461 083	1 498 658
2.	Remuneration of company body members	17	56 548	50 516
3.	Social insurance expenses	18	563 906	554 632
4.	Social expenses	19	129 448	95 476
F.	Taxes and fees (acc. group 53)	20	22 966	-10 323
G.	Depreciation and adjustments to long-term intangible assets and long-term tangible assets (I. 22+23)	21	744 528	302 454
G.1.	Depreciation to long-term intangible assets and long-term tangible assets	22	744 528	302 454
2.	Adjustments to long-term intangible assets and long-term tangible assets	23		
H.	Net book value of sold long-term assets and material	24	32 107	
I.	Creation of Adjustment entries to Receivables (+/- 547)	25	579 776	1 208 175
J.	Other expenses on economic activity	26	1 728 418	2 308 202
<b>***</b>	<b>Profit or loss from economic activity (line 02 – 10)</b>	<b>27</b>	<b>715 254</b>	<b>532 275</b>
<b>*</b>	<b>Added value ((lines 03 through 07) – (lines 11 through 14))</b>	<b>28</b>	<b>4 668 279</b>	<b>5 026 600</b>
<b>**</b>	<b>Revenues from financial activity (lines 30 + 31 + 35 + 39 + 42 + 43 + 44)</b>	<b>29</b>	<b>41 361</b>	<b>70 366</b>
<b>VIII.</b>	Returns from sale of securities and ownership interests	<b>30</b>		
<b>IX.</b>	Revenues from long-term financial assets (lines 32+ 33+ 34)	<b>31</b>		
<b>IX.1.</b>	Revenues from securities and ownership interests from linked accounting units	<b>32</b>		

2.	Revenues from securities and ownership interests within interest share excl. linked accounting units	33		
3.	Other revenues from securities and ownership interests	34		
X.	<b>Total revenues from short-term financial assets (lines 36 +37+ 38)</b>	<b>35</b>		
X.1	Revenues from short-term financial assets from linked accounting units	36		
2.	Revenues from short-term financial assets within share with interest excl. linked accounting units	37		
3.	Other revenues from short-term financial assets	38		
XI.	<b>Interests received (lines 40 + 41)</b>	<b>39</b>	<b>41 311</b>	<b>70 355</b>
XI.1.	Interests received within consolidated whole	40		
XI.2.	Other interests received	41	41 311	70 355
XII.	Exchange rate gains	42	50	11
XIII.	Revenues from revaluation of securities and revenues from derivative operations	43		
XIV.	Other revenues from financial activity	44		
**	Total expenses on financial activity (lines 46 through 49 +52+53+54)	45	46 672	38 446
K.	Securities and ownership interests sold	46		
L.	Expenses on short-term financial assets	47		
M	Adjustment entries on financial assets	48		
N.	Interests paid (lines 50 + 51)	49		
N.1.	Interests paid within consolidated whole	50		
2.	Other interests paid	51		
O.	Exchange rate losses	52	925	1 776
P.	Expenses on revaluation of securities and expenses on derivative operations	53		
Q.	Other expenses on financial activity	54	45 747	36 670
***	<b>Profit or loss from financial activity (line29 - 45)</b>	<b>55</b>	<b>-5 311</b>	<b>31 920</b>
****	<b>Profit or loss for accounting period before tax (line 27 - 55)</b>	<b>56</b>	<b>709 943</b>	<b>564 195</b>
R.	Income tax (line 58 + 59)	57	135 677	-17 370
R.1.	- due	58	69 797	179 219
2.	- deferred	59	65 880	-196 589
S.	Transfer of shares on profit or loss to partners	60		
****	<b>Profit or loss for accounting period after tax (+/-) [lines 56 - 57 - 60]</b>	<b>61</b>	<b>574 266</b>	<b>581 565</b>

**Comments to the Financial Statements  
as of 31 December 2017**

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**A. INFORMATION ON THE COMPANY****1. Establishment of the Company**

The company Centrálny depozitár cenných papierov SR, a.s. (hereinafter only the "Company") was established on 12 November 1992 and incorporated in the Companies Register on 22 December 1992 (Companies Register of the District Court Bratislava I., Section Sa, Insertion No. 493/B).

**2. Core activities of the Company are:**

- registration of owners of book-entry securities in owner's accounts and data on securities in client's accounts of members in the extent stipulated by the Act on Securities
- registration of changes in owner's accounts in the extent stipulated by the Act on Securities and in client's accounts of members
- registration of data related to book-entry securities and immobilized securities in the extent stipulated by the Act on Securities
- allocation, changes, and deletions of ISIN
- supply of services to members of central depository, issuers of securities, to stock exchange, to foreign stock exchange related to activities according to letter a) to e) and according to Section 99(4)(a) and (f) of the Act on Securities
- provision and management of the system for technical processing of data for administration of the registry according to letter a) to d) and pursuant to Section 104(2)(a) to (c) of the Act on Securities
- administration of lists of shareholders for registered paper-form securities
- registration of other data if stipulated by the Act on Securities or by the special act
- provision of redemption of the nominal value of securities and paying out yields of securities after maturity as well as other related activities at issuer's request
- provision of other services associated with activity of the central depository according to the Act on Securities
- opening and administration of holder's accounts for members
- registration of book-entry securities and immobilized securities in issuer's registers
- provision of clearing and settlement of stock exchange trades with financial instruments and clearing and settlement of trades with financial instruments on request of a client or organizer of multilateral trading system; provision of clearing and settlement of such trades is understood as organizing and administration of system for clearing and settlement of trades with financial instruments (hereinafter only the "settlement system") for at least three participants of the settlement system.
- registration of changes in holder's accounts
- opening and administration of owner account for a central depository and provision of related services
- provision of custody services for financial instruments on client's account in relation to foreign transferable securities
- opening of account with foreign legal entity with similar scope of activities as central depository, with foreign bank or foreign stock broker and provision of related services; this account is administered according to legislation according to which the foreign legal entity was founded, foreign bank or foreign stock broker who opened the account for the central depository, and registration of data on securities owner is administered according to law of the Slovak Republic
- registration of book-entry foreign securities issued or issuing by European Central Bank or by European Central Bank in collaboration with the National Bank of Slovakia, as well as provision of related activities and services of the central depository, the administration of registration is governed by this Act, special regulations, rules of operations of the Central Depository, and agreement concluded between the central depository and the European Central Bank or the central depository and the National Bank of Slovakia

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**3. Number of employees**

Data on the number of employees for the current accounting period and prior accounting period are shown in the following table:

	Current accounting period	Prior accounting period
Average number of employees	69	73
Number of staff at balance sheet date of which:	67	76
Management	6	7

**4. Test of size group of the accounting unit**

The accounting unit is included in the "large accounting unit" group if it meets, in two consequent account periods, at least two of three conditions – net sum of assets exceeded 4 000 000 EUR, net turnover overreached 8 000 000 EUR and average recalculated number of employees exceeded 50 during the accounting period.

Item	Current accounting period	Prior accounting period	Yes/No
Net to assets – total	28 460 233	28 523 194	Yes
Net to turnover – total	8 481 877	8 537 018	Yes
Number of employees	69	73	Yes

The accounting unit meets size requirements to be included to size group – **large accounting unit**, therefor it compiles the financial statement pursuant to methodology for this size group (Measures No. MF/23377/2014-74).

**5. Data on unlimited liability**

The Company is not a shareholder with unlimited liability in other legal entities under Section 56(5) of the Commercial Code.

**6. Legal reason for preparing the financial statements**

The Company's financial statements as of 31 December 2017 have been prepared as ordinary financial statements under Section 17(6) of the National Council of the Slovak Republic Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2017 to 31 December 2017.

**7. Date of approving the financial statements for the previous accounting period**

The General Meeting of the Company approved the Company's financial statements as of 31 December 2016, i.e. for the previous accounting period, on 22 June 2017.

**8. Approval of the auditor**

On 24 August 2017 the General Meeting approved the ACCEPT AUDIT & CONSULTING, s.r.o. company as the auditor of the financial statements for the accounting period from 1 January 2017 to 31 December 2017.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**B. INFORMATION ON THE COMPANY BODIES****Current accounting period**

Board of Directors:

Chairman: Ing. Martin Wiedermann from 26.10.2015

Vice-chairman: Ing. Ľudmila Boboková - from 03.2.2015

Member: Ing. Tomáš Novanský from 29.2.2016

Supervisory Board:

Chairman: Ing. Igor Lichnovský - from 3.9.2015

Member: Ing. Ivan Gránsky - from 3.9.2015

Member: JUDr. Katrína Malíková - from 21.8.2015

**Prior accounting period**

Board of Directors:

Chairman: Ing. Martin Wiedermann from 26.10.2015

Vice-chairman: Ing. Ľudmila Boboková - from 03.2.2015

Member: Ing. Tomáš Novanský from 29.2.2016

Supervisory Board:

Chairman: Ing. Igor Lichnovský - from 3.9.2015

Member: Ing. Ivan Gránsky - from 3.9.2015

Member: JUDr. Katarína Malíková - from 21.8.2015

**C. INFORMATION ON THE COMPANY PARTNERS**

The structure of the Company's shareholders as of 31 December 2017:

Partner, shareholder	Share in the registered capital		Share in voting rights	Other share in equity items other than registered capital
	absolute	in %	in %	in %
a	b	c	D	e
Burza cenných papierov v Bratislave, a.s.	10 489 304	100	100	-
<b>Total</b>	<b>10 489 304</b>	<b>100</b>	<b>100</b>	<b>-</b>

**D. INFORMATION ON THE CONSOLIDATED GROUP**

Burza cenných papierov v Bratislave, a.s. (Bratislava Stock Exchange), the parent company, is not compiling the consolidated financial statements for the year 2017 according to the Slovak Act on Accounting.

