ANNUAL REPORT **2013**

Pillar of Your Pension

www.stabilita.sk

STABILITA
doplnková dôchodková spoločnosť

Contents

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 at Insert no. 1407/V	Business Register of District Court Košice I, Section Sa,
Depositary	Slovenská sporiteľňa, a. s.
Board of directors	Ing. Miloš Krššák, Chairman of the Board of Directors JUDr. Marián Melichárek, Vice-Chairman of the Board of Directors Ing. Igor Hornák, CSc., Member of the Board until May 2, 2013 Ing. Valér Ostrovský, Member of the Board until May 2, 2013
Supervisory board	Ing. Ján Žačko Ing. Rudolf Pecar JUDr. Magdaléna Martincová Ing. Ľubor Podracký Ing. Ľudovít Ihring Ing. Stanislava Fejfarová, CSc. Ing. Peter Benedikt Ing. Ján Peržeľ JUDr. Nataša Kučerová Ing. Róbert Rigo
Basic capital	1 660 000 Euro as of December 31, 2013
Net assets	4 918 864 Euro as of December 31, 2013

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

The year 2013 was the most successful year since the transformation of the company in 2007 in respect of business and marketing. At the end of the year 2012 STABILITA, d.d.s., a.s. proceeded to partial redesign of the logo which was strongly communicated within two advertising campaigns and several complementary and sub-link marketing activities in 2013. The web seat of the company has undergone a significant redesign as well. Several marketing activities were closely connected mainly to the forthcoming extensive amendment to the Act on complementary pension savings in preparation of which STABILITA, d.d.s., a.s. as a member of Complementary Pension Company Association took an active part. After the approval of the Act No. 318/2013 Coll. in September 2013 the attention mainly focussed on use of all available communicative channels to provide early, comprehensive and detailed information to participants as well as to potential clients of the company on the changes arising from the act amendment and the company centred on complex implementation of the legislative changes into information material and contract forms.

The common need to expand and enhance the electronic form of communication with the company clients led to the decision – to make the project „PORTÁL“ available also to a numerous group of beneficiaries. In this way the company provided them with passive electronic access to their personal accounts with the pay fund as well as with the possibility to opt for an electronic transmission of statement. It is a user-friendly above standard service as the act amendment on complementary pension savings does not impose the duty to transmit a statement of beneficiary´s personal account.

In 2013 extraordinary positive results were recorded in business activity as its part is directly measurable by the number of closed participant and employer contracts. The company has contracted within its 16 years of performance in the market nearly 200 thousand savers, of which a part has already terminated their participant contracts due to the paying out of complementary pension benefits. As to 31/ 12/ 2013 STABILITA, d.d.s., a.s. operated the accounts of 137 074 clients. Over the course of the past year 11 170 participant contracts were closed which presents the highest increment since 2007 and a significant excess of of the business plan by as much as 59%. Slight increase was also recorded in the market share which increased by 19% by the end of 2013.

We regard as positive the trend to conclude new employer contracts which present a source of new client potential and as such are prerequisite for further business activity. In 2013 STABILITA, d.d.s., a.s. concluded another 150 new employer contracts, in this context the total number of contracted employer subjects has increased to 4 758. The proactive work with these employer partners and good provided service initiated another positive impact – increase of average contribution amount by an employer which represents the most valuable long-term benefit of the product. An average monthly employer contribution amounted to 16.49 € as to 31/12/2013. An average participant contribution has not changed significantly in the course of year and remains at 11.14€. An average cumulative contribution presents 27.63 € to the same period and it means an increase of nearly 1% in comparison to the previous year. The average age of participants – savers is 45.7.

Overview of evaluation of participant savings in contributory complementary pension fund (in%) as achieved in different years

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
11,76	14,11	9,46	6,03	7,71	5,55	2,57	1,19	0,94	1,07	-2,30	8,60	3,21	-2,84	11,19	-0,20

Average annual revenue in the contributory complementary pension fund presents since the establishment of the company 4.88%

Long-term stable results of high quality, the highest average annual revenue in the market of complementary pension companies (4.88% - average annual revenue since the inception of company), as well as additional benefits in the form of an exclusive loyalty rewards scheme and of the project „Benefits package“ have motivated many clients to change their complementary pension company and enter STABILITA, d.d.s., a.s. and subsequently to transfer their personal pension accounts from other complementary pension companies into STABILITA, d.d.s., a.s.. This increased interest could have been noticed for the first time in the year 2012 and the trend became even more significant in the year 2013. In the course of the previous year 594 savers left their original complementary pension companies and subsequently transferred their savings in amount of 806 thousand Euro from their personal pension accounts to our company.

