

ANNUAL REPORT **2014**



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STABILITA
doplnková dôchodková spoločnosť



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General information on company

Company name	Complementary Pension Company STABILITA, d. d. s., a. s.
Company seat	Bačíkova 5, 040 01 Košice Phone: +421 55 / 800 11 76, Fax: +421 55 / 622 58 48 E-mail: marketing@stabilita.sk
Company registered	April 1, 2007
Identification number	36 718 556
Registered in	Obchodný register Okresného súdu Košice I, oddiel Sa, vložka číslo 1407/V
Depository	Slovenská sporiteľňa, a. s.
Board of directors	Ing. Peter Gregor, Chairman of the Board of Directors JUDr. Marián Melichárek, Vice-Chairman of the Board of Directors Ing. Boris Gubriansky, Member of the Board
Supervisory board	Ing. Ján Žačko Ing. Rudolf Pecar JUDr. Magdaléna Martincová Ing. Lubor Podracký Ing. Ľudovít Ihring Ing. Stanislava Fejfarová, CSc. Ing. Peter Benedikt Ing. Ján Peržel JUDr. Nataša Kučerová Ing. Róbert Rigo
Basic capital	1 660 000 Euro as of December 31, 2014
Net assets	5 165 079 Euro as of December 31, 2014

a) Information on company's development and on current state of affairs

As of 31 December 2014, there were 720 631 participants of the system of the complementary pension saving in the Slovak Republic. At the year-end STABILITA d.d.s. administrated 135, 431 participant contracts out of total thus confirming its market share of 19%. STABILITA d.d.s. recognizes an equal share in the next monitored indicator which is the volume of managed assets. STABILITA d.d.s. manages 274.5 million Euro of the total volume of almost 1.47 billion Euro recorded in the account of the savers in the system of complementary pension saving through three complementary pension funds.

During 2014 the company concluded 8,614 participating contracts, which represents the fulfilment of its business plan to more than 109%. We rate this development extremely positively especially with regard to the fact that on January 1, 2014 an extensive amendment to the Act on supplementary pension saving entered into force which significantly „tightened“ the conditions for entitlement to a supplementary pension for new savers (claim is bound to achievement of the physical age of 62 years instead of the original 55 years). We appreciate in this context also another fact that more than 57% of new savers who concluded participant contract in the course of the year are under 40 years, which creates conditions for their longer-term participation in the system for a minimum of 22 years or more. Targeted focus on younger age savers, supported by several marketing activities and choice of the appropriate communication tools are positively reflected in slowing trend of „aging“ of the insurance portfolio. While in 2010 the average age of participants was 45.2 years, at the end of 2014 it accounted for less than 46 years. Prerequisite for successful implementation of the business plan is permanent and quality acquisition of new employer contracts. In this respect, 2014 was a very successful year. STABILITA, d. d. s., a. s. „contracted“ 249 new employer organisations, which is the highest increase since 2008, and their total number has risen to 5,007.

Active work with contractually bound employer partners, as well as quality service provided directly for the employer, they brought a further positive shift in the form of a gradual increase in the average amount of employer's contribution. The average monthly employer contribution reached a height of 16.70 Euros as of December 31 2014. Over the last four years it is an increase on average by more than € 1 on a contract with the employer's contribution. The average amount of participant contributions increased over the same period by 0.86 Euros and at year-end it amounted to 12.04 Euros. We assume that the reintroduction of tax relief will act in this respect as an incentive and in the next years it will be favourably reflected in particular in the significant growth of amount of the participant contribution.

The total volume of assets administered by the supplementary pension company increased yearly by 6% and amounted to 274.5 million Euros. The largest volume of assets was in property of Stabilita contributory c.p.f., STABILITA, c. p. s., a. s. (hereinafter referred to as „contributory c.p.f.“), namely 86.6% of total assets, in property of Stabilita equity contributory c.p.f., STABILITA, d. d. s., a. s. (hereinafter referred to as „equity c.p.f.“) there were 1.5% of total assets and in property of Stabilita beneficiary c.p.f., STABILITA, d. d. s., a. s. (hereinafter referred to as „beneficiary c.p.f.“) there were 11.9% of total assets. The year 2014 was in terms of assessment of individual complementary pension funds positive. The equity c.p.f. was the most successful and it reached an annual appreciation of 7.64%, contributory c.p.f., which can be included among balanced funds (most clients save in the balanced funds in all companies), achieved annual evaluation of 4.27%. The beneficiary c.p.f. achieves the highest yield in the long term in the group of payout funds in the market of complementary pension scheme. This was confirmed by the results of last year, when the fund achieved annual appreciation of 4.24%.

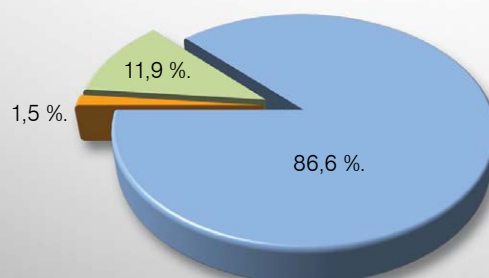
Net asset value in the funds as of December 31 2014:

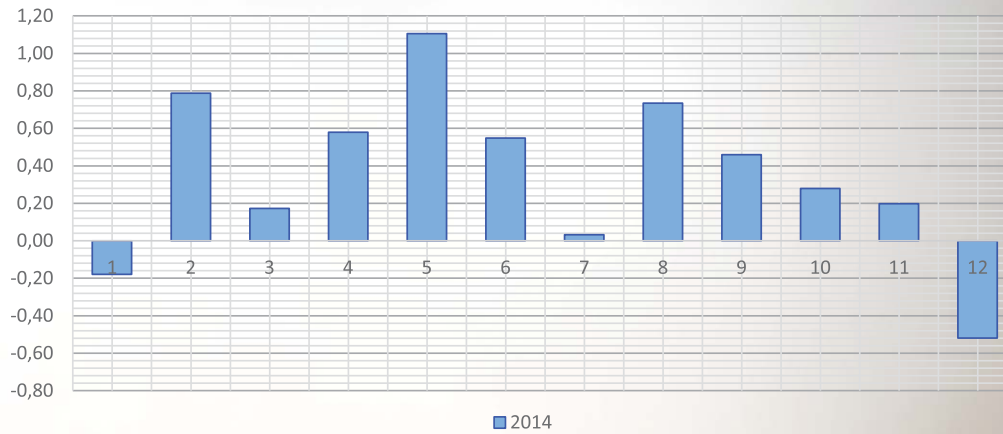
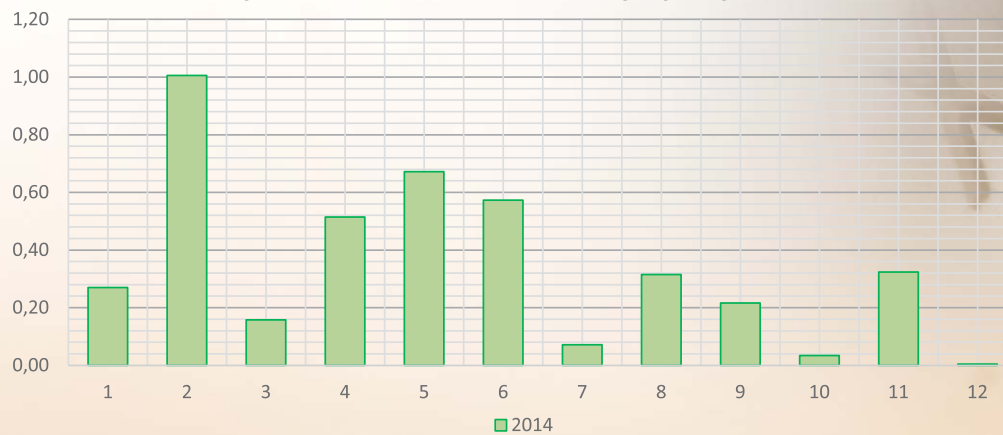
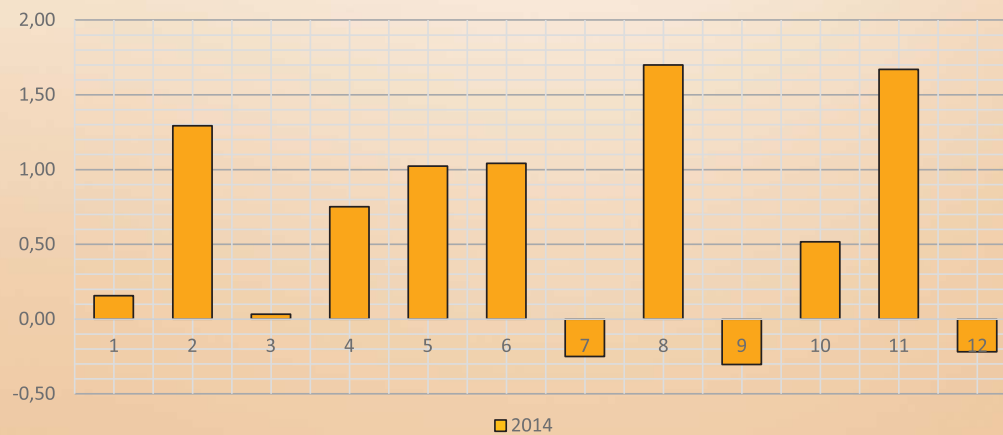
Contributory c.p.f.	Equity c.p.f.	Beneficiary c.p.f.	Σ
237 591 269	32 775 524	4 082 215	274 449 008

The share of the individual funds in total net value of assets managed by Stabilita, d. d. s., a. s.