**E. INFORMATION ON ASSETS****1. Non-current intangible and tangible assets**

The overview of non-current intangible assets and non-current tangible assets from 1 January 2017 to 31 December 2017 and for the comparable period from 1 January 2016 to 31 December 2016 is presented in the tables below.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## Current accounting period

Non-current intangible assets a	Capitalised development costs b	Software c	Valuable rights d	Goodwill e	Other non-current intangible assets f	Non-current assets in the process of acquisition g	Advances paid for non-current intangible assets h	Total i
Acquisition cost								
<b>Opening balance</b>	-	9 519 365	17 429	-	-	4 146 119	-	13 682 913
Additions	-	-	-	-	-	600 122	-	600 122
Disposals	-	202 344	-	-	-	-	-	202 344
Transfers	-	4 613 541	-	-	-	- 4 613 541	-	-
<b>Closing balance</b>	-	13 930 562	17 429	-	-	132 700	-	14 080 691
Accumulated depreciation								
<b>Opening balance</b>	-	8 938 801	5 384	-	-	-	-	8 944 185
Additions	-	6417 586	1 743	-	-	-	-	619 329
Disposals	-	202 344	-	-	-	-	-	202 344
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	9 354 043	7 127	-	-	-	-	9 361 170
Valuation allowances								
<b>Opening balance</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-	-
Net book value								
<b>Opening balance</b>	-	580 564	12 045	-	-	4 146 119	-	4 738 728
<b>Closing balance</b>	-	4 576 519	10 302	-	-	132 700	-	4 719 521

In 2017 assets in the value of EUR 4 613 541, - were included to non-current intangible assets. Out of that sum € 4 608 137,- was investment "Migration of CDCP to payment system EU Target-T2S, sum € 4 354,- was technical valorisation of SW licences, and € 1 050,- extension of economic SW SPIN. Discarded was information system SPOZUS that is not used anymore in total sum € 202 344,- with depreciated price 0,- Eur. Balance of the account Non-current intangible assets is € 132 700,- as of 31/12/2017. It includes items related to digitizing in value of € 87 700,- and analyses of required changes in connection with implementation of new type of JSA (simple stock company) in T2S.



Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## Prior accounting period

Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
a	b	c	d	e	f	g	h	i
Acquisition cost								
<b>Opening balance</b>	-	9 048 195	17 429	-	-	3 876 459	-	12 942 083
Additions	-	510 750	-	-	-	790 410	-	1 301 160
Disposals	-	39 580	-	-	-	520 750	-	560 330
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	9 519 365	17 429	-	-	4 146 119	-	13 682 913
Accumulated depreciation								
<b>Opening balance</b>	-	8 787 674	3 641	-	-	-	-	8 791 315
Additions	-	190 707	1 743	-	-	-	-	192 450
Disposals	-	39 580	-	-	-	-	-	39 580
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	8 938 801	5 384	-	-	-	-	8 944 185
Valuation allowances								
<b>Opening balance</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-	-
Net book value								
<b>Opening balance</b>	-	260 521	13 788	-	-	3 876 459	-	4 150 768
<b>Closing balance</b>	-	580 564	12 045	-	-	4 146 119	-	4 738 728

In 2016 assets in the value of EUR 510 750,- were included to non-current intangible assets. Out of that sum 201 494,- EUR created technical valorisation of SW application: 180 000,- EUR IS SPOZUS, 12 886,- EUR application SW, 8 608 EUR economic SW SPIN . Purchased SW in total value 309 256,- EUR included: 296 473,- EUR – eSDP and eLCP system, Datacenter SA licence in value of 9 054 EUR, ESET licence for 140 PCs in value of 3 729 Eur. Discarded was software that is not used anymore, in total sum 39 580,- EUR with depreciated price 0,- Eur. In the account Non-current intangible assets are registered items related to developed SW „Migration of CD SR to T2S“ in the total value of EUR 4 146 119,-Eur.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

Non-current tangible assets	Current accounting period								Total
	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding and draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	
a	b	c	d	e	f	g	h	i	j
Acquisition cost									
<b>Opening balance</b>	<b>431 521</b>	<b>3 753 701</b>	<b>1 801 116</b>	-	-	<b>126 557</b>	<b>22 125</b>	-	<b>6 135 020</b>
Additions	-	-	80 116	-	-	-	103 754	-	103 754
Disposals	-	24 977	37 073	-	-	32 107	-	-	137 200
Transfers	-	86 658	-	-	-	864	- 124 595	-	-
<b>Closing balance</b>	<b>431 521</b>	<b>3 815 382</b>	<b>1 758 073</b>	-	-	<b>95 314</b>	<b>1 284</b>	-	<b>6 101 574</b>
Accumulated depreciation									
<b>Opening balance</b>	<b>431 521</b>	<b>2 287 626</b>	<b>1 759 997</b>	-	-	<b>4 316</b>	-	-	<b>4 051 939</b>
Additions	-	103 720	19 143	-	-	2 336	-	-	125 199
Disposals	-	24 977	80 116	-	-	-	-	-	105 093
Transfers	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	<b>2 366 369</b>	<b>1 699 024</b>	-	-	<b>6 652</b>	-	-	<b>4 072 045</b>
Valuation allowances									
<b>Opening balance</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-	-	-
Net book value									
<b>Opening balance</b>	<b>431 521</b>	<b>1 466 075</b>	<b>41 119</b>	-	-	<b>122 241</b>	<b>22 125</b>	-	<b>2 083 081</b>
<b>Closing balance</b>	<b>431 521</b>	<b>1 449 013</b>	<b>59 049</b>	-	-	<b>88 662</b>	<b>1 284</b>	-	<b>2 029 529</b>

In 2017 refurbishment in value of € 86 658,- was made in the seat of the company at 29.augusta / BA. Increase of non-current tangible assets due to: 2 air-condition units in sum € 31 547,-, inventory in value of € 2 680, attendance system WEGA LH in value € 2 845, other non-current TA in value € 864. in the year 2017 value of the building by € 24 977 due removal of nonfictional air-condition units, sale of back-up power supply in Soblahov (€ 31 423), sale of artworks to the employees in input value € 32 107 and removal of old inventory during refurbishment of the building. Balance on acc. of non-current TA is € 1 284 as of 31/12/2017. The entries are investments connected to second part of building refurbishment.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

Non-current tangible assets	Prior accounting period								Total
	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding and draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	
a	b	c	d	e	f	g	h	i	j
Acquisition cost									
<b>Opening balance</b>	<b>431 521</b>	<b>3 753 701</b>	<b>1 917 412</b>	-	-	<b>131 069</b>	-	-	<b>6 233 703</b>
Additions	-	-	27 981	-	-	-	50 106	-	78 087
Disposals	-	-	144 277	-	-	4 512	27 981	-	176 770
Transfers	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>431 521</b>	<b>3 753 701</b>	<b>1 801 116</b>	-	-	<b>126 557</b>	<b>22 125</b>	-	<b>6 135 020</b>
Accumulated depreciation									
<b>Opening balance</b>	-	<b>2 193 783</b>	<b>1 890 415</b>	-	-	<b>6 524</b>	-	-	<b>4 090 722</b>
Additions	-	93 843	13 858	-	-	2 304	-	-	110 005
Disposals	-	-	144 276	-	-	4 512	-	-	148 788
Transfers	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	<b>2 287 626</b>	<b>1 759 997</b>	-	-	<b>4 316</b>	-	-	<b>4 051 939</b>
Valuation allowances									
<b>Opening balance</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-	-	-
Net book value									
<b>Opening balance</b>	<b>431 521</b>	<b>1 559 918</b>	<b>26 997</b>	-	-	<b>124 545</b>	-	-	<b>2 142 981</b>
<b>Closing balance</b>	<b>431 521</b>	<b>1 466 075</b>	<b>41 119</b>	-	-	<b>122 241</b>	<b>22 125</b>	-	<b>2 083 081</b>

In 2016 were included to non-current tangible assets: two units of data storage HW PowerVault in total sum 27 981,- EUR. Decrease in non-current tangible assets in value of 144 276 EUR: discarded inventory in sum 15 108,- EUR, car Peugeot in acquisition value 11 976 EUR, equipment damaged due to air-condition failure in server room in value 47 494 EUR, unused paper shredder in value 69 698 Eur. Technical improvement of archive at Mickiewiczova street in value 4 512 EUR was excluded from accounting due termination of lease . Project documentation and partial reconstruction of building at 29.augusta 1/A in value of 22 125 EUR was registered at acc. of non-current tangible assets as of 31.12.2016

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

**2. Non-current financial assets**

The overview of changes in non-current financial assets from 1 January 2017 to 31 December 2017 and for the period from 1 January 2016 to 31 December 2016 is presented in the table below.