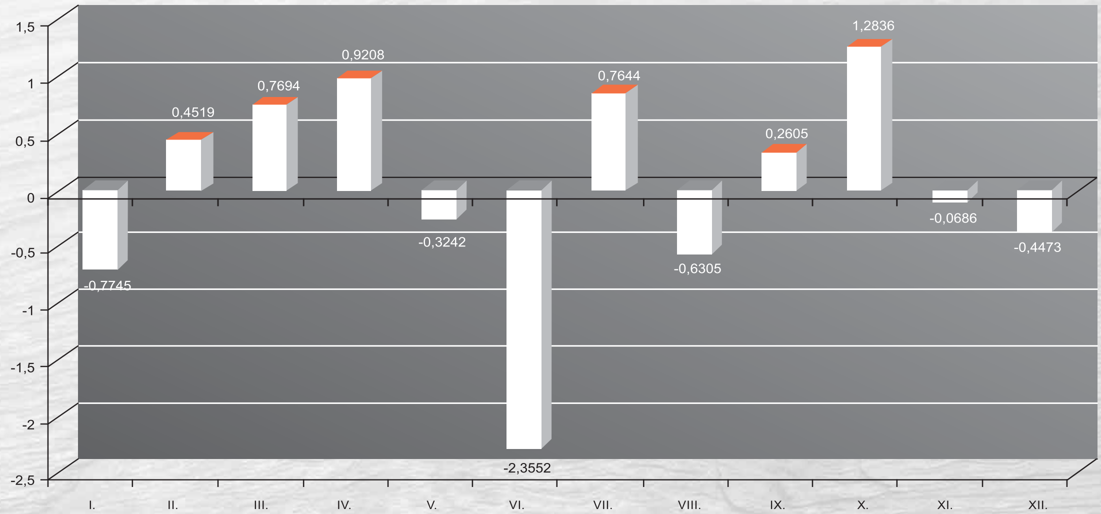
Development of individual complementary pension funds can be seen in the following tables and charts:

Item	Contributory c.p.f.	Beneficiary c.p.f.	Equity contributory c.p.f.
Valorisation for 2013	-0,2038%	3,6752%	2,5873%
Annualised performance of funds in 5 years *	3,8619%	2,7533%	4,9910%

*Note: Equity contributory c.p.f. was established 1/ 2/ 2012

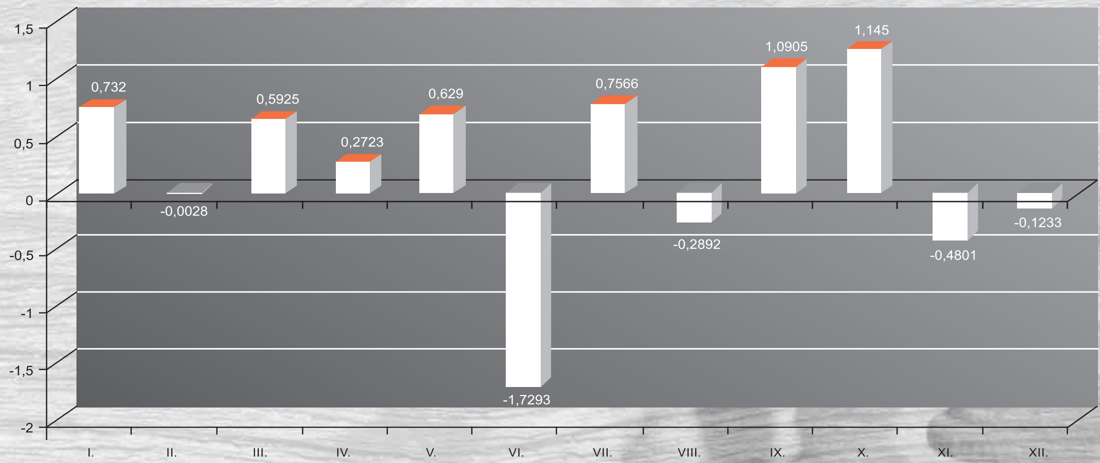
Valorisation of property in contributory c.p.f., STABILITA, d.d.s., a.s.