- PF
- VF
- APF

PF – contributory fund
VF – beneficiary fund
APF – equity contributory fund



Development of revenues in Contributory c.p.f. by months

Development of revenues in Beneficiary c.p.f. by months

Development of revenues in Equity Contributory c.p.f. by months

Comparison of performance of the complementary pension funds

Balanced contributory c.p.f. (The equity component up to 40%, according to the statutes)

CPC/FUND	Creation date of the fund	Fund performance for a given period							Annualized performance		
		2010	2011	2012	2013	2014	1.1.-30.1.2015	since the creation to 30th January 2015	since the creation to 30th January 2015	2010-2014	2012-2014
ING Tatra-Sympatia d. d. s., Balanced contributory c. p. f.	1. 2. 2006	0,60%	-5,35%	7,49%	0,68%	3,19%	1,65%	8,40%	0,90%	1,23%	3,74%
AXA, d. d. s., a. s. Contributory c. p. f.	27. 1. 2006	2,13%	-0,06%	6,50%	2,39%	4,75%	0,68%	20,73%	2,11%	3,12%	4,52%
DDS Tatra banky, a. s. Balanced c. p. f.	10. 4. 2006	1,89%	-1,11%	5,68%	2,50%	3,49%	1,25%	17,42%	1,84%	2,46%	3,87%
STABILITA, d. d. s., a. s. Contributory c. p. f.	2. 4. 2007	3,21%	-2,84%	11,20%	-0,20%	4,27%	1,48%	24,86%	2,87%	3,02%	4,97%

Key indicators of the company according to International Accounting Standards

Item	Year 2014	Year 2013	Year 2012
Overall yield	5 227 377	6 296 475	6 804 873
Profit after income tax application	618 753	1 569 214	2 266 283
Own capital profitability	11,98%	29,69%	42,88%
Profitability of assets	10,11%	28,12%	35,75%
EBITDA	958 246	2 163 052	2 859 295

b) Information on events of special significance that occurred after the end of the accounting period

During the period since the end of clearance of the accounts as to December 31 2014 till the compilation of this annual report there were no events of special significance.

c) Information on expected future development of the company activity

By creating the business plan for the year 2015 the company STABILITA d. d. s., a. s. has taken into account all changes related to complementary pension saving resulting from the amendment act 650/2004 Coll., which came into force in January 2014. This amendment has an impact on the company's economy in sense of reduction in charges for asset management of complementary pension funds gradually to the settled limit of 1.20% in the contributory complementary pension funds and 0.6% in a beneficiary complementary pension fund by 2020.

The amendment will also deal with changes in the investment management system of funds, fund credit ratings, as well as conditions for disbursement of individual benefits for saving participants and beneficiaries. The company enters the year 2015 with all the necessary development costs, while it wants to consolidate its market position and focus on acquiring younger

participants to rejuvenate participating stem.

On account of the decrease of the recompenses for fund administration effective since January 1, 2014 the yields are foreseen in amount of 4 568 thousand Euros which means a year on year income decline of 0.31%. We also want to guarantee that the objectives set out in proceeds will be met and, despite decreasing charges for administration we can provide smooth running and development of the company without the need for a capital increase by shareholders.

Compared to the preceding year the costs are foreseen in amount of 4 451 thousand Euros which means a year on year increase of 1.11%. In the course of 2015, we will monitor and evaluate all the indicators and in case of a negative development we will adjust the financing plan so as to secure all accrued claims arising from the activities of complementary pension savings.

d) Information on operating costs in the area of research and development

The complementary pension company did not incur any costs for research and development in 2014.

e) Information on company's acquisition of its own shares, share deals and shares, and of share deals of the parent entity

Complementary pension company in 2014 did not develop any activity within the meaning of §20 paragraph.

1) Point. e) of the Act 431/2002 Coll. on Accounting.

f) Proposal for 2014 profit distribution of the company STABILITA d. d. s., a. s.

Item	Value in EUR
Economic result for 2014	618 753,00
Distribution:	
- ration to mandatory reserve fund	0,00
- ration to social fund	12 375,06
- ration to company development fund	0,00
Divident payment to shareholders	0,00
Retained earnings	606 377,94

g) Data on organisation unit registered abroad

The company has no unit of account registered abroad.

Independent Auditor Report for STABILITA, d.d.s., a.s. company shareholders

We executed an audit of the attached financial statements of STABILITA d.d.s., a.s. which includes balance sheet as of 31/ 12/ 2014, income statement, review of changes within equity, cash flow review and annotations for the year concluded to this date as well as the review of significant accounting principles and accounting methods and further explanatory annotations.

Company management 's responsibility for the financial statements

Statutory body is responsible for preparation of this financial statement which represents true situation in accordance with the International Standards for Financial Reporting as approved by the European Union and for internal audits which statutory body considers relevant to preparation of financial statements which does not include any substantial discrepancies either due to fraud or error.

Auditor 's responsibility

Our responsibilities include a provision of position related to this financial statement based on our audit we executed in accordance with the International Standards of Auditing. In accordance with these standards we are supposed to observe ethical standards, design and execute the audit in a way enabling to achieve reasonable assurance that the financial statement does not include any significant discrepancies.

The audit also includes the implementation of procedures in order to reach auditor evidence regarding amounts and data as shown within the financial statement. Selected methods are at the discretion of the auditor, including risk assessment of significant discrepancies within the financial statement either due to fraud or error. Considering the risks, the auditor takes into account internal auditing relevant to preparation and objective presentation of financial statement within the unit of accounting in order to propose auditing methods applicable for given circumstances but not for a purpose of declaration of position regarding effectiveness of internal audits within the unit of accounting. Audit also includes evaluation of suitability of the applied accounting principles and accounting methods and adequacy of accounting assessments conducted by company 's management as well as the assessment of presentation of the financial statement as a whole.

We are convinced that auditor 's evidence we have gathered provides adequate and appropriate basis for our position.

Position

In our opinion the financial statement provides true and objective review of financial position of the company STABILITA, d. d. s, a. s., as of 31/ 12/ 2014 and its economic result for the year concluded by the given date in accordance with the International Standards for Financial Reporting as approved by the European Union.

Another fact

Audit of the financial statements of STABILITA d. d. s., a. s. for the year ending December 31, 2013 was performed by other auditor who on February 14, 2014 expressed an unmodified opinion on this financial statements.

Bratislava, February 13, 2015-05-08

MANDAT AUDIT, s.r.o.
Námestie SNP 15, 811 01 Bratislava
Licence SKAU No. 278

Ing. Martin Šiagi
Auditor in charge
Decree SKAU No. 871



Individual financial statements for the accounting period from January 1, 2014 to December 31, 2014

compiled according to International Standards of Financial statements in wording adopted by the European Union

Statement of financial position as of 31/ 12/ 2014 (data in charts are in EUR)

Item	Note number	31.12.2014	31.12.2013
ASSETS	x	x	x
Long term assets	x	688 951	675 100
Acquisition of long term intangible assets	a)	2 760	-
Long term intangible assets	(1)	189 992	175 651
Long term tangible assets	(2)	183 943	219 350
Investment into subsidiary	(3)	203 323	203 323
Deferred income tax related liabilities	(4)	108 933	76 776
Current assets	x	5 432 623	4 904 408
Money and monetary equivalents	(5)	4 766 602	4 251 034
Bank receivables	(6)	-	-
Client and other debtors' receivables	(7)	385 028	465 918
Tax receivables	(8)	236 819	145 157
Other current assets	(9)	44 174	42 299
Assets total		6 121 574	5 579 508
EQUITY AND LIABILITIES		x	x
Current liabilities		956 495	759 644
Trade liabilities	(10)	99 968	85 930
Reserves and other liabilities	(11)	856 527	673 714
Income tax related liabilities	(12)		
income tax due	(13)	-	-
Income tax deferred	(14)	-	-
Share capital total:		5 165 079	4 819 864
Share capital subscribed	(15)	1 660 000	1 660 000
Reserve fund	(16)	832 000	749 989
Other capital funds	(17)	36 513	36 513
Differences from deposits into SC of subsidiary companies	(18)	4 148	4 148
Non allocated profit	(19)	2 013 665	800 000
Profit in approval proceedings	(20)	-	-
Profit/loss of ordinary accounting period after taxation	(21)	618 753	1 569 214
Liabilities and share capital total		6 121 574	5 579 508

Statement of profit and loss for year ending 31/ 12/ 2014 (Data in the chart are in EUR)

Item	Note	YEAR ending 31/12/2014	YEAR ending 31/12/2013
Interest income and similar income	x	7 965	4 295
Interest expense and similar expense	x	(1 513)	(816)
Net interest income	(1)	6 452	3 479
Income from recompenses and commissions	x	5 211 327	6 271 278
Recompense and commission costs	x	(532 294)	(490 296)
Net profit (loss) from recompense and commissions	(2)	4 679 033	5 780 982
Other income	(3)	8 085	20 901
General administration costs	(4)	(3 871 435)	(3 782 672)
Incl.:	x		
Personnel costs	(5)	(1 946 401)	(1 907 731)
Depreciation of tangible and non-tangible assets	(6)	(103 954)	(100 009)
Other costs	(7)	(1 821 080)	(1 774 932)
Comprehensive profit (loss) prior taxation	x	822 135	2 022 690
Income tax	(8)	(203 382)	(453 476)
Comprehensive profit after taxation	x	618 753	1 569 214
Basic profit per share	(9)	12,38	31,38

Statement of profit and loss of the company is identical with the statement of comprehensive profit and loss, the company has no parts of other comprehensive income components.