Current accounting period					
Business name and registered office of the company in which the accounting unit has invested non-current financial assets	Share of accounting unit in registered capital in %	Share of accounting unit in voting rights in %	Amount of equity of the accounting unit in which the accounting unit has invested non-current financial assets	Profit/loss of the accounting unit in which the accounting unit has invested non-current financial assets	Book value of non-current financial assets
a	b	c	d	e	f
<b>Subsidiaries</b>					
A.N.N.A	1	1	151 270	0	1 239
<b>Accounting units with a substantial influence</b>					
<b>Joint undertakings</b>					
<b>Associates</b>					
<b>Other realisable securities and ownership interests</b>					
<b>Acquired non-current financial assets in order to perform influence in other accounting entity</b>					
<b>Total non-current financial assets</b>					<b><u>1 239</u></b>
Prior accounting period					
Business name and registered office of the company in which the accounting unit has invested non-current financial assets	Share of accounting unit in registered capital in %	Share of accounting unit in voting rights in %	Amount of equity of the accounting unit in which the accounting unit has invested non-current financial assets	Profit/loss of the accounting unit in which the accounting unit has invested non-current financial assets	Book value of non-current financial assets
a	b	c	d	e	f
<b>Subsidiaries</b>					
A.N.N.A	1	1	151 270	0	1 239
<b>Accounting units with a substantial influence</b>					
<b>Joint undertakings</b>					
<b>Associates</b>					
<b>Other realisable securities and ownership interests</b>					
<b>Acquired non-current financial assets in order to perform influence in other accounting entity</b>					
<b>Total non-current financial assets</b>					<b><u>1 239</u></b>

The Company is a member of the international numbering agency A.N.N.A. (Association of National Numbering Agencies, srl.). The value of share arising from membership in the international numbering agency A.N.N.A. (Association of National Numbering Agencies, srl.) was calculated at acquisition cost, the Company did not identify a difference between fair value and acquisition cost in current, neither in prior accounting period.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**3. Stock**

The Company has not created any correction entries to stock.

**6. Receivables**

Changes in the correction entries during the accounting period are shown in the following table:

Receivables	Current accounting period				
	Valuation allowance as of 01/01/2017	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of valuation allowance due to de-recognition of the assets	Valuation allowance as of 31/12/2017
a	B	c	d	E	F
Trade receivables	6 249 106	5 742 729	4 856 096	1 152 706	5 983 033
Receivables from subsidiaries and parent company	0	0	0	0	0
Other receivables within the consolidated group	0	0	0	0	0
Receivables from partners, members, and association	0	0	0	0	0
Other receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total receivables	<b><u>6 249 106</u></b>	<b><u>5 742 729</u></b>	<b><u>4 856 096</u></b>	<b><u>1 152 706</u></b>	<b><u>5 983 033</u></b>

Correction entry for decrease of value of receivables is set-up if there is objective evidence that Company will not be able to enforce all due receivables under the original maturity periods.

No pledge or other form of security was registered to the Company receivables.

Receivable resulting from income tax as of 31 December 2017 was in the value of €152 181,-.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

Prior accounting period					
Receivables	Valuation allowance as of 01/01/2015	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of valuation allowance due to de-recognition of the assets	Valuation allowance as of 31/12/2015
a	b	c	d	e	F
Trade receivables	7 052 979	6 727 774	4 421 643	3 110 003	6 249 106
Receivables from subsidiaries and parent company	0	0	0	0	0
Other receivables within the consolidated group	0	0	0	0	0
Receivables from partners, members, and association	0	0	0	0	0
Other receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total receivables	<b><u>7 052 979</u></b>	<b><u>6 727 774</u></b>	<b><u>4 421 643</u></b>	<b><u>3 110 003</u></b>	<b><u>6 249 106</u></b>

- Correction entry for decrease of value of receivables is set-up if there is objective evidence that Company will not be able to enforce all due receivables under the original maturity periods.
- No pledge or other form of security was registered to the Company receivables.
- Receivable due to income tax as of 31.12.2016 was in total sum of € 88 345.

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

The age structure of receivables for the current accounting period is presented in the table below:

Receivables as of 31/12/2017	Within due period	Overdue	Total receivables
a	b	c	d
<b>Long-term receivables</b>			
Trade receivables	486 153	0	486 153
Receivables from subsidiaries and parent company	0	0	0
Other receivables within the consolidated group	0	0	0
Receivables from partners, members, and association	0	0	0
Other receivables	23 774	0	23 774
<b>Total long-term receivables</b>	<b><u>509 927</u></b>	<b><u>0</u></b>	<b><u>509 927</u></b>
<b>Short-term receivables</b>			
Trade receivables	5 885 268	3 532 135	9 417 403
Receivables from subsidiaries and parent company	144 866	0	144 866
Other receivables within the consolidated group	0	0	0
Receivables from partners, members, and association	0	0	0
Social security	0	0	0
Tax receivables and contributions	152 524	0	152 524
Other receivables	30 759	0	30 759
<b>Total short-term receivables</b>	<b><u>6 213 417</u></b>	<b><u>3 532 135</u></b>	<b><u>9 745 552</u></b>

Deferred tax receivable (account 481) is not included in the table on age structure of receivables of current and prior accounting period.

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

The age structure of receivables for the prior accounting period is presented in the table below:

Receivables as of 31/12/2016	Within due period	Overdue	Total receivables
A	b	c	d
<b>Long-term receivables</b>			
Trade receivables	485 887	0	485 887
Receivables from subsidiaries and parent company	0	0	0
Other receivables within the consolidated group	0	0	0
Receivables from partners, members, and association	0	0	0
Other receivables	34 642	0	34 642
<b>Total long-term receivables</b>	<b><u>520 529</u></b>	<b><u>0</u></b>	<b><u>520 529</u></b>
<b>Short-term receivables</b>			
Trade receivables	4 717 111	4 893 030	9 610 141
Receivables from subsidiaries and parent company	0	0	0
Other receivables within the consolidated group	0	0	0
Receivables from partners, members, and association	118 092	0	118 092
Social security	0	0	0
Tax receivables and contributions	88 592	0	88 592
Other receivables	36 232	0	36 232
<b>Total short-term receivables</b>	<b><u>4 960 027</u></b>	<b><u>4 893 030</u></b>	<b><u>9 853 057</u></b>

Deferred tax receivable (account 481) is not included in the table on age structure of receivables of current and prior accounting period.



Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## 7. Financial accounts

The financial accounts include cash, bank accounts, and securities. The bank accounts are fully available to the Company's use, except for a term deposit in the value of € 15 279 652,-.

Overview of individual items of financial accounts:

Item	Current accounting period	Prior accounting period
Cash and cash equivalents	20 981	19 068
Current accounts in bank or in a branch of foreign bank	929 742	2 067 027
Deposit accounts in bank or in a branch of foreign bank	15 279 652	14 276 602
Funds in transit	238	97
<b>Total</b>	<b><u>16 230 613</u></b>	<b><u>16 362 794</u></b>

## 10. Prepaid expenses and accrued income

The structure of prepaid expenses and accrued income is presented in the table below:

Item	Current accounting period	Prior accounting period
<b>Deferred costs – long-term of which:</b>	<b>1 436</b>	<b>3 140</b>
	1 436	3 140
<b>Deferred costs – long-term of which:</b>	<b>30 213</b>	<b>37 941</b>
Insurance	16 126	16 075
		14 773
Software service and support fees	11 344	4 000
Advance payment	0	2 022
Debit cards fee	1 844	22
Gas	19	1 049
Other	-	-
<b>Accrued income – long-term of which:</b>	<b>880</b>	<b>-</b>
	-	-
<b>Accrued income – short-term of which:</b>	<b>14 920</b>	<b>11 984</b>
Interest revenues	14 920	11 984
<b>Total</b>	<b><u>46 569</u></b>	<b><u>53 065</u></b>

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**F. INFORMATION ON LIABILITIES****1. Equity**

The information on equity is included in Section Q.