Amount of yield from 1/1/2013 – to 31/12/2013 is -0.20%



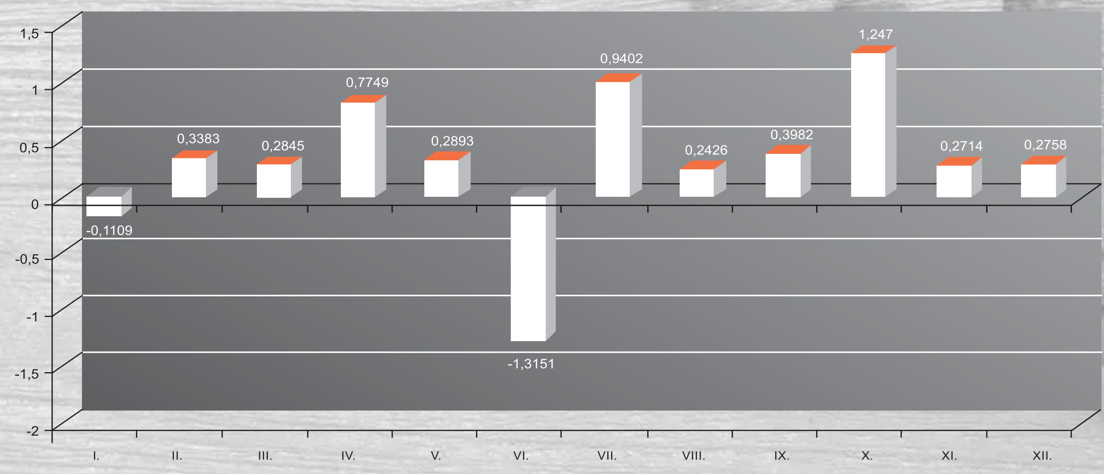
Valorisation of property in equity contributory c.p.f., STABILITA, d.d.s., a.s.

Amount of yield from 1/1/2013 – to 31/12/2013 is 2.58%



Valorisation of property in beneficiary c.p.f., STABILITA, d.d.s., a.s.

Amount of yield from 1/1/2013 – to 31/12/2013 is 3.67%



Key indicators of the company according to International Accounting Standards

Item	Year 2013	Year 2012	Year 2011	Year 2010
Overall yield	6 296 475	6 804 873	4 726 329	5 912 138
Profit after income tax application	1 569 214	2 266 283	745 165	1 571 043
Own capital profitability	29,69%	42,88%	17,08%	29,63%
Profitability of assets	28,12%	35,75%	15,05%	25,91%
EBITDA	2 163 052	2 859 295	1 021 543	2 067 003

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 2013 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 budget for the year 2014 the company STABILITA d.d.s., a. s. has taken into account all changes related to the amendment act on complementary pension saving and has them subsequently incorporated. In the following period we want to consolidate the position on the market, focus on acquiring new participants, but mainly to keep the participants´ stem which could be endangered by the amendment act.

On account of the decrease of the recompenses for fund administration effective since January 1, 2014 the yields are foreseen in amount of 4 554 thousand Euros which means a year on year income decline of 14%. Compared to the preceding year the costs are foreseen in amount of 4 402 thousand Euros which means a year on year decline of 1.61% even though the company enters the new year with all necessary development costs.

New client acquisition is conservative in respect to the persistence of the crisis but despite the changes which the company STABILITA d.d.s., a. s. has to face we expect a stable development in its management.

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 2013.

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

In the second half of 2013 the complementary pension company reduced its share capital in its subsidiary company from the amount of 1023 thousand Euros to the amount of 203 thousand Euros.

f) Proposal for 2013 profit distribution of the company STABILITA d.d.s., a.s.