Statement of changes within equity as for 12 calendar months ending 31/ 12/ 2014 (data are in EUR)

Item	Capital	Profit based fund	Other capital funds	Unallocated profit from the past years	Profit in regular acc.period	Capital total
Balance as of 31/ 12/ 2013	1 660 000	749 989	40 661	800 000	1 569 214	4 819 864
Allocation of profit for 2013:						
Social fund contribution:					(23 538)	
Dividends paid to shareholders					(250 000)	
Contribution to research fund from profit		82 012			(82 012)	
Unallocated profit				1 213 664	(1 213 664)	
Profit as of 31/ 12/ 2014					618 753	
Balance as of 31/ 12/ 2014	1 660 000	832 001	40 661	2 013 664	618 753	5 165 079

Statement of changes within equity as for 12 calendar months ending 31/ 12/ 2013 (data are in EUR)

Item	Capital	Profit based funds	Other capital funds	Unallocated profit from the past years	Profit in regular acc.period	Capital total
Balance as of 31/ 12/ 2012	1 660 000	517 700	40 661	800 000	2 266 283	5 284 644
Allocation of profit for 2012						
Social fund contribution:					(33 994)	
Dividends paid to shareholders					(2 000 000)	
Contribution to research fund from profit		232 289			(232 289)	
Unallocated profit						
Profit as of 31/ 12/ 2013					1 569 214	
Balance as of 31/ 12/ 2013	1 660 000	749 989	40 661	800 000	1 569 214	4 819 864

Statement of cashflow for 12 calendar months ending 31/12/2014 (Data are in EUR)

Item name	31.12.2014	31.12.2013
Cashflow from business activities:	x	x
Economic results of current activity prior to income taxation (+/-)	822 135	2 022 690
Non monetary operations affecting economic results from ordinary activity	(146 511)	(1 912 593)
Depreciations of non current intangible assets and non current tangible assets	103 954	100 009
Alteration of accruals/deferred costs and revenues (+/-)	3 700	(8 307)
Interest charged to revenue (-)	(7 965)	(4 295)
Interest charged to cost (+)	0	0
Profit from sale of non current assets	3 800	0
Change of status of liabilities from investment activity	(250 000)	(2 000 000)
Other items of non monetary character		
Effect of changes of operating capital status on economic results of ordinary activity	(16 443)	513 752
Change of status of receivables from operation activity (-/+)	58 493	341 253
Change of status of liabilities from operation activity (+/-)	(74 821)	172 769
Change in stock trade (+/-)	(115)	(270)
Cashflow from operation activity excluding revenue and expenses listed separately within other parts of caashflow (+/-)	(236 819)	(489 534)
Interest received (+)	0	4 295
Interest paid (-)		
Income tax expense (+/-)	(236 819)	(493 829)
Net cashflow from operation activity	x	x
Cashflow from financial activity	(81 849)	(329 486)
Expenses for acquisition of non current tangible and non tangible assets (-)	(85 649)	(350 387)
Revenue from sale of non current tangible assets	3 800	20 901
Net cashflow from investment activity		
Cashflow from financial activity		
Credit related revenue and expenses	x	x
Net cashflow total:	340 513	(195 171)
Net increase or net decrease of funds and monetary equivalents (+/-)	340 513	(195 171)
Status of funds and monetary equivalents at the beginning of accounting period	4 227 461	4 422 631
Balance of funds and monetary equivalents at the end of accounting period	4 567 974	4 227 461

Statement of monetary flow is processed by indirect flow.

Notes on financial statement from 1/ 1/ 2014 to 31/ 12/ 2014

A) General information on company

Business activities

Complementary pension company STABILITA, d. d. s., a. s., (hereinafter „company“), with seat at Bačikova 5, 040 01 Košice, Identification No. 36 718 556, is entered in Company Register of District Court Košice I, Section Sa, Insert No. 1407/V. The company is the legal successor of the Complementary Pension Insurance Company Stabilita.

The company's core subject of activities is creation and management of complementary pension funds for the purpose of execution of complementary pension saving based on the authorization granted by the National Bank of Slovakia on 29 November 2006 under No. UDK-004/2006/PDDS which came to force on 6 December 2006. The company was created by transformation of the Complementary Pension Insurance

Company STABILITA in compliance with the thirteenth part of the Act on Complementary Pension Companies, and according to the transformation project approved by the Assembly of founders of Complementary Pension Insurance Company Stabilita on October 27, 2005.

The company was established for an indefinite period, and it conducts its business in the territory of the Slovak Republic. The National Bank of Slovakia shall exercise supervision over the activities of the company.

The company has a 100% stake in the subsidiary STABILITA Servis, s. r. o., which provides for the parent company for technical and service activities, and provides for economic property management.

Depositary of the complementary pension funds is Slovenská sporiteľňa, a. s. with registered seat at Tomášikova 48, 832 37 Bratislava, registration number 00 151 653, entered in Company Register administered by the District Court Bratislava I., section Sa, Insert No.601//B (hereinafter Depositary).

The company STABILITA, d. d. s., a. s., is a part of a consolidated unit, as it is controlling person in other company (§ 22 paragraph. 2 of the Accounting Act).

Statutory, supervisory, and managing bodies as of 31/ 12/ 2014

Board members	Position	Appointed
Ing. Miloš Krššák	chairman	to 7. 10. 2014
Ing. Peter Gregor	chairman	from 7. 10. 2014
JUDr. Marián Melichárek	vice-chairman	from 1.4.2007
Ing. Valér Ostrovský	member	to 7. 10. 2014
Ing. Boris Gubriánsky	member	from 7. 10. 2014

Members of Supervisory Board	Position	Appointed
Ing. Ján Žačko	chairman	1.4.2007
Ing. Rudolf Pecar	vice-chairman	1.4.2007
JUDr. Magdaléna Martincová	member	1.4.2007
Ing. Ľubor Podracký	member	26.9.2007
Ing. Róbert Rigo	member	25.7.2012
Ing. Ľudovít Ihring	member	26.9.2007
Ing. Stanislava Fejfarová,CSc.	member	24.6.2008
Ing. Peter Benedikt	member	26.5.2011
Ing. Ján Peržel	member	26.5.2011
JUDr. Nataša Kučerová	member	26.5.2011

Structure of shareholders and their share in the company capital

Shareholders	Shareholder ID	% of the share capital
Lorea Investment Limited	7001665	21,72
ZSNP, a. s.	30222524	8,50
Železnice SR	31364501	55,26
Železiarne Podbrezová a. s.	31562141	5,17
U. S. Steel Košice, s. r. o.	36199222	9,30
Marek Szabo	7303076407	0,05

Data on number of personnel

Employees' structure	31.12.2014	31.12.2013
General manager, executive director, investment director	3	3
Middle management	15	15
Other employees	27	27
Average number of employees	45	45

Approval of financial statement for previous accounting period

General Assembly at its meeting on 14/ 5/ 2014 approved the financial statement of the company for the year ending 31/ 12/ 2013 according to provision No. X paragraph 1) Company Statutes for the complementary pension funds and for the company.

Release of the financial statement for previous accounting period

Individual financial statement of the company as of 31/ 12/ 2014 together with the Annual Report and auditor report on verification of financial statement was deposited into Accounts Register on 15/ 5/ 2014.

Information on complementary pension funds

As of 31 December 2014 the company administers 3 complementary pension funds, a contributory complementary pension fund, an equity contributory complementary pension fund, and a beneficiary complementary pension fund. The net value of assets under management as of the balance sheet date is listed in the chart.

Item	Net value of assets as of 31/12/2014	Net value of assets as of 31/12/2013	Auditor
Stabilita contributory c.p.f., STABILITA, c. p. c., a. s.	237 591 269	223 826 798	Mandat Audit, s. r. o.
Stabilita beneficiary c.p.f., STABILITA, c. p. c., a. s.	32 775 524	33 690 537	Mandat Audit, s. r. o.
Stabilita equity contributory c.p.f., STABILITA, c. p. c., a. s.	4 082 216	1 813 259	Mandat Audit, s. r. o.
Assets in funds total	274 449 009	259 330 594	

The company provides accounting and reporting of complementary pension funds separately from its own accounting and reporting. Complementary pension funds created and managed by the company are not separate legal entities, but each of the complementary pension funds prepares separate financial statements according to § 30 of the Act on Complementary Pension Companies. Assets managed in the complementary pension funds is not the property of the company. Individual financial statements of the complementary pension funds are not consolidated in the financial statements of the company. The Company does not prepare consolidated financial statements because it does not qualify for consolidation in accordance with § 22 of Act no. 431/2002 Coll. on Accounting, as amended (hereinafter the „Accounting Act“).