**2. Reserves**

The overview of reserves for the current accounting period is presented in the table below:

Item	Current accounting period				Balance as of 31/12/2017
	Balance as of 01/01/2017	Set-up	Use	Release	
a	b	c	d	e	F
<b>Long-term provisions of which:</b>	<b>19 163 868</b>	<b>2 638 629</b>	<b>1 996 456</b>	<b>991 825</b>	<b>18 814 216</b>
<b>Other long-term provisions</b>					
Litigations	18 339 327	1 828 603	1 930 000	991 825	17 246 105
Bonuses	166 568				166 568
Litigations fees	644 645	800 000	63 377	0	1 381 268
Severance payments	13 328	10 026	3 079		20 275
<b>Total other long-term provisions</b>	<b>19 163 868</b>	<b>2 638 629</b>	<b>1 996 456</b>	<b>991 825</b>	<b>18 814 216</b>
<b>Short-term provisions of which:</b>	<b>197 324</b>	<b>215 952</b>	<b>190 456</b>	<b>6 868</b>	<b>215 952</b>
<b>Legal short-term provisions</b>					
Wages for holiday including social welfare	51 914	68 456	49 417	2 497	68 456
Audit of financial statements and preparation of tax return	0	0	0	0	0
<b>Total legal short-term provisions</b>	<b>51 914</b>	<b>68 456</b>	<b>49 417</b>	<b>2 497</b>	<b>68 456</b>
<b>Other short-term provisions</b>					
Onerous contracts	0	0	0	0	0
Onerous service contracts	0	0	0	0	0
Other tax disallowed entries	84 769	85 564	84 769		85 564
Bonuses for employees	50 643	61 932	46 272	4 371	61 932
Sanctions and penalties	0	0	0	0	0
Other	9 998		9 998	0	0
Unbilled supplies	0			0	0
<b>Total other short-term provisions</b>	<b>145 410</b>	<b>147 696</b>	<b>141 039</b>	<b>4 371</b>	<b>147 496</b>

In the year 2017 the Company concluded an Agreement on compromise with the company CENTINE, s.r.o. in which the parties agreed on specific procedures and mutual settlement. With respect to mentioned fact, part of the reserve was used for settlement and remaining part has been inactivated, the case was closed.

**Supplies of assets not invoiced**

The reserves for unbilled supplies of assets are not shown as having impact on economic result.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

The overview of provisions for the prior accounting period is presented in the table below:

Item	Current accounting period				
	Balance as of 01/01/2016	Set-up	Use	Release	Balance as of 31/12/2016
a	b	c	d	e	F
<b>Long-term provisions of which:</b>	<b>15 217 267</b>	<b>8 715 046</b>	<b>41 298</b>	<b>4 727 146</b>	<b>19 163 869</b>
<b>Other long-term provisions</b>					
Litigations	14 347 259	8 715 046	0	4 722 978	18 339 327
Bonuses	166 568				166 568
Litigations fees	685 943	0	41 298	0	644 645
Severance payments	17 497	0	0	4 168	13 329
<b>Total other long-term provisions</b>	<b>15 217 267</b>	<b>8 715 046</b>	<b>41 298</b>	<b>4 727 146</b>	<b>19 163 869</b>
<b>Short-term provisions of which:</b>	<b>3 971 296</b>	<b>197 324</b>	<b>880 455</b>	<b>3 096 419</b>	<b>197 324</b>
<b>Legal short-term provisions</b>					
Wages for holiday including social welfare	42 546	51 914	42 409	137	51 914
Audit of financial statements and preparation of tax return	0	0	5 578	0	0
Provisions for issues	0	0	0	0	0
<b>Total legal short-term provisions</b>	<b>42 546</b>	<b>51 914</b>	<b>47 987</b>	<b>137</b>	<b>51 914</b>
<b>Other short-term provisions</b>					
Onerous service contracts	3 747 308	0	715 490	3 031 818	0
Code of Conduct	46 038	0	0	46 038	0
Other tax disallowed entries	77 095	84 769	77 095		84 769
Bonuses for employees	58 308	50 643	39 882	18 426	50 643
Sanctions and penalties	0	0	0	0	0
Other	0	9 998	0	0	9 998
Unbilled supplies	0	0	0	0	0
<b>Total other short-term provisions</b>	<b>3 928 750</b>	<b>145 410</b>	<b>832 468</b>	<b>3 096 282</b>	<b>145 410</b>

In the year 2016 the Company concluded an Agreement on compromise with the company Goldmann Systems, a.s. in which the parties agreed on specific procedures and mutual settlement. With respect to mentioned fact, part of the reserve was used for settlement and remaining part has been inactivated, the case was closed.

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

### 3. Liabilities

The structure of liabilities (except for bank loans) by remaining maturity period is shown in the following table:

Item	Current accounting period	Prior accounting period
<b>Total long-term liabilities</b>	<b>147 515</b>	<b>146 695</b>
Liabilities due after five years	5 883	5 063
Liabilities due from one to five years	141 632	141 632
 <b>Total short-term liabilities</b>	 <b>1 230 241</b>	 <b>1 403 651</b>
Liabilities due within one year including	1 212 258	1 403 096
Overdue liabilities	17 983	555

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

**4. Deferred tax liability**

The calculation of deferred tax liability is shown in the following table:

Item	Current accounting period	Prior accounting period
Temporary differences between the book value of assets and their tax base of which:		
deductible	- 5 078 118	- 5 331 163
taxable	- 5 751 581	- 6 021 241
	673 463	690 078
Temporary differences between the book value of liabilities and their tax base of which:		
deductible	- 18 990 630	-18 339 327
taxable	- 18 990 630	-18 339 327
	0	0
Tax loss carried forward	0	0
Unused tax deductions	0	0
Income tax rate (in %)	21	21
<b>Deferred tax receivable calculated</b>	<b><u>5 054 437</u></b>	<b><u>5 517 439</u></b>
<b>Deferred tax receivable recognized</b>	<b><u>1 092 577</u></b>	<b><u>1 158 662</u></b>
Recorded as expense reduction	- 66 085	- 233 585
Recorded in equity	0	0
<b>Deferred tax liability</b>	<b><u>141 427</u></b>	<b><u>141 632</u></b>
Change in deferred tax liability	- 204	- 296
Recorded as cost	- 204	- 296
Recorded as equity	0	0
Other	0	0

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## 5. Social fund

Contributions to and withdrawals from the social fund during the accounting period are shown in the following table:

Item	Current accounting period	Prior accounting period
<b>Opening balance</b>	5 063	3 417
Contributions charged to costs	7 390	7 656
Contributions from profit		
Other contributions		
<i>Total social fund contributions</i>	7 390	7 656
<i>Withdrawal</i>	<u>6 570</u>	<u>6 010</u>
<b>Closing balance</b>	<u><b>5 883</b></u>	<u><b>5 063</b></u>

According to the Act on Social Fund, creation of one part of the social fund is mandatory as expense and other part may be created from the profit. According to the Act on Social Fund, the social fund may be used for social, health, recreational, and other needs of employees.

## 8. Accruals and deferrals

The structure of accruals and deferrals is shown in the following table:

Item	Current accounting period	Prior accounting period
<b>Long-term accrued expenses of which:</b>	-	-
	-	-
<b>Short-term accrued expenses of which:</b>	<b>2 835</b>	<b>2 227</b>
Interests from LTdeposit payable in 2016	2835	2 227
<b>Long-term deferred revenues of which:</b>	<b>8 640</b>	<b>15 120</b>
SW re-invoiced to MH – SW application - ECP	-	-
SW re-invoiced to MH – Fees module	8 640	15 120
<b>Short-term deferred revenues of which:</b>	<b>15 280</b>	<b>90 394</b>
SW re-invoiced to MH – SW application – ECP	0	14 889
SW re-invoiced to MH – Fees module	6 480	6 480
SW re-invoiced to MH – SPOZUS	0	63 000
CD-125 LEI code administration (renewal)	8 800	6 025
<b>Total</b>	<b>23 920</b>	<b>107 791</b>

- Deferred long-term returns in the value of € 8 640,- were affected by re-invoicing of expenses related to the information system Fees Module SW to MH.
- Expenses were re-invoiced based on the "Frame agreement on cooperation on technical and administrative support in ensuring book-entry securities transfer from owner's accounts in CDCP's registration to MH".

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**H. INFORMATION ON REVENUES****1. Revenues from the sale of the Company's own work and goods**

Revenues from the sale of the Company's own work and goods by individual segments, i.e. by product and services types, and by main territories are presented in the following table:

Sales territory	Type of products, goods, services (Services)	
	Current acc. period	Prior acc. period
Slovakia	7 936 927	7 957 505
EU	531 375	568 771
Other	13 575	10 742
<b>Total</b>	<b>8 481 877</b>	<b>8 537 018</b>

Revenues from the sale of the Company's own work by particular services are shown in the following table (in EUR):

	Current accounting period	Prior accounting period
Administration of securities owner account	3 303 745	3 558 314
Registration services to issuers of book-entry securities	2 898 210	2 426 402
Trade services to issuers of paper-form securities	1 266 035	1 339 116
Balance statements – RMS (Note O)	483	83 766
Change of owner transfer/transition NPF (Note O)	6 462	175 730
Registration services to issuers of paper-form securities	307 373	245 714
Information services to issuers of book-entry securities	221 370	185 193
Pledge	138 174	162 066
Changer of owner transfer/transition	141 232	144 690
Other services RMS (Note O)	21	20 595
Use of IS – members	0	2 000
National Numbering Agency	52 380	50 280
Information services for subjects pursuant to §110	16 405	16 223
Account statements	2 183	10 970
Information services to issuers of paper-form securities	2 183	2 958
Trade services to issuers of book-entry securities	0	0
Other services	114 963	113 001
<b>Total</b>	<b>8 481 877</b>	<b>8 537 018</b>