Item	Value in EUR
Economic result for 2013	1 569 214,41
Distribution:	
- ration to mandatory reserve fund	0,00
- ration to social fund	23 538,22
- ration to company development fund	82 011,52
Dividend payment to shareholders	0,00
Contribition to retained earnings	**1 463 664,67**

g) Data on organisation unit registered abroad

The company has no unit of account registered abroad.

BILANC AUDIT SLOVAKIA. ltd.
Audit company

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

We executed an audit of the attached financial statements of STABILITA d.s.s., a.s. which includes balance sheet as of 31/ 12/ 2013, 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 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, c.p.c, a.s., as of 31/ 12/ 2013 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.

Bratislava, 14/ 02/ 2014

BILANC AUDIT SLOVAKIA, ltd.
Stará Vajnorská 6, 832 62 Bratislava
Licence SKAU No. 55

Ing. Milan Kozák
Auditor
Decree SKAU No.264

Individual financial statements for the accounting period from 01/ 01/ 2013 to 31/ 12/ 2013

of Complementary Pension Company STABILITA, d. d. s., a. s.,compiled according to International Standards of Financial statements in wording adopted by the European Union

Balance sheet as of 31/ 12/ 2013 (data in charts are in EUR)

Item	Note number	31.12.2013	31.12.2012
ASSETS	x	x	x
Long term assets	x	675 100	1 207 323
Acquisition of long term intangible assets	a)	-	1 385
Long term intangible assets	(1)	175 651	63 544
Long term tangible assets	(2)	219 350	82 566
Investments into affiliated companies	(3)	203 323	1 023 406
Deffered income tax related liabilities	(4)	76 776	36 422
Current assets	x	4 904 408	5 132 039
Money and monetary equivalents	(5)	4 251 034	4 448 939
Bank receivables	(6)	-	-
Client and other debtor´s receivables	(7)	465 918	651 407
Tax receivables	(8)	145 157	
Other current assets	(9)	42 299	31 693
Assets total		**5 579 508**	**6 339 362**
EQUITY AND LIABILITIES		x	x
Current liabilities		**759 644**	**709 993**
Trade liabilities	(10)	85 930	84 646
Reserves and other liabilities	(11)	673 714	625 346
Income tax related liabilities	**(12)**		**344 725**
income tax due	(13)	-	344 725
income tax deferred	(14)	-	-
Share capital total:		**4 819 864**	**5 284 644**
Share capital subscribed	(15)	1 660 000	1 660 000
Reserve fund	(16)	749 989	517 700
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)	800 000	800 000
Profit in approval proceedings	(20)	-	-
Profit/loss of ordinary accounting period after taxation	(21)	1 569 214	2 266 283
Liabilities and share capital total		**5 579 508**	**6 339 362**

Statement of profit and loss for year ending 31/ 12/ 2013 (Data in the chart are in EUR)

Item	Note	YEAR ending 31/12/2013	YEAR ending 31/12/2013
Interest income and similar income	x	4 295	10 171
Interest expense and similar expense	x	(816)	(7 464)
Net interest income	**(1)**	**3 479**	**2 707**
Income from recompenses and commissions	x	6 271 278	6 792 189
Recompense and commission costs	x	(490 296)	(392 907)
Net profit (loss) from recompense and commissions	**(2)**	**5 780 982**	**6 399 282**
Other income	(3)	20 901	2 511
General administration costs	**(4)**	**(3 782 672)**	**(3 608 008)**
Incl:	x		
Personnel costs	(5)	(1 907 731)	(1 780 462)
Depreciation of tangible and non tangible assets	(6)	(100 009)	(65 154)
Other costs	(7)	(1 774 932)	(1 762 392)
Profit (loss) prior taxation	**x**	**2 022 690**	**2 796 492**
Income tax	(8)	(453 476)	(530 209)
Profit after taxation	**x**	**1 569 214**	**2 266 283**
Basic profit per share	**(9)**	**31,38**	**45,33**

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 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 payed 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 changes within equity as for 12 calendar months ending 31/ 12/ 2012 (data are in EUR)