Stabilita Contributory c. p. f., STABILITA, d. d. s., a. s. (hereinafter „Contributory c. p. f.“) was established under the Act on Complementary Pension Companies for the purpose of administering contributions of the supplementary pension saving participants and their employers, according to the fund's investment strategy. Establishment and management of Contributory c.p.f. were authorized by Decision no. UDK-004/2006 / PDDS of November 29, 2006, issued by the National Bank of Slovakia in force of December 6, 2006. The current status of the contributory c. p. f. was approved by the Extraordinary General Assembly on December 11, 2014, it entered into force on that date and the text is published on the web site of complementary pension company.

The company began to build Contributory c. p. f. as at the date of its establishment on the basis of transfer of the property concerned, as corresponding to the value of liabilities of the complementary pension insurance company to policyholders of complementary pension insurance, in accordance with the procedure laid down in thirteenth part of Act no. 650/2004 Coll. on the Complementary Pension Saving and on amendments to certain laws, as amended, especially in § 83 par. 5 of the Act on Complementary Pension Companies, in accordance with the procedure of delimitation of assets and liabilities of Complementary Pension Insurance Company Stabilita laid down in the transformation project of Complementary Pension Insurance Company Stabilita. All details of the contributory c.p.f. are listed in the fund statute.

Contributory c. p. f. is established for unspecified period

and it does not represent a legal entity. Investing of financial resources of the contributory c.p.f. aims to acceptable forms of assets defined by law and the Statute so as to achieve appreciation of fund assets. The investment policy of the contributory c. p. f. is balanced; it takes into account the purpose of its establishment, which aims to achieve long-term appreciation at medium risk level. The policy envisages allocation of invested assets among equity component, bond and cash component, with the possibility of eliminating credit and market risk. The bond component forms the bulk of the assets in the contributory c.p.f. When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF. When investing in shares, equity ETFs, Commodity ETCs and PL investing mostly in shares, the company does not exclude any territory or sector in the world; it means that the assets in the contributory c. p. f may be invested globally and in all sectors. Additional restrictions and details of the investment policy are based on the relevant legislation and the Statute.

In connection with the fact that the company, while managing assets, employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets in the contributory c. p. f respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b and 53f of the Act on CPC, also some stricter rules set out in an internal directive. This Directive is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches

Stabilita equity contributory c. p. f, STABILITA, d. d. s., a. s. (hereinafter „Equity c.p.f.“) was established pursuant to the Act on CPC for the purpose of administering contributions of the complementary pension saving participants and their employers, according to the fund's investment strategy. Establishing and management of the equity c.p.f. was authorized by Decision no. ODT-12019/2011 of December 6, 2011, issued by the National Bank of Slovakia.

The current Statute of the equity c.p.f. was approved by the Extraordinary General Assembly on December 11, 2014, it entered into force on that date and the text is published on the web site of complementary pension company.

Equity c.p.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the equity c.p.f. aims to acceptable forms of assets defined by law and the Statute so as to achieve appreciation of fund assets in the complementary pension fund.

Investment policy of the equity c.p.f. is a growth policy in order to achieve growth in the value of assets in the long term at a higher level of risk. The policy envisages allocation of invested assets primarily in equity part, while investments in bond and money components are complementary, with the possibility of eliminating foreign exchange and market risk. An equity component can reach up to 100% of fund assets. When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF. When investing in shares, equity ETFs, Commodity ETCs and PL investing mostly in shares, the company does not exclude any territory or sector in the world; it means that the assets in the equity c.p.f may be invested globally and in all sectors.

When investing in derivatives these are mainly options, forwards, IRS, CCIRS, swaptions, futures, with the fact that these derivatives may be concluded on a regulated market and beyond, they can be used to hedge against risk and to achieve returns and all of them will be used without leverage. The risk profile of the equity c.p.f. arises from the investment policy in accordance with Art. IV of the Statute and it presents a higher level of risk that is associated with investing in equity part of property, the bond component of property, to the monetary component of the property and to derivatives. Details of the investment policy result from the relevant legislation and the Statute.

In connection with the fact that the company, while managing assets of the equity c.p.f., employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b and 53f of the Act on CPC, also some stricter rules set out in an internal directive which is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches.

B) Accounting principles and methods applied

B1) Basis of presentation and the assumption of further continuous operation of the company

Declaration of compliance

Individual financial statement for the year 2014 was compiled in compliance with International Financial Reporting Standards (hereinafter IFRS), as adopted by the European Union (EU), Commission Regulation no. 1725/2003, and current interpretations of the International Financial Reporting Interpretations Committee Standards (IFRIC). These financial statements have been prepared assuming that the Company will continue as a going concern (i.e. going concern).

These financial statements are the only regular finan-

Stabilita Beneficiary c. p. f., STABILITA, d. d. s., a. s. (hereinafter „Beneficiary d.d.f.“) was established by a decision no. UDK-004/2006/PDDS of November 29, 2006, issued by the National Bank of Slovakia and in force of December 6, 2006. The current status of the beneficiary c.p.f. was approved by the Extraordinary General Assembly on December 11, 2014, it entered into force on that date and the text is published on the web site of complementary pension company.

The beneficiary c.p.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the beneficiary c.p.f. aims to acceptable forms of assets defined by law and the Statute so as to achieve appreciation of fund assets in the complementary pension fund. Assets in a beneficiary c.p.f. can only be used to ensure proper and safe investment of the fund assets and the protection of beneficiaries of complementary pension savings.

Investment strategy of the beneficiary fund is of a conservative type, it takes into account the purpose of establishment of the fund which is to secure resources for settlement of benefits of complementary pension saving for the beneficiaries that requires investment into assets providing for not only valorisation of assets but also liquidity taking into account the continuous payment of benefits in accordance with valid benefit schemes according to participant contracts and benefit plans. The objective of the investment policy is to achieve long-term capital growth at low risk provided that the policy is based on allocation of invested assets in bond and cash components, with the possibility of eliminating foreign exchange and interest rate risk. The share of the bond component can be as high as 90% of the assets of the complementary pension fund.

When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF. In connection with the fact that the company, while managing assets of the beneficiary c.p.f., employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b and 53f of the Act on CPC, also some stricter rules set out in an internal directive which is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches.

cial statements compiled by the company.

Background and objective of the preparation of financial statements

Individual financial statements of the Company for the period of 2014 to the comparable period of 2013, is in the Slovak Republic in accordance with the law 431/2002 Coll. on Accounting within the meaning of § 17a). According to this act the company prepares the financial statements and annual report under special regulations - Regulation of the European Parliament and of the Council EC 1606/2002 on the application of International Accounting Standards (IFRS). The financial statements are intended for general use, the information contained therein shall not be used for any specific assessment of the individual transactions. These financial statements cannot be in determining and assessing the only source of information.

Company presentation

The company prepared annual financial statement for 12 month of the year 2014 taking into consideration comparable data of the year 2013. In the course of the year 2014 the company adopted all new and revised standards issued by the Board for International Accounting Standards with effect from 1 January 2014 to 31 December 2014. All figures in the tables are stated in whole Euros, negative values in parentheses.

New and novelised standards and interpretations in force since 2014:

- **IAS 27 – Individual financial statement** adopted by the EU on 11 December 2012, effective for accounting periods beginning on January 1, 2014 and later. The aim of the amendment to this standard is to allow accounting entities to use the equity method in individual financial statements in accounting for interests in subsidiaries, joint ventures and associated companies.
- **IFRS 5 – Non-current assets held for sale and discontinued operations.** The amendment clarifies that if the asset is reclassified from the category „held for sale“ to the category „held for distribution“ or vice versa, it does not mean it has to be a change in plan of sales or distribution, and therefore it does not need to be charged.

B2) Information on the accounting principles and methods compared with the previous period and their impact on the results of operations

Mentioned standards and interpretations and their incorporation in accounting practices did not affect the Company's accounting policy or, the economic outturn.

- **IFRS 7 - Financial instruments - disclosures.** The amendment provides guidance on the service contracts and interim financial statements.
- **IAS 19 – Employee Benefits.** The amendment clarifies that in determining the discount rate of liabilities related to post-employment benefits, the currency in which liabilities are denominated is important, not the country in which they originate.
- **IFRS 9 – Financial instruments.** This standard replaces the original IAS 39 and is effective for annual financial periods relating to January 1, 2018 or later. It is allowed to prematurely apply this standard. IFRS 9 is to be applied retrospectively, but there is no need to change and recalculate comparative data.

The Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company anticipates that the adoption of these standards, revisions and interpretations will have no significant impact on the financial statements in the period of initial application.

B3) Description of the method of valuation of assets and liabilities, methods of determining the fair values of assets

The financial statements are prepared on the accrual basis of costs and revenues; their impact is accounted for in the period to which these items incurred. Tangible and intangible assets and inventories are valued at acquisition cost, which include costs related to its acquisition.

Asset type	Depreciation period	Depreciation rate	The depreciation method of accounting depreciation
Non-current tangible assets over 1 700 EUR	by type	by type	linear
Non-current tangible assets from 166 to 1 700 EUR	2 years		time
Non-current intangible assets from 332 to 2 400 EUR	2 years		time
Non-current intangible assets over 2 400 EUR	5 to 10 years	by type	linear

Nominal value is applied for evaluation of receivables, payables, cash and cash equivalents.

B4) Conversion of foreign currency to the euro

Under the Act 431/2002 Coll. on Accounting, the company converts monetary assets and liabilities valued in foreign currency into euro by reference exchange rate determined and announced by the European Central Bank or National Bank of Slovakia on the date of the preparation of financial statements.

B5) Tangible and intangible fixed assets

Tangible and intangible assets are stated at acquisition cost, which is reduced by accumulated depreciation (amortization). Depreciation is calculated using the straight-line method of depreciation according to period of use in accordance with Act 595/2003 Coll. on Income Tax. Expenses related to renovation and modernizations of property are considered technical improvement and repairs and maintenance of this property are accounted directly to the expenses of the company.

B6) Cash and cash equivalents

Cash and cash equivalents consist of the cash in the cash desk in Euros and in foreign currencies, and of the balance of current accounts, and of valuables.

B7) Provisioning reserves and impairment items

Reserve is defined in terms of IAS 37 as a liability of indefinite time period or amount and its use is bound only to expenditures which it was originally created for. A liability is a present obligation of unit arising from past events the settlement of which is expected to outflow of resources embodying economic benefits.

Reserves can be distinguished from other liabilities because there is uncertainty about the time period or amount of future expenditure required in settlement. In 2014 the company created, apart from the short-term reserves, also the long-term reserves for loyalty programme so as to stabilize the participant stem of complementary pension saving. Rules of the loyalty programme and the resulting provisioning and use of the reserves have been incorporated into the in-company directive on the processing and bookkeeping of the company.

As of the balance sheet date the company assessed there is no need for any impairment items which would indicate an impairment of assets as there are no records of litigation or indirect obligations arising from the past events.

B8) Employees' benefits

Employees' benefits present all forms of compensations provided by the company in exchange for the services performed by its employees. Employees' benefits are reported within the item "Other Liabilities".

They are particularly continuous salaries and bonuses paid to employees, employer's contributions to social and health insurance, and employer's contribution to complementary pension saving as well as meal allowance. The company creates a social fund by means of mandatory allocation of costs in accordance with the requirements of Act 152/1994 Coll. on Social Fund as amended.

B9) Recognition of revenues and costs

Time differentiation of accrued interest income and interest expense related to individual assets and liabilities items is recognized on relevant accounts of these items. Interest income and expenses are recognized in the period they relate to on accrual basis using the effective interest method.

Revenues from recompenses and commissions represent remuneration of the management company for the management and valorisation of assets in the funds. Costs of recompenses and commissions are the activities of financial agents and selected

external partners who perform financial intermediation for the company in accordance with Act 186/2009 Coll. The company accounts for these income and expense items on an accrual basis and at the time of the accounting transaction.

Other administrative costs are broken down by types to personnel, depreciation and amortization, and other costs. Income tax is reported separately as it forms a part of the company's costs.

B10) Financial assets

Financial assets of the company are:

- cash
- the contractual right to receive cash or other assets, these are financial assets such as receivables and debt securities
- the contractual right to exchange financial assets or liabilities with other entity under potentially favourable conditions – derivatives
- an equity instrument of other enterprise – financial assets such as equity securities

The company has recorded as financial Instruments the balance of financial assets on the current account with the depository, except for unassigned payments account which is not a part of the assets of complementary pension company in accordance with § 56b) Act 650/2004 Coll. At the same time it does not record in the balance sheet the receivables from participants of saving which are mirror accounts for received contributions.

B11) Taxation and deferred tax

Income tax calculation is exhaustively defined by Act 595/2003 Coll. as amended on the basis of economic result reported in the Statement of Profit and Loss in accordance with international accounting standards. Income tax is a part of the cost items and when calculated it is subsequently adjusted by deductible and non-deductible items which incurred in the course of the accounting period. Liability, possibly receivable resulting from income tax is calculated upon mutual credit system of already paid tax advances.

Accounting of deferred tax liability can be only made under the assumption that in the future the company will have such economic result that will enable compensation of this tax liability.

The company has been registered for VAT in a group under § 4a) Act 222/2004 Coll. on Value Added Tax since 1/ 1/ 2010 as it is financially, economically, and organisationally related to its subsidiary STABILITA Servis, s. r. o

B12) Segment reporting

IFRS 8 Operating Segments requires disclosure of information on the operating segments of the company.

As the company activities do not exhibit significantly different risks and profitability, and the regulatory environment, services nature, business processes, geographical coverage, and types of clients who are provided products and services to, are homogeneous, the company operates as a single operating segment and therefore it does not apply IFRS 8.

C) Additional information

Information on the amount of recompenses to complementary pension company

The company is entitled under § 35 Act 650/2004 Coll. to recompense for:

- the management of the funds
- the valorisation of assets in equity d.d.f. and contributory d.d.f.
- the transfer of a participant to other complementary pension company
- recompense for severance pay within the meaning of § 87n paragraph. 10 of the Act on DDS

Remuneration for managing the equity d.d.f. and benefit d. d. f. in 2014, accounted for 1.8% of the average annual net value of fund assets. Remuneration for managing the beneficiary d.d.f. for the year 2014 amounted to 0.90% of average annual net asset value of the fund.

Claims for the amount of remuneration in individual funds are described in the fund rules in section VI.

Information on social security

The company pays contributions to health insurance companies and to the social insurance company in the amount of statutory rates applicable during the year and calculated on the basis of gross salary.

The social security costs are recognized in the period in which the relevant wages are cleared. The company does not create any other insurance funds for its employees. The company participates in supplementary pension scheme for employees. No unrecognized liabilities to employees result from this scheme.

Regulatory information

In accordance with the provisions of the Act on CPC the company shall comply with the statutory maximum limits and restrictions on the investment of assets in complementary pension funds. The rules for limitation of risk and for risk diversification are stated in the fund statutes in section V and published on the company's website.

As of 31 December 2014 the company was meeting all the above limits and restrictions in accordance with the Act on Complementary Pension saving.

D) Notes on items of individual statements of the company

1) Intangible fixed assets – summary of transactions as of 31/12/2014

Assets (gross)	L.no.	as of 31/12/2013	Increase	Decrease	Transfers	as of 31/12/2014
B.I.Intangible fixed assets total (lines 2 to 4)	1	342 918	60 578	-	-	403 496
1. Software	2	319 540	56 652		-	376 192
2. Trademark	3	0	3 926			3 926
3. Other intangible fixed assets	4	653	-		-	653
4. IFA (from 332 EUR to 2 400 EUR)	5	22 725	-		-	22 725
B.II. Accumulated depreciations of IFA (L.6 to 8)	6	(167 267)	(46 237)	-	-	(213 504)
1. Accumulated depreciations of software	7	(143 966)	(46 160)		-	(190 126)
2. Accumulated depreciations of other IFA	8	(653)			-	(653)
3. Accumulated depreciations of IFA (from 332 to 2400)	9	(22 648)	(77)		-	(22 725)
Net book value of intangible fixed assets (L.1+L.5)		175 651	14 341	-	-	189 992

2) Intangible fixed assets – summary of transactions as of 31/ 12/ 2013

Assets (gross)	L.no.	as of 31/12/2012	Increase	Decrease	Transfers	as of 31/12/2013
B.I.Intangible fixed assets total (lines 2 to 4)	1	217 433	147 082	21 597	-	342 918
1. Software	2	187 955	147 082	15 497	-	319 540
2. Other intangible fixed assets	3	4 567		3 914	-	653
3. IFA (from 332 EUR to 2 400 EUR)	4	24 911		2 186	-	22 725
B.II. Accumulated depreciations of IFA (L.6 to 8)	5	(153 889)	(34 975)	(21 597)	-	(167 267)
1. Accumulated depreciations of software	6	(128 527)	(30 936)	(15 497)	-	(143 966)
2. Accumul. depreciations of other IFA	7	(4 567)		(3 914)	-	(653)
3. Accum.depr.of IFA (from 332 to 2400)	8	(20 795)	(4 039)	(2 186)	-	(22 648)
Net book value of intangible fixed assets (L.1+L.5)		63 544	112 107	0	-	175 651