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## 2. Capitalisation of costs, income from operational, financial and extraordinary activities

Overview of the income from capitalisation of costs and operational, financial and extraordinary activities is presented in the table below:

Item	Current accounting period	Prior accounting period
<b>Capitalisation of costs – material items of which:</b>	<b>0</b>	<b>0</b>
Tangible assets capitalised from own work		
Other capitalisation		
<b>Other material items of operating income of which:</b>	<b>1 365 755</b>	<b>1 513 465</b>
Sale of material	137	7
Sale of tangible and intangible assets	2 044	4 683
Re-invoicing of costs from RMS to NPF (Note N)		
Revenues from depreciation of IS used for the project “transfer without consideration” (NPF)	21 369	21 369
Short-term provision for false service contracts		
Contractual surcharges, penalties and interests on late payments	1 313	709
Other surcharges, penalties and interests on late payments	1 283	1 909
Revenues from amortized and forwarded receivables	64 745	180 807
Other	1 274 864	1 303 981
<b>Financial income of which:</b>	<b>41 361</b>	<b>70 366</b>
<i>Foreign exchange gains of which:</i>	<i>50</i>	<i>11</i>
Foreign exchange gains at balance sheet date	18	11
<i>Other material items of financial income of which:</i>	<i>41 311</i>	<i>70 355</i>
Interests from current accounts	112	99
Interests from short-term term deposits	40 520	69 381
Interests from provided loans	679	875
Gains from non-current financial assets – ANNA/GIAM	0	0
Other financial income		
<b>Extraordinary income of which:</b>	<b>0</b>	<b>0</b>
Compensation of damage from natural disasters from insurance company		



Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**3. Net turnover**

In order to check whether the Company is obliged to have the financial statements audited by the auditor [Section 19(1)(a) of the Act on Accounting] the net turnover of the Company is presented in the following table:

Item	Current accounting period	Prior accounting period
Sale of own products		
Sale of services	8 481 877	8 537 018
Sale of goods		
Revenue from contracts		
Revenue from real estate for sale		
Other income related to ordinary activities		
<b>Total net turnover</b>	<b><u>8 481 877</u></b>	<b><u>8 537 018</u></b>

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

**I. INFORMATION ON COSTS****1. The costs of services received, other cost of operations, financial, and extraordinary costs**

The overview of costs of services received, other cost of operations, financial, and extraordinary costs:

Item	Current acc. period	Prior acc. period
<b>Costs of services received of which:</b>	<b>3 703 926</b>	<b>3 389 931</b>
Auditor or audit firm costs of which:	8 830	9 297
<i>Financial statements audit costs</i>	8 830	8 367
<i>Other assurance and audit services</i>	0	930
Other material costs items of services received of which:	3 695 096	3 380 634
<i>Service works</i>	911 228	1 064 893
<i>Software maintenance</i>	609 423	308 995
<i>Expert opinions and analyses</i>	1 250	15 412
<i>Postal money order fees ("U" PO)</i>	64 632	70 967
<i>Archive services Sobhalov</i>	0	160 320
<i>PR services</i>	21 599	42 138
<i>Postal charge</i>	45 950	37 647
<i>Security and cleaning services</i>	84 675	78 343
<i>Legal services</i>	45 716	76 841
<i>Translating services</i>	9 171	5 449
<i>Tax and economic consultancy</i>	7 966	8 367
<i>Rent</i>	162 507	81 743
<i>Repairs and maintenance</i>	226 500	28 530
<i>Telecommunication services</i>	27 742	32 185
<i>Travel costs</i>	20 360	23 649
<i>Promotion costs</i>	17 003	10 333
<i>Small intangible assets</i>	54 982	7 007
<i>Other</i>	1 384 392	1 327 815
<b>Other material items of cost of operations of which:</b>	<b>2 340 301</b>	<b>3 516 377</b>
Creation and posting of valuation allowance for receivables	579 776	1 208 175
Other reserve for litigations	1 636 778	2 067 982
Liability for damage insurance	40 132	40 233
Receivables depreciation	27 804	166 516
Unimplemented investments	-	-
Investment reserves and reserves for risk contracts	-	-
Net book value of sold tangible and intangible assets	32 107	0
Other	23 524	33 471
<b>Financial costs of which:</b>	<b>46 672</b>	<b>38 446</b>
Exchange rate loss of which:	925	1 776
<i>Exchange rate loss at balance sheet date</i>	64	52
Other material items of financial costs of which:	45 747	36 670
<i>Banking fees, VAKUP fees, NBS Target2</i>	45 747	36 670
<i>Other</i>	-	-

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**J. INFORMATION ON INCOME TAXES**

The reconciliation of expected to reported income tax is shown in the following table:

Item a	Current accounting period			Prior accounting period		
	Tax base b	Tax c	Tax in % d	Tax base E	Tax f	Tax in % g
Profit(loss) before taxes of which:	709 943		100%	564 195		100%
Expected tax		149 088	21%		124 123	22%
Tax non-deductible expenses	4 297 597	902 495	127%	10 661 312	2 238 875	315%
Non-taxable income	-4 711 934	- 989 506	-139%	-10 500 388	- 2 205 176	-311%
Impact of unrecognised deferred tax receivable	65 880		0%	196 589		0%
Tax loss carried forward		0	0%		0	0%
Tax rate change		0	0%	37 293	7 831	1%
Other		0	0%		0	0%
Total	361 486	62 077	9%	958 551	165 653	28%
<b>Due income tax</b>		<b><u>69 797</u></b>	<b><u>9%</u></b>		<b><u>179 219</u></b>	<b><u>28%</u></b>
Deferred income tax		65 880	- 9%		-196 589	- 28%
<b>Total income tax</b>		<b><u>135 677</u></b>	<b><u>18%</u></b>		<b><u>-17 370</u></b>	<b><u>0%</u></b>

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**Additional information about deferred tax:**

	<b>Current acc. period</b>	<b>Prior acc. period</b>
Deferred tax receivable posted as cost or revenue, resulting from the change in income tax rate	0	- 44 051
Deferred tax liability recorded as cost or revenue, resulting from the change in income tax rate	0	- 6 758
Deferred tax receivable relating to tax loss carried forward, unused tax deductions and other claims, including temporary differences from preceding accounting periods to which deferred tax receivable was not recognised in prior periods	0	0
Deferred tax liability due to not recognising part of tax receivable in the current accounting period that had been recognised in preceding accounting periods	0	0
Unclaimed tax losses, unused tax deductions and other claims and deductible temporary differences for which an deferred tax receivable was not recognised	4 103 287	10 322 894
Deferred income tax relating to items recognised directly in equity without recognising it in income and expense	0	0

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**K. INFORMATION ON OFF-BALANCE SHEET ACCOUNTS****Property leased from other parties**

Item	Current accounting period	Prior accounting period
Rented assets		-
Assets under operating lease	16 975	123 451
Assets taken in custody		-
Receivables from derivatives		-
Liabilities from option derivatives		-
Receivables written-off		-
Receivables from the lease		-
Liabilities from the lease		-
Other items		-

**The property in lease**

- 5 copy machines. Annual costs for the rent, including print-out invoicing in the year 2017 are € 7 526. The contracts are concluded for the period of 6 months with automatic prolongation by one month. The notice period is one month.
- 1 leased car. Annual rental costs for the year 2017 are € 9 449.

**L. INFORMATION ON OTHER ASSETS AND OTHER LIABILITIES****1. Conditional liabilities**

Type of contingent liability	Current accounting period	
	Total amount	To related parties
From court decisions	19 151 505	-
From guarantees provided	-	-
From generally binding legal regulations	-	-
From subordinated debt contract	-	-
From guarantees	-	-
Other contingent liabilities	-	-
Type of contingent liability	Prior accounting period	
	Total amount	To related parties
From court decisions	27 375 376	-
From guarantees provided	-	-
From generally binding legal regulations	-	-
From subordinated debt contract	-	-
From guarantees	-	-
Other contingent liabilities	-	-

The Company has the following possible other obligations that are not reflected in a common accounting and they are not included in the balance sheet:

- Currently the Company participates in several litigations resulting from transactions effected in the past periods in the total claimed amount of € 19 151 505 (including extras). Material part of litigations lasts for longer period and decisions may not be made yet for several years. It is not possible to predict with sufficient adequacy the final result of these litigations. The final decision in these litigations to the detriment of the Company may have unfavourable impact on its financial results,

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

liquidity, and ability of the Company to meet requirements set by the law (limits) concerning its activity and uninterrupted continuation of its activities. Under these circumstances an additional financing and support of the owner and of the final owner of the Company could be needed.

- As of 31 December 2017 the Company created reserves on risks resulting from litigations in the amount of € 17 246 105. Estimation of probable loss done by the management of the Company was based on available information on status of such litigations, advice of external legal advisors, and internal assessment of probable result of litigations. Management of the Company estimated reserves only for cases where it expects the possible loss for the Company. The Company also registers disputes for which a probability, respectively the amount of loss, at this stage cannot be determined or estimated. The final result of litigations can differ from estimates and this difference can be substantial.
- For litigations, where the company expects decision made in favour of the Company, the Company has created a reserve for (share) bonus in favour of external defence attorney in the amount of € 1 381 267.
- Due to the fact that many areas of Slovakian tax law (e. g. legislation concerning transfer pricing) have not been sufficiently tested in practice, there is an uncertainty on how the tax authorities will apply them. It is not possible to quantify the level of such uncertainty and it shall cease only when legal precedents or official interpretations of the relevant authorities are available. The management of the Company is not aware of any circumstances that would result to a material cost in the future.

#### M. INFORMATION ON INCOME AND BENEFITS OF MEMBERS OF THE STATUTORY, SUPERVISORY AND OTHER COMPANY'S BODIES

During the respective accounting period the remuneration for members of Company's statutory bodies based on performance of their duties for the Company were in the amount of € 33 450 (in 2016: € 30 600), remuneration for supervisory bodies of the Company were in the amount of € 21 798 (in 2016: € 19 916).

No loans, guarantees, other forms of security or other performance was provided to members of statutory body and members of supervisory bodies for private purposes in 2017 (in 2016: none).

Type of income, benefit	Income and benefit of current members of Company's bodies			Income and benefit of former members of Company's bodies		
	Statutory	Supervisory	Other	Statutory	Supervisory	Other
	Part 1 – Current accounting period			Part 1 – Current accounting period		
A	Part 2 – Prior accounting period			Part 2 – Prior accounting period		
Cash income	116 163	21 798	-	-	-	-
	172 633	19 916	-	-	-	-
Non-cash income	4 237	321	-	-	-	-
	6 116	40	-	-	-	-
Cash advances	-	-	-	-	-	-
	-	-	-	-	-	-
Non-cash advances	-	-	-	-	-	-
	-	-	-	-	-	-
Loans provided	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees provided	-	-	-	-	-	-
	-	-	-	-	-	-
Other	-	-	-	-	-	-

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## N. INFORMATION ON ECONOMIC RELATIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES

During the accounting period the Company executed the transactions with the following related parties:

- Bratislava Stock Exchange, a.s. (hereinafter only "BCPB")
- MH Manažment, a.s. (hereinafter only "MH Man") - National Property Fund of the Slovak Republic was destabilized pursuant to the Act 375/2015 on destabilization of the National Property Fund of the Slovak Republic and on change and amendment of certain acts of 12 November 2015
- Ministry of Finance of the Slovak Republic (hereinafter only "MF SR")
- DLHOPIS, o.c.p., a.s. (hereinafter only "DLHOPIS")
- Železničná spoločnosť Cargo Slovakia, a.s.
- SHIFT, a.s.
- Slovak Investment Holding, a.s.

Transactions with related parties (except for parent company and subsidiaries) are shown in the following table:

Related party	Transaction type code	Value of transaction	
		Current accounting period	Prior accounting period
		c	d
MF SR – Sale of services	03	1 421 871	1 369 232
MH Man – Other revenues - economic activity	11	1 256 008	1 233 140
MH Man – Account statement (Note H1)	03	483	83 766
MH Man – Securities transfer (Note H1)	03	6 462	93 545
MH Man – Depreciation of SW application for "transfer without consideration"	11	21 369	21 369
MH Man – Data provision (Note H1)	03	51	20 595
MH Man – Sale of services	03	38 955	21 251
DLHOPIS – Sale of services	03	6 577	198 786
DLHOPIS – Other revenues - economic activity	11	-	-
Železničná spoločnosť Cargo Slovakia, a.s.	03	69	272
SHIFT, a.s.	03	355	377
Slovak Investment Holding, a.s.	03	827	420

Transactions with parent company and subsidiaries are shown in the following table:

Subsidiary/Parent company	Transaction type code	Value of transaction	
		Current accounting period	Prior accounting period
		c	d
BCPB – Purchase of services	01	113 170	138 648
BCPB – Sale of services	03	16 241	17 769
BCPB – Other revenues from economic activity	11	0	664

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**Note:**

Transaction type code	Type of transaction:
01	Purchase
02	Sale
03	Provision of services
04	Sales representation
05	Licence
06	Transfer
07	Know –how
08	Loan, borrowing
09	Financial assistance
10	Guarantee
11	Other transaction

Selected assets and liabilities resulting from transactions with related parties are presented in the table below:

	Current accounting period	Prior accounting period
Trade receivables	144 866	118 092
Other receivables within the consolidated group	-	-
Accrued income	-	-
Deferred costs	-	-
Loans given	-	-
<b>Total assets</b>	<b>144 866</b>	<b>118 092</b>
Trade liabilities	97 906	117 702
Other liabilities within the consolidated group	-	-
Unbilled supplies	-	-
Provisions	-	-
Deferred revenues	-	-
Accrued expenses	-	-
Loans received	-	-
<b>Total liabilities</b>	<b>97 906</b>	<b>117 702</b>



Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

## O. PROJECT "TRANSFER OF SECURITIES FROM SECURITIES OWNER'S ACCOUNTS TO NPF SR WITHOUT CONSIDERATION"

	Current accounting period	Prior accounting period
<b>Revenues</b>		
MH Man – Other revenues from economic activity (Note G2)	1 256 008	1 233 140
MH Man – Account statement (Note H1)	483	83 766
MH Man – Securities transfer (Note H1)	6 462	93 545
MH Man – Depreciation of SW application for "transfer without consideration"	21 369	21 369
MH Man – Data selection (Note H1)	51	20 595
<b>Total revenues</b>	<b>1 284 373</b>	<b>1 452 415</b>
<b>Costs</b>		
Other services - RMS	-	-
MH Man – Depreciation of SW application for "transfer without consideration"	21 369	21 369
Rent	-	-
ORACLE license	-	-
<b>Total costs</b>	<b>21 369</b>	<b>21 369</b>

- In the year 2017, services of DLHOPIS were re-invoiced to MH Man through Other receivables (account 648) without impact on the economic result in the amount of € 1 256 008. Also in the year 2016 the RMS costs in the amount of € 1 233 140 were re-invoiced to MH Man without impact on the economic results.
- Along with accounting of costs in the form of depreciation of software re-financed by MH Man (NPF), the Company accounted the revenue in the respective amount so that it does not influence the economic result of the current year.

### Receivables

MH Man – Income under the agreement with RMS and DLHOPIS	96 591	116 631
<b>Total receivables</b>	<b>96 591</b>	<b>116 631</b>

### Payables

DLHOPIS – Expenses under the agreement with DLHOPIS	96 591	116 631
<b>Total payables</b>	<b>96 591</b>	<b>116 631</b>

- In compliance with Act No. 160/2009 Coll. it is allowed to natural persons to transfer without consideration the book-entry securities which are in their ownership to owner's account of MH Man and MH Man is obliged to pay off the fees incurred with transfer registration.
- MH Man, in compliance with Act No. 92/1991 Coll. as amended, is obliged to pay off the fees related to securities registration for the calendar year in course of which the securities were transferred and for two years preceding to such year, and related to transfer registration in such register.
- Based on the agreement concluded between the Company and MH Man, MH Man covers all costs relating to transfer of book-entry securities from an account of natural persons to MH Man.

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Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

**P. INFORMATION ON POST-BALANCE SHEET EVENTS**

No events with significant influence on fair presentation of facts subject to bookkeeping occurred after 31 December 2017.

**Q. INFORMATION ON OWNER'S EQUITY**

Movements in equity in the course of the year are shown in the following table:

Item	Current accounting period					Balance as of 31/12/2017
	Balance as of 01/01/2017	Additions	Disposals	Transfers		
a	b	c	d	e		f
<b>Share capital</b>	<b>10 489 304</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 489 304</b>
Share capital	10 489 304	0				10 489 304
Changes in share capital	0	0	0	0	0	0
Receivables from subscribed equity	0	0	0	0	0	0
<b>Share premium</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other capital reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Legal reserve funds</b>	<b>319 301</b>	<b>0</b>	<b>0</b>	<b>58 156</b>	<b>377 457</b>	<b>377 457</b>
Legal reserve funds (non-distributable reserve)	319 301	0	0	58 156		377 457
Reserve fund for own shares and own ownership interests	0	0	0	0	0	0
<b>Other reserves from profit</b>	<b>1 942</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 942</b>
Statutory funds	0	0	0	0	0	0
Other funds from profit	1 942			0		1 942
<b>Valuation adjustments from revaluation</b>	<b>-143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-143</b>
Valuation adjustments from revaluation of assets and liabilities	-143	0	0	0	0	-143
Valuation adjustments from equity investments	0	0	0	0	0	0
Valuation adjustments from revaluation in case of mergers, fusions or demergers	0	0	0	0	0	0
<b>Profit/loss for previous accounting periods</b>	<b>-3 888 330</b>	<b>0</b>	<b>180 414</b>	<b>523 409</b>	<b>-3 545 335</b>	<b>-3 545 335</b>
Retained earnings		0	0	0	0	0
Loss carried forward	-3 888 330	0	180 414	523 409		-3 545 335
<b>Profit/loss for current accounting period</b>	<b>581 565</b>	<b>574 266</b>	<b>0</b>	<b>-581 565</b>	<b>574 266</b>	<b>574 266</b>
<b>Total</b>	<b>7 503 639</b>	<b>574 266</b>	<b>180 414</b>	<b>0</b>	<b>7 897 491</b>	<b>7 897 491</b>

- In the year 2017 CDCP found out that incorrect invoices were issued to natural persons from the Czech Republic in total sum of 180 414 euro. The invoices were incorrectly issued as CDCP didn't have knowledge of executed change in form of securities (from book-entry to certified form) which were subject to invoicing at the moment of issuing the invoices. This change was performed by the issuer of book-entry securities as proceeding in the Commercial Registry, so the change was registered in the Commercial Registry, but not in the registry of CDCP. Due to above mentioned CDCP charged for administration of book-entry securities in owner's account to the respective owner of securities despite according to the Commercial Registry the securities didn't exist in the book-entry form anymore at the moment of invoicing. Given service was not provided thus it should not have been and should not be invoiced.