3) Tangible fixed assets – summary of transactions as of 31/12/2014

Assets (gross)	L.no.	as of 31/12/2013	Increase	Decrease	Transfers	as of 31/12/2014
B.I.Tangible fixed assets total (lines 02 to 09)	1	762 169	22 311	(101 217)		683 262
1. Ind. MA and coll.of MA-machinery,devices	3	281 851	21 707	(66 874)		236 684
2. Ind. MA and coll. - vehicles	4	253 693		(27 185)		226 508
3. Ind. MA - inventory	5	62 477				62 477
4. Ind. MA(from 166 EUR to 1 700 EUR)	8	104 834	604	(6 810)		98 628
5. Other tangible fixed assets	9	59 313		(348)		58 965
B.II. Accum.depreciations of tangible fixed assets - total (L.11 to 16)	10	(542 819)	(57 717)	(101 217)		(499 319)
1. Accum.deprec.of machinery,devices,equipment	12	(217 268)	(27 098)	(66 874)		(177 492)
2. Accum.depreciations of vehicles	13	(105 616)	(24 215)	(27 185)		(102 646)
3. Accum.depreciations of inventory	14	(62 478)				(62 478)
4. Accum.depreciations of SMA (from 166-1700 EUR)	15	(98 144)	(6 404)	(6 810)		(97 738)
5. Accum.depreciations of other TFA	16	(59 313)		(348)		(58 965)
B.III. Net book value of tangible fixed assets		219 350	(35 406)	0		183 943

4) Tangible fixed assets – summary of transactions as of 31/12/2013

Assets (gross)	L.no.	as of 31/12/2012	Increase	Decrease	Transfers	as of 31/12/2013
B.I.Tangible fixed assets total (lines 02 to 09)	1	713 428	203 304	(154 563)		762 169
1. Ind. MA and coll.of MA-machinery,devices	3	288 651	31 944	(38 744)		281 851
2. Ind. MA and coll. - vehicles	4	179 250	169 459	(95 016)		253 693
3. Ind. MA - inventory	5	66 098		(3 621)		62 477
4. Ind. MA(from 166 EUR to 1 700 EUR)	8	112 024	1 901	(9 091)		104 834
5. Other tangible fixed assets	9	67 405		(8 091)		59 314
B.II. Accum.depreciations of tangible fixed assets -total (L.11 to 16)	10	(630 862)	(66 521)	(154 563)		(542 819)
1. Accum.deprec.of machinery,devices,equipment	12	(228 883)	(27 129)	(38 744)		(217 268)
2. Accum.depreciations of vehicles	13	(174 893)	(25 739)	(95 016)		(105 616)
3. Accum.depreciations of inventory	14	(66 099)		(3 621)		(62 478)
4. Accum.depreciations of SMA (from 166-1700 EUR)	15	(93 582)	(13 653)	(9 091)		(98 144)
5. Accum.depreciations of other TFA	16	(67 404)		(8 091)		(59 313)
B.III. Net book value of tangible fixed assets		82 566	136 783	0		219 350

Abbreviations: IFA – intangible fixed assets, TFA – tangible fixed assets MA – movable assets

Method and amount of insurance of tangible fixed assets

Motor vehicles in company ownership on 31/ 12/ 2014 are insured in Slovenská poisťovňa Allianz by means of a fleet contract for mandatory insurance policy No. 8080074463. Vehicle damage or destruction of a vehicle and theft is covered by motor hull insurance policy with the company QBE poisťovňa, a. s.

By the insurance contract with the insurance company Allianz, a. s. with effect from 1/ 1/ 2011 the company insured the tangible fixed assets in the building in 5 Bacikova Street as well as assets in its branches against elements and theft.

There is no lien recorded on the assets managed by STABILITA, d. d. s., a. s.

5) Investment in subsidiary

Item	as of 31/12/2014	as of 31/ 12/ 2013
Investment in subsidiary	203 323	203 323

STABILITA, d. d. s., a. s. company is the controlling entity in the STABILITA Servis, s. r. o. company whose main task is to provide attendant services for the mother company.

The calculation of deferred tax asset is given in the table below:

Item	31.12.2014	31.12.2013
Temporary differences between carrying amount of assets and tax base, of which:	(33 940)	(21 322)
deductible		
taxable	(33 940)	(21 322)
Temporary differences between carrying amount of liabilities and tax base, of which:	529 090	355 129
deductible	529 090	355 129
taxable		
Intermediate total:	495 150	333 807
Income tax rate (in %)	22	22
Deferred tax liability	108 933	76 776
Applied tax liability	76 776	36 422
Accounted for as a reduction of cost	32 157	40 353
Deferred tax liability	108 933	76 775
Change of deferred tax liability	32 157	40 353

7) Cash and cash equivalents

Structure of items as of 31/12/2014 and as of 31/12/2013

Item	as of 31/ 12/2014	as of 31/ 12/2013
Cash desk domestic, foreign	3 275	4 533
Valuables	17 250	19 040
Operating account	4 641 647	4 223 781
Wages and salaries account	104 430	3 680
Total	4 766 602	4 251 034

6) Liabilities resulting from the deferred income tax

Item	as of 31/12/2014	as of 31/12/2013
Deferred tax - tax liability	108 933	76 776
Total	108 933	76 776

Deferred tax asset arises from temporary differences between the tax value of assets and their carrying value for financial reporting purposes. The company recognizes deferred tax assets as it is probable that there will be disposable earnings in the future which will allow the deferred tax asset to be balanced. The amount of the deferred tax asset as of 31/12/2014 is 108 933 EUR.

8) Receivables from banks:

As of 31/12/2014 and 31/12/2013 the term deposits on the bank accounts had no balance.

9) Receivables from clients and other debtors

Item	as of 31/12/2014	as of 31/12/2013
Receivable for the management of the contributory fund	354 594	419 109
Receivable for the management of the beneficiary fund	24 424	43 952
Receivable for the management of the equity contributory fund	6 010	2 857
Other receivables	x	x
Total	385 028	465 918

Receivables relate to the management of individual funds which the company charges under Act 650/2004 Coll.

10) Tax assets

Item	as of 31/12/2014	as of 31/12/2013
Tax assets from income tax of legal person	236 819	145 157
Total	236 819	145 157

Tax assets represent mutual accreditation of paid tax advances for the year 2014 in the total amount of 472 359 EUR and the tax payable calculated under Act 595/2003 Coll. § 15 in amount of 235 539 EUR.

Difference is the reduction of tax assets to 236 819 EUR.

Due to the higher value of the prepayment of income tax than the tax payable, the company recognized tax assets of 236 819 EUR.

11) Structure of other current assets

Item	as of 31/12/2014	as of 31/12/2013
Advances provided domestic, foreign	13 885	8 623
Prepaid expenses	27 824	31 492
Accrued income	24	53
Inventory material	2 009	1 894
Other receivables	432	237
Total	44 174	42 299

Advances provided are regular advances for rent, electricity, gas, water in Bratislava and Trenčín offices. Prepaid expenses are fees paid for parking cards, subscriptions to professional journals and newspapers, statutory and motor-hull insurance, internet and phone call charges related to future periods. These costs include maintenance and up-grade of the server for 2015 to 2016. Material in stock represents a balance of small stationery supplies and unused contract forms of complementary pension saving.

12) Trade payables

Item	as of 31/12/2014	as of 31/12/2013
Domestic suppliers	99 968	85 930
Foreign suppliers	0	0
Total:	99 968	85 930

The item "domestic suppliers" represents liabilities arising from business intercourse in total amount of 99,968 EUR. These are current liabilities maturing in 14 days. The highest liability item is represented by costs for operating activities of the subsidiary STABILITA Servis, s.r.o. in the amount of 32,900 Euros, the cost of intermediary activities of bound financial agents of 17,900 Euros, the cost of acquiring new clients for selected external collaborators in the amount of 19,124 Euros, telephone and internet charges in the amount of 6,407 Euros and other purchased services relating to leases for the headquarters and individual branches, for advertising activity and software services totalling 23,637 Euros.

13) Reserves and other liabilities

Item	as of 31/12/2014	as of 31/12/2013
Reserves	536 687	418 253
Other liabilities	1 174	0
Short-term provisions-unbilled supplies	35 700	0
Unbilled supplies	52 427	0
Liabilities to employees	76 125	85 363
Clearing with social and health insurance companies	81 512	76 831
Tax liabilities	31 898	32 753
Accrued expenses	1 061	1 056
Mandate contracts	19 124	42 307
Social fund	20 694	17 151
Liabilities from the payment of dividends to shareholders	125	0
Total	856 527	673 714

The item "Reserves" in amount of 536 687 EUR represents reserves for a loyalty programme in amount of 347 144 EUR, reserve for unused vacation, and health and insurance payments in amount of 25 496 EUR, and reserves for remuneration of statutory officers in amount of 164 047 EUR, and reserves for unbilled supplies in amount of 34 580 EUR. Other liabilities of the Company are listed in the table by individual types and relate to contractual relations as of December 31, 2014.