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

- The Company share equity consists of 316 shares in the nominal value of 33 194 euro. The same shareholder rights are attached to all shares.
- Profit per one share for the year 2017 is EUR 1 817 (Profit per/share in the year 2016: € 1 840).

The overview of changes in equity for the prior accounting period is presented in the following table:

Item	Prior accounting period					Balance as of 31/12/2016
	Balance as of 01/01/2016	Additions	Disposals	Transfers		
a	b	c	d	e		f
<b>Share capital</b>	<b>10 489 304</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>10 489 304</b>
Share capital	10 489 304	0				10 489 304
Changes in share capital	0	0	0	0		0
Receivables from subscribed equity	0	0	0	0		0
<b>Share premium</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Other capital reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Legal reserve funds</b>	<b>247 063</b>	<b>0</b>	<b>0</b>	<b>72 238</b>		<b>319 301</b>
Legal reserve funds (non-distributable reserve)	247 063	0	0	72 238		319 301
Reserve fund for own shares and own ownership interests	0	0	0	0		0
<b>Other reserves from profit</b>	<b>1 942</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>1 942</b>
Statutory funds	0	0	0	0		0
Other funds from profit	1 942			0		1 942
<b>Valuation adjustments from revaluation</b>	<b>- 143</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>- 143</b>
Valuation adjustments from revaluation of assets and liabilities	- 143	0	0	0		- 143
Valuation adjustments from equity investments	0	0	0	0		0
Valuation adjustments from revaluation in case of mergers, fusions or demergers	0	0	0	0		0
<b>Profit/loss for previous accounting period</b>	<b>-4 538 471</b>	<b>0</b>	<b>0</b>	<b>650 141</b>		<b>-3 888 330</b>
Retained earnings		0	0	0		0
Loss carried forward	-4 538 471	0	0	650 141		-3 888 330
<b>Profit/loss for current accounting period</b>	<b>722 379</b>	<b>581 565</b>	<b>0</b>	<b>- 722 379</b>		<b>7 503 639</b>
<b>Total</b>	<b>6 922 074</b>	<b>581 565</b>	<b>0</b>	<b>0</b>		<b>7 503 639</b>

**Settlement of the accounting profit****Current accounting period**

Legal reserve fund	58 156
Statutory fund and other reserves	0
Social fund	0
Increase of registered capital	0
Settlement of loss carried forward	523 409
Retained earnings	0
Dividends – partners, members	0
Other	0
<b>Total</b>	<b>581 565</b>

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

The General Meeting shall decide on distribution of profit for the 2017 accounting period in the amount of € 574 266. The statutory body proposes to distribute the profit as follows:

- contribution to reserve fund (10%) in the amount of € 57 427
- transfer to retained earnings in the amount of € 516 839

## S. CASH FLOW STATEMENT AS OF 31 DECEMBER 2017

The Company has prepared the cash flow statement using the indirect method.

	Current accounting period	Prior accounting period
	EUR	EUR
<b>Net profit (before deducting tax and extraordinary entries)</b>	<b>709 944</b>	<b>564 195</b>
Adjustments for non-cash transactions:		
Depreciation of non-current assets	744 528	302 454
Inventories write-off		
Change in provisions for non-current assets		
Change in provisions for receivables	-266 073	-803 873
Change in provisions for inventories		
Change in provisions	-331 024	172 630
Change in accruals/deferrals of costs/revenues	-71 604	28 592
Interest cost (net)	-41 311	-70 355
Exchange rate difference	46	41
Loss / (gain) from the sale of non-current assets	30 062	-4 683
Yields from long-term financial assets		
Correction of previous years		
Other non-cash entries	-152 608	166 516
<b>Profit from operating activities before changes in working capital</b>	<b>621 960</b>	<b>355 517</b>
Changes in working capital:		
Increase (decrease) of trade receivables	152 383	756 767
Decrease (increase) of inventories	-509	705
Increase (decrease) of payables	-170 959	-297 967
Other		
<b>Operating cash flows</b>	<b>602 875</b>	<b>815 022</b>

Notes: Úč POD 3 - 01

Company ID	<table><tr><td>3</td><td>1</td><td>3</td><td>3</td><td>8</td><td>9</td><td>7</td><td>6</td></tr></table>									3	1	3	3	8	9	7	6
3	1	3	3	8	9	7	6										
Tax ID	2	0	2	0	3	1	2	8	3	3							

	Current accounting period	Prior accounting period
	EUR	EUR
<b>Cash flows from operating activities</b>		
Operating cash flows	602 875	815 022
Interest paid		
Interest received	38 376	109 114
Corporate income tax paid	-71 555	97 332
Dividends paid		
Receipts from extraordinary items		
Other items not included in operating activities		
<b>Net cash from operating activities</b>	<b>569 696</b>	<b>1 021 468</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	-703 875	-830 516
Receipts from the sale of non-current assets	2 044	4 683
Term deposits		
Long-term loans granted		
Dividends received		
<b>Net cash from investing activities</b>	<b>-132 135</b>	<b>195 635</b>
<b>Cash flows from financing activities</b>		
Receipts from the increase of share capital and other capital funds		
Receipts / repayments of bank loans		
Receipts / repayments of borrowings from Group companies		
Repayments of long-term liabilities		
<b>Net cash from financing activities</b>	<b>0</b>	<b>0</b>
<b>Increase (decrease) of cash and cash equivalents</b>	<b>-132 135</b>	<b>195 635</b>
Cash and cash equivalents at the beginning of the period	16 362 794	16 167 200
Exchange rate difference	-46	-41
<b>Cash and cash equivalents at the end of the year</b>	<b>16 230 613</b>	<b>16 362 794</b>

Notes: Úč POD 3 - 01

Company ID			3	1	3	3	8	9	7	6
Tax ID	2	0	2	0	3	1	2	8	3	3

**Cash**

Cash means cash on hand, cash equivalents, and cash in current bank accounts, an overdraft facility, and the part of Cash in transit which relates to transfer between current account and cash register or between two bank accounts.

**Cash equivalents**

Cash equivalents are short-term financial assets that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value during the next three months after the financial statements preparation date, for example term deposits on bank accounts with a maximum of a three-month notice, liquid securities held for trading, or preference shares that the accounting unit has acquired and which are due within three months after the financial statements date.

Prepared on: 15 March 2018	Signature of the member of the Company statutory body:  (signature)	Signature of a person responsible for preparing the financial statements  (signature)	Signature of a person responsible for bookkeeping  (signature)
Approved on:	Name Position Ing. Martin Wiedermann Chairman of the BoD Ing. Ľudmila Boboková Vice-chairman of the BoD	Name Position Ing. Pavol Vaník Financial Manager	Name Position Ing. Pavol Vaník Financial Manager

**14. Supplement to the Auditor's Report on audit  
of the Annual Report for the year 2017**



## **SUPPLEMENT TO THE AUDITOR'S REPORT**

on audit of the Annual Report for the year 2017

**Centrálny depozitár cenných papierov SR, a.s.**

ul. 29. augusta 1/A, 814 80 Bratislava

Company ID: 31 338 976

In Bratislava, May 2018





## **SUPPLEMENT TO THE AUDITOR'S REPORT**

To the shareholder, the Supervisory Board, and the Board of Directors of the company  
Centrálny depozitár cenných papierov SR

### **to the Annual Report**

in compliance with §27, section 6 of the Act No. 423/2015 Coll. on Statutory Audit and on Amendments and Supplements to Act No. 431/2002 Coll. on Accounting, as amended (hereinafter only "Act on Statutory Audit")

We have audited the financial statements of the company Centrálny depozitár cenných papierov SR, a.s. (hereinafter only "the Company") as of 31 December 2017, presented in the attached Annual Report of the Company to which we have issued the following independent auditor's report on financial statements on 15 March 2018:

#### **I. Report on audit of the financial statements**

##### **"Opinion"**

*We have performed the audit of the financial statements of the company Centrálny depozitár cenných papierov SR, a.s. ("the Company") which consists of the balance sheet as of 31 December 2017, the profit and loss statement for the year ending on the same date, and notes which include overview of relevant accounting principles and accounting methods.*

*In our opinion, the financial statements present true and reliable image of the financial situation of the Company as of 31 December 2017 and of its economic result for the year which ended on stated date in compliance with the Act No. 431/2002 Coll. on Accounting as amended (hereinafter only "Act on Accounting").*

##### **Basis for opinion**

*We have performed the audit in compliance with the International Standards on Auditing (ISA). Our responsibility pursuant these standards is defined in section Auditor's responsibility for audit of the financial statements. We are independent from the Company in accordance with the provisions of the Act No. 423/2015 Coll. on Statutory Audit and on Amendments and Supplements to the Act No. 431/2002 Coll. on Accounting as amended (hereinafter only "Act on Statutory Audit") with respect to ethics, including Auditor Code of Conduct, relevant for our audit of the financial statements, and we were compliant also with other requirements of these provisions related to ethics. We are convinced that obtained audit evidence is providing sufficient and acceptable basis for our opinion.*

##### **Responsibility of the statutory body for the financial statements**

*Management of the Company is responsible for the preparation of these financial statements so that provides true and authentic image pursuant to the Act on Accounting and for the internal controls regarded necessary for preparation of the financial statements that are free from material incorrectness, whether due to fraud or error.*



*At preparing the financial statements, the statutory body is responsible for assessment of Company's ability to pursue its activities continuously, for description of facts related to continuous pursuit of activities if necessary, and for application of presumption of continual pursuit of activities in the accounting, unless it has an intention to liquidate the Company or terminate the operation, or it would not have other realistic option than to do so.*

#### **Auditor's responsibility for audit of the financial statements**

*Our responsibility is to obtain adequate assurance that the financial statements as a whole does not includes material incorrectness, whether due to fraud or error and to issue auditor report, including the opinion. Adequate assurance is assurance of grate extent, but is not guarantee that audit performed in compliance with the International Standards on Auditing shall always disclose material incorrectness if existent. Incorrectness can arise in consequence of fraud or error, and are deemed material in case of reasonable expectation that these could have, individually or collectively, impact on economic decisions of users made on basis of these financial statements.*

*Within audit performed pursuant to the International Standards for Auditing, we apply expert judgment and retain professional scepticism during whole audit. Beyond that:*

- We identify and assess risks of material incorrectness in the financial statements, whether due to fraud or error, propose and exercise audit procedures reacting to these risks and are obtaining audit evidence which is sufficient and suitable to provide basis for our opinion. Risk that material incorrectness is not detected is higher in case of fraud than in case of error, because fraud can include collusion, falsification, intentional omission, untrue declaration or avoidance of internal control.*
- We get acquainted with internal controls relevant for audit to be able to propose audit procedures appropriate for given circumstances, but not for purpose of provision of opinion on effectiveness of internal controls of the Company.*
- We are assessing suitability of applied accounting principles and accounting methods and adequacy of accounting estimations and related information made by the statutory body.*
- We make conclusion whether the statutory body is properly using assumption of continuous pursuing of activity in the accounting, and based on obtained audit evidence conclusion whether material uncertainty in connection with events or circumstances which could cast significant doubts on ability of the Company to pursue its activities continuously exists. If we come to conclusion that material uncertainty exists, we are obliged to give notice in our auditor report of related information stated in the financial statements, or to modify our opinion if the information is insufficient. Our conclusions arise from audit evidence obtained before date of the audit report. However, future events or circumstances may cause that the Company shall stop continuous pursue of its activities*
- We are assessing overall presentation, structure and content or the financial statements including information stated in it, and also whether the financial statements reflect realised transactions and events in a way allowing true representation."*



## **II. Report on other requirements of the acts and other legal regulations**

### ***Report on information stated in the Annual Report – supplement to the independent auditor report***

The Statutory body is responsible for information stated in the Annual Report prepared in compliance with requirements of the Act on Accounting. Our above stated opinion to the financial statements does not apply to other information in the Annual Report.

In connection with audit of the financial statements our responsibility is to obtain knowledge on information stated in the Annual Report and to assess whether there is no significant discrepancy between information and the financial statements or our knowledge we have obtained during audit of the financial statements, or which seems to be notably incorrect in any other way.

We have assessed if the Annual Report of the Company includes information required by the Act on Accounting.

Based on work performed during audit of the financial statement and based on our opinion:

- information stated in the Annual Report for 2017 is compliant with the financial statements for given year
- the Annual Report includes information pursuant to the Act on Accounting.

In addition, based on our knowledge on the accounting unit and its situation we have obtained during the audit of the financial statements, we are obliged to state whether we have found material incorrectness in the Annual Report we received after issuing this audit report. In this connection no findings exist we should state.

In Bratislava on 24 May 2018

(round stamp)

(signature)

ACCEPT AUDIT & CONSULTING, s.r.o.  
Baštová 38, 080 01 Prešov  
SKAU licence No. 000124  
Commercial Register of DC Prešov, file No. 2365/P

Auditor in charge:  
Ing. Ivan Bošela, CA, MBA  
SKAU licence No. 962

## **15. Glossary**

**CFI code (ISO 10962 - Classification of Financial Instruments):** The CFI consists of six alphabetical characters, assigned in compliance with the standard ISO 10962 Classification of Financial Instruments (CFI code). The CFI reflects characteristics of a financial instrument defined at issuance of the security and remain unchanged during its entire lifetime. CFI code is assigned by the agency which assigned the ISIN code to the financial instrument.

**Central securities depository (CSD):** An entity that: 1) enables securities transactions to be processed and settled by book entry; 2) provides custodial services (e.g. the administration of corporate actions and redemptions); and 3) plays an active role in ensuring the integrity of securities issues.

**Clearing:** The process of transmitting, reconciling and, in some cases, confirming transfer instructions prior to settlement, potentially including the netting of instructions and the establishment of final positions for settlement.

**Dematerialisation:** The elimination of physical certificates or documents of title indicating ownership of financial assets, such that the financial assets exist only as accounting records.

**Delivery versus payment (DVP):** A securities settlement mechanism which links a securities transfer and a funds transfer in such a way as to ensure that delivery occurs if – and only if – the corresponding payment occurs.

**Financial Market Infrastructure (FMI):** A multilateral system among participating institutions, including the operator of the system, used for the purposes of clearing, settling, or recording payments, securities, derivatives, or other financial transactions.

**FISN code (ISO 18774 - Financial Instrument Short Name):** code with 35 alphanumeric characters issued in compliance with standard ISO 18774 Financial Instrument Short Name. ISO standard implements consistent and uniform approach to standardize short names for financial instruments.

**Free-of-payment delivery (FOP):** Type of instruction for transfer specified by delivery of securities which is not linked to a corresponding transfer of funds.

**GLEIF - The Global LEI Foundation:** GLEIF is a not-for-profit organization established in June 2014 under view of ROC as operational branch of the global LEI system supporting the implementation and use of the Legal Entity Identifier (LEI). GLEIF grants accreditation and is monitoring Local Operating Units involved in the GLEIS system. GLEIF also makes available the technical infrastructure required for unification of publicly available information on LEI published by the Local Operating Unit.

**GLEIS - Global Legal Entity Identifier System:** GLEIS is a federated system including Local Operating Units (LOUs), end users and other partners collaborating with GLEIF in LEI codes allocation, data maintenance a publishing.

**ISIN code (ISO 6166 International securities identification numbering system):** 12 digit alphanumeric code for identification of securities and financial instruments issued in compliance with standard ISO 6166. International numbering system for identification of securities. The Registration Authority for standard ISO 6166 is Association of National Numbering Agencies (ANNA). ISIN code in compliance with the standard ISO 6166 and ANNA Guidelines is assigned by the National Numbering Agencies (NNA) associated in ANNA.

**LEI – Legal Entity Identifier:** LEI is standardised 20-digit, alpha-numeric code with structure defined by the international standard (ISO 17442). The code enables clear, unmistakeable and unique identification of legal entity in global scale.

**LOU – Local Operating Unit:** Entity accredited by (ROC) as Local Operating Unit authorised to allocate LEI codes. In first phase of creating of the international system of LEI codes – GLEIS all entities authorised to allocate LEI are identified as pre-LOU.

**Participant:** An entity which is identified / recognised by a transfer system and – either directly or indirectly – is allowed to send transfer instructions to that system and is capable of receiving transfer instructions from the system.

**Securities Settlement System (SSS):** A system which allows the transfer of securities, either free of payment (FOP) or against payment (delivery versus payment).

**Settlement:** The completion of a transaction or of processing with the aim of discharging participants' obligations through the transfer of funds and/or securities.

**TARGET2-Securities (T2S):** The Eurosystem's single technical platform enabling central securities depositories (CSDs) and national central banks to provide core, borderless and neutral securities settlement services in central bank money in Europe. TS2 went live in the year 2015.