Creation and drawing on the social fund as of 31/ 12/ 2014

Item	31.12.2013	movement	31.12.2014
Initial state as of 1/1/2014	17 151		
Creation of the social fund		33 250	
Use-meal vouchers		(20 679)	
Use-International Children's Day		(367)	
Use-regeneration		(6 766)	
Use-other		(1 895)	
Closing balance as of 31/12/ 2014			20 694

A part of the social fund is under the Social Fund Act obligatory created against expenses and a part can be created from profits. Social fund can under the Social Fund Act be used for health, social, recreational and other needs of employees.

14) Income tax

Income tax is calculated under Act 595/2003 Coll. on Income Tax as amended based on the results reported in the statement of profit and loss drawn up in accordance with IFRS. Income tax is recognized as a company's cost at the time when it is chargeable and in the statement it is calculated of the tax base resulting from economic results prior to taxation and which, for the 12 months of 2014, represented the amount of 822,135 EUR. By means of mutual accreditation of paid advances and the tax liability, there was created receivable of the company.

15) Share capital

The share capital of company as of 31/ 12/ 2014 consists of 50,000 pieces of shares at nominal value of 33.20 EUR per a share. Company shares represent shareholders' rights as shareholders to participate under the law and statutes of the company in its management, distribution of profit and liquidation balance upon dissolution of the company by liquidation.

Information on shareholders of the complementary pension company

Shareholders	Share value in share capital	Share value in develop.fund	Company development fund
Železnice SR	917 316	183 463	
Lorea Investment Limited	360 618	72 124	
U. S. Steel Košice, s.r.o.	154 314	30 863	
ZSNP, a.s.	141 100	28 220	
Železiarne Podbrezová a. s.	85 822	17 164	
Szabo Marek	830	166	
Total	1 660 000	332 000	500 000

16) Funds created from profit

The total value of the reserve fund as of 31/ 12/ 2013 amounted to 332, 000 EUR which means the accomplishment of mandatory allotment of 20% of share capital under the Commercial Code 513/1991 Coll. § 217 paragraph 1. Reserve fund reserves are created from profit according to statutory requirements. The legal reserve fund is not available for distribution to shareholders.

Payment of dividends during the year 2014

The General Assembly approved the separate financial statements, annual report and profit distribution for 2013, on May 14, 2014. Dividends in the amount of € 5 per a share totalling EUR 250 000 were paid in June 2014. At the same time the amount to the Development fund of Company was increased by 82 011,52 Euros, bringing the total value of the „Development Fund of“ 500,000 Euros.

17) Other capital funds

The item "Other capital funds" in amount of 36 513 EUR is a share within the subsidiary company STABILITA Servis, s. r. o.

18) Revaluation differences of deposits into the capital of subsidiary company

Revaluation differences item in amount of 4 148 EUR represents a difference ensued from valuation of assets within STABILITA Servis s. r. o. company which has its intangible fixed assets transferred as a contribution in kind into company as of 1/ 4/ 2007 valued by expert opinions on individual evaluated assets components and on the actual acquisition cost of the said assets.

19) Unallocated company profit

Retained earnings of the company forms a part of retained economic outturn after taxation for the period of existence of the company in the amount of 2 013 665 EUR.

Profit for the current accounting period is the economic result after deduction of income tax. As of 31/ 12/ 2014 the company made a profit after taxation in amount of 618 753 Euros and the General Assembly shall decide on its allocation.

Description of Profit and Loss Statement items

1) Net interest revenues

Item	31.12.2014	31.12.2013
Interest and similar revenues	7 965	4 295
Interest costs and similar expense	(1 513)	(816)
Net interest revenues	6 452	3 479

Net interest revenues item represents the difference between interest income on bank accounts held by depository and withholding tax on interest payments.

2) Net profit or loss from recompenses and provisions

Item	31.12.2014	31.12.2013
Revenues from recompenses and commissions	5 211 327	6 271 278
Recompenses and commissions costs	(532 294)	(490 296)
Net profit or loss from recompenses and commissions	4 679 033	5 780 982

The item "Net profit or loss from recompenses and commissions" represents yields from funds management, remuneration for valorisation of assets in the funds, the redundancy compensation, and payment for the transfer of a participant of complementary pension saving to other complementary pension company to which the management company is entitled under § 35 Act 650/2004 Coll. The item "recompenses and commissions costs" include brokerage commissions costs in the amount of 532 294 EUR.

3) Other revenues

Item	31.12.2014	31.12.2013
Other revenues	8 085	20 901

The item of other operating revenues as of 31/ 12/ 2014 represents the amount of 8 085 EUR and relates to implementation of the car insurance of the company's motor vehicles on the side of the insurance company and the revenue from the sale of motor vehicles.

4) General administration costs

Item	31.12.2014	31.12.2013
General administration costs	3 871 435	3 782 672

General administration costs consist primarily of personnel costs, depreciations of assets, and costs of the common operation of the company.

5) Personnel costs

The item "Personnel costs" in the amount of 1 946 401 EUR represents wage costs and their breakdown can be seen in the in the chart below:

Item	31.12.2014	31.12.2013
Wage costs and agreements	(1 086 054)	(1 099 365)
Remuneration of the board members	(164 047)	(141 241)
remuneration of the Supervisory Board members	(136 586)	(147 816)
Social security costs	(391 340)	(389 494)
Personnel training	(11 590)	(32 497)
Meal voucher costs	(25 274)	(26 371)
Contribution to CPS	(40 241)	(46 550)
Sick pay recompenses	(646)	(97)
Other social costs	(2 132)	(2 136)
Mandatory social fund creation	(9 712)	(9 018)
Severance	(78 779)	(13 146)
Total	(1 946 401)	(1 907 731)

6) Depreciations of tangible and intangible assets

Item	31.12.2014	31.12.2013
Depreciations of tangible fixed assets	(57 718)	(65 034)
Depreciations of intangible fixed assets	(46 236)	(34 975)
Total	(103 954)	(100 009)

7) Other costs

Item	31.12.2014	31.12.2013
Material consumption	(147 027)	(147 588)
Services (purchased performances) out of which:	(1 477 887)	(1 493 590)
x costs of mediation		
x rent	(157 000)	(153 086)
x auditor services	(31 200)	(28 340)
x legal services and advice	(11 940)	(12 654)
Other taxes and fees	(5 313)	(6 249)
Property insurance	(8 140)	(8 001)
Creation of long-term provisions for loyalty programme	(161 000)	(97 495)
Other operating costs	(21 713)	(22 009)
Total	(1 821 080)	(1 774 932)

Costs to the auditor represent the costs for verification of separate financial statement as of 31/12/2014 and do not constitute assurance, or other related services (e.g. tax consultancy and so on).

8) Income tax

Structure of income taxes due and deferred as of 31/ 12/ 2014:

Item	31.12.2014	31.12.2013
Income tax - tax due	(235 539)	(493 829)
Income tax - deferred tax	32 157	40 353
Total	(203 382)	(453 476)

Income tax payable is calculated based on profit detected in the accounting which is adapted for permanent possibly temporary differences relating to tax unrecognized expense items of the company and revenues not included in the tax base in a given tax period.

Item	31.12.2014	31.12.2013
Economic results prior to taxation	822 135	2 022 690
Theoretical tax calculated on the basis of income tax	(180 870)	(465 219)
Items attributable to the tax base	450 628	309 856
Items deductible from the tax base	(202 130)	(185 462)
Tax base:	1 070 633	2 147 084
Income tax of 22 %	(235 539)	(493 829)
deferred tax-tax asset/ liability	32 157	40 353
Tax total	(203 382)	(453 476)

Theoretical income tax expense is calculated without taking into account the impact imputable and deductible items. The basis is formed by accounting profit which is taxed at the rate applicable for the year.

9) Earnings per share

Indicator provides information on the relative performance of the company, gives the ratio of data related to economic result after taxation and the number of related shares.

Item	31.12.2014	31.12.2013
Economic result after taxation	618 753	1 569 214
Number of shares	50 000	50 000
Basic earnings per share	12,38	31,38

E) Overview of contingent assets and liabilities

Receivables from future credits, loans, and guaranties

- as of 31/ 12/ 2014 the company did not provide any loan, guaranty and has no receivables from future loans.

Provision of security

- The company did not secure any real estate, securities or any other assets

Receivables from spot transactions, forward transactions and fixed operation with options

- as of 31/ 12/ 2014 the company does not have any claims arising from derivative transactions

Receivables written off, values passed into custody, administration and deposition

- as of 31/ 12/ 2014 the company has neither such assets nor receivables written off

Liabilities from future credits, loans, and guaranties

- the company was not provided any loan, guarantee or credit

Liabilities from spot transactions, forward transactions and fixed operation with options

- as of 31/ 12/ 2014 the company has no liabilities arising from derivative transactions

F) Information on related parties

Related parties as defined in IAS 24 are particularly:

a) a person or a close family member of that person are related in relation to the management company where the person:

- has control or joint control over management company,
- has a significant impact on the asset management company or
- is a member of the key management personnel of the management company or its parent company.

b) Accounting entity is related to a management company namely, if any of these conditions applies:

- accounting entity and the management company are members of the same group (which means that each parent company, subsidiary and affiliated company is related to each other),
- accounting entity is an associated company or joint venture of the management company (or associate or joint venture of a group member, which the management company is a member of),
- accounting entity and the management company are joint ventures of the same third party,
- accounting entity is a joint venture of the third-party and the management company is an associate of the same third party,
- accounting entity is a program of post-employment benefits for employees of either the management company or entity that is affiliated with the management company,
- accounting entity is controlled or joint-controlled by a person referred to in point. a) and
- the person who has control or joint control over the management company has significant influence over the accounting entity or is a member of the key management personnel of the accounting entity (or parent company of the entity).

In considering relations with each related party, the emphasis is on the substance of the relationship, not merely the legal form.

In the normal course of business, the management

company enters into a number of transactions with related parties. Transactions are carried out on common terms and conditions and at market prices. The company is a subsidiary of the parent undertaking STABILITA Service, s. r. o., which in terms of IFRS directly controls the company and has its 100% shareholding.

As of 31/12/2014, the Company has a height of share in the share capital of the company STABILITA Service, s. r. o., in the amount of 203,323 Euros. Company STABILITA Servis, s. r. o., is its 100% owned subsidiary, which under the Framework Agreement on securing economic management and technical and service activities of January 1, 2012 provides for services related to ensuring the functioning of economic management, the performance of technical, and service activities, and rental of software.

The structure of assets in relation to related parties:

Item	31.12.2014	31.12.2013
Capital share in subsidiary company (1)	203 323	1 023 406

Structure of liabilities in relation to related parties:

Item	31.12.2014	31.12.2013
Other capital funds	36 513	36 513

Summary of transactions of the complementary pension company to a related party as of 31/ 12/ 2014:

Item	31.12.2014	31.12.2013
Software rental from the subsidiary company STABILITA Servis	(352 838)	(412 585)
Total	(352 838)	(412 585)

G) Capital adequacy

For purposes of capital management company defines regulatory capital. Regulatory capital is capital that is set by capital adequacy rules. When quantifying regulatory capital, the company proceeds in accordance with current legislation, defining its structure as well as its minimum height. The company is obliged to comply with the requirements of the regulatory capital of the company under the relevant provisions of the CPCs and its implementing rules.

Regulatory capital, referred to as own funds of the company is made up of basic own funds and additional own funds, their sum less the value of deductible items. Regulatory capital is used to cover risks arising from the activities of the company. National Bank of Slovakia as the supervising authority requires the company to monitor and comply with requirements for minimum capital specified in the Act on CPC. The company adheres to the legal requirements on CPC referring to minimum capital.

The following table presents the composition of regulatory capital and indicators of capital adequacy under the Act on CPC and its implementing rules for the years ended on December 31:

ITEM	31.12.2014	31.12.2013
Capital and reserves of complementary pension company		
Items creating the value of capital and reserves	4 546 326	3 250 649
paid up share capital (§2 clause 2 letter a)	1 660 000	1 660 000
share premium		
reserve fund and other funds created from after tax profit	832 000	749 988
other capital funds except differences from calculation of CP	40 661	40 661
retained earnings from previous years (§ 2 clause 2 letter e)	2 013 665	800 000
Items reducing value of capital and reserves	(192 752)	(175 651)
Book value of own shares CPSC (§2 clause 3 letter a)		
intangible fixed assets (§ 2 clause 3 letter b)	(192 752)	(175 651)
loss of current accounting period (§ 2 clause 3 letter c)		
book value of CPCS contribution (§ 2 clause 3 letter d)		
goodwill, if positive balance (§2 clause 3letter e)		
Basic capital and reserves	4 353 574	3 074 998
Additional capital and reserves	0	0
Capital and reserves (total of lines BCR and ACR)	4 353 574	3 074 998
Adequacy of capital and reserves:		
Percent share of capital and reserves in total value of 1 650 thousands Euros and 0.05 % of assets value in c.p.f. exceeding value of 165 000 thous. Euros, this sum is not increased after reaching an amount of 16500 thous. Euros	256,14%	179,43%
Own funds are adequate	áno	áno

H) Information on credit risk, market risk, and other types of risks

As of December 31, 2014, the company had all the funds deposited in the current account with the depository. There was no purchase of securities and hedging instruments in the company. In view of the above facts the mentioned risks are of little relevance.

Transactions with financial instruments which the company enters during its existence may lead to one or more of the financial risks which are mainly the following risks:

Credit risk – is mainly the risk of loss arising from the fact that a debtor or another contracting party will fail to discharge obligations which arise from agreed terms and conditions. Within a risk management framework the company pursues the credibility of its depository, SLSP where all of its funds are deposited.

Currency risk – i.e. the risk of changes in value of a financial instrument with respect to change in foreign exchange rates. The company has placed its financial funds in Euros on current accounts. Risk exposure and related possible losses has only minor importance to the company as ensued from only small liabilities in the form of invoices from business relations.

Interest rate risk – i.e. the risk of changes of a financial instrument as related to changes in market interest rates. Changes in interest rates on current accounts did not affect the results of operations as of December 31, 2014.

Liquidity risk characterizes the possibility that the company would be short of liquid funds at the time when required to certain financial liabilities. This is connected to repayment ration and cash ability of assets and liabilities. It is in the company's interest to maintain its liquidity on permanent basis and at the same time carry out its obligations properly on time with ensuing duty on managing its assets in the way to keep its liquid position.

In further review we provide an analysis of maturity of individual active items of the balance sheet:

Company assets and their liquid position as of December 31st 2014

Assets	0-1month	1-3 m.	3m-1year	1-5 years	over 5 y.	Undefined	Total
Intangible fixed assets	-	-	-	192 752	-	-	192 752
Tangible fixed assets	-	-	-	183 943	-	-	183 943
Investments in affiliated companies	-	-	-	-	-	203 323	203 323
Deferred income tax	-	-	-	-	-	108 933	108 933
Tax assets	-	236819	-	-	-	-	236 819
Money and monetary equivalents	4 766 602	-	-	-	-	-	4 766 602
Bank receivables	-	-	-	-	-	-	0
Client receivables	385 028	-	-	-	-	-	385 028
Other short-term assets	-	44 174	-	-	-	-	44 174
Total	5 151 630	280 993	-	376 695	-	312 256	6 121 574

Company assets and their liquid position as of December 31st 2013

Assets	0-1month.	1-3 m.	3m-1year	1-5 years	over 5 y.	Undefined	Total
Intangible fixed assets	-	-	-	175 651	-	-	175 651
Tangible fixed assets	-	-	-	219 350	-	-	219 350
Investments in affiliated companies	-	-	-	-	-	203 323	203 323
Deferred income tax	-	-	-	-	-	76 776	76 776
Tax assets	-	145 157	-	-	-	-	145 157
Money and monetary equivalents	4 251 034	-	-	-	-	-	4 251 034
Bank receivables	-	-	-	-	-	-	0
Client receivables	465 918	-	-	-	-	-	465 918
Other short-term assets	-	42 299	-	-	-	-	42 299
Total	4 716 952	187 456	-	395 001	-	280 099	5 579 508

Company liabilities and their liquid position as of December 31st 2014

Assets	0-1month.	1-3 m.	3m-1year	1-5 years	over 5 y.	Undefined	Total
Intangible fixed assets	99 968	-	-	-	-	-	99 968
Tangible fixed assets	-	-	509 383	-	-	347 144	856 527
Investments in affiliated companies	-	-	-	-	-	-	0
Deferred income tax	-	-	-	-	-	1 660 000	1 660 000
Tax assets	-	-	-	-	-	832 000	832 000
Money and monetary equivalents	-	-	-	-	-	36 513	36 513
Bank receivables	-	-	-	-	-	4 148	4 148
Client receivables	-	-	-	-	-	2 013 665	2 013 665
Other short-term assets	-	-	-	-	-	618 753	618 753
Total	99 968	0	509 383	-	-	5 512 223	6 121 574

Company liabilities and their liquid position as of December 31st 2013

Liabilities	0-1 month	1-3 m.	m-1 year	1-5 years	over 5 y.	Undefined	Total
Trade liabilities	85 930	-	-	-	-	-	85 930
Provisions and other liabilities	-	-	474 624	-	-	199 090	673 714
Income tax	-	-	-	-	-	-	0
Subscribed capital	-	-	-	-	-	1 660 000	1 660 000
Funds created from profit	-	-	-	-	-	749 989	749 989
Other capital funds	-	-	-	-	-	36 513	36 513
Valuation differences to subs.com. dc.s.	-	-	-	-	-	4 148	4 148
Retained earnings	-	-	-	-	-	800 000	800 000
Profit for the accounting period	-	-	-	-	-	1 569 214	1 569 214
Total	85 930	0	474 624	-	-	5 018 954	5 579 508

I) Information related to subsequent events

From the date of the creation of this individual financial statement as of 31 December 2014 to the date when these annotations were processed no events of special significance to the data in this report occurred.

Košice 13 February 2015



Ing. Peter Gregor
Chairman of the Board of Directors



JUDr. Marián Melichárek
Vice-Chairman of the Board of Directors



Ing. Agáta Bachledová
Responsible for compilation
of the financial statement
of the company

ANNUAL REPORT 2014

 **STABILITA**
doplňková důchodková společnost