Item	Capital	Profit based funds	Other capital funds	Unallocated profit from past years	Profit in regular acc. Period	Capital total
Balance as of 31. 12. 2011	1 660 000	1 117 700	40 661	800 000	745 165	4 363 526
Allocation of profit for 2011:						
Social fund contribution:					(11 178)	
Dividends payed to shareholders		600 000			(733 987)	
Contribution to fund from profit						
Unallocated profit						
Profit as of 31/12/ 2012					2 266 283	
Balance as of 31/ 12/ 2012	**1 660 000**	**517 700**	**40 661**	**800 000**	**2 266 283**	**5 284 644**

Statement of cashflow for 12 calendar months ending 31/12/2013 (Data are in EUR)

Item name	31.12.2013	31.12.2012
Cashflow from business activities:	x	x
Economic results of current activity prior to income taxation (+/-)	2 022 690	2 796 492
Non monetary operations affecting economic results from ordinary activity	**(1 912 593)**	**(534 879)**
Depreciations of non current intangible assets and non current tangible assets	100 009	65 154
Alteration of accruals/defferals of costs and revenues (+/-)	(8 307)	10 139
Interest charged to revenue (-)	(4 295)	(10 172)
Interest charged to cost (+)	0	0
Profit from sale of non current assets	0	0
Change of status of liabilities from investment activity	(2 000 000)	(600 000)
Other items of non monetary character		
Effect of changes of operating capital status on economic results of ordinary activity	**513 752**	**(389 431)**
Change of status of receivables from operation activity (-/+)	341 253	(215 850)
Change of status of liabilities from operation activity (+/-)	172 769	(172 884)
Change in stock trade (+/-)	(270)	(697)
Cashflow from operation activity excluding revenue and expenses listed separately within other parts of caashflow (+/-)	**(489 534)**	**(517 685)**
Interest received (+)	4 295	10 172
Interest paid (-)		
Income tax expense (+/-)	(493 829)	(527 857)
Net cashflow from operation activity	x	x
Cashflow from financial activity	**(329 486)**	**(62 900)**
Expenses for acquisition of non current tangible and non tangible assets (-)	(350 387)	(62 900)
Revenue from sale of non current tangible assets	20 901	()
Net cashflow from investment activity		
Cashflow from financial activity		
Credit related revenue and expenses	x	x
Net cashflow total:	**(195 171)**	**1 291 598**
Net increase or net decrease of funds and monetary equivalents (+/-)	(195 171)	1 291 598
Status of funds and monetary equivalents at the beginning of accounting period	**4 422 631**	**3 131 033**
Balance of funds and monetary equivalents at the end of accounting period	**4 227 461**	**4 422 631**

Statement of monetary flow is processed by indirect flow.

Notes on financial statement from 1/ 1/ 2013 to 31/ 12/ 2013

A) General information on company

Complementary pension company STABILITA, d. d. s., a. s., was established by charter in form of notarial deed drawn up by a notary public JUDr. Magdaléna Drgoňová under No. N3/2006, Nz 1079/2006, NCRls 1071/2006 as of 12 January 2006, with seat at Bačíkova 5, 040 01 Košice, Identification No. 36 718 556, Tax Identification No. 20 22 311 852, entered in Company Register of District Court Košice I, Section Sa, Insert No. 1407/V. The company was created by transformation of the Complementary Pension Insurance Company STABILITA WITH SEAT at Bačíkova 5, 041 48 Košice, Identification No. 31 262 368, entered into the register of complementary pension insurance companies kept by the Ministry of Labour, Social Affairs and Family of the Slovak Republic under No. 002/97 – RDDP in compliance with stipulations of the legal act No. 650/2004 Coll. of law relevant to complementary pension saving regarding alternation and amendments of specific legal acts within wording of later regulations. Based on the decision of National Bank of Slovakia granted on 29 November 2006 under No. UDK-004/2006/PDDS which came to force on 6 December 2006, the company was entered into the Companies Register.
The company´s core subject of activities according to extracts from the Companies Register is creation and management of complementary pension funds for the purpose of execution of complementary pension saving in compliance with granted licence and stipulations of the legal act on complementary pension saving. The company conducts its business only in the territory of the Slovak Republic.
STABILITA d.d.s., a. s. has equity participation in subsidiary company STABILITA Servis, s. r. o. Of which it is the only 100% owner. At the same time, the company is no partner to any other business company.

Complementary pension funds

Item	Net value of assets as of 31/ 12/ 2013	Net value of assets as of 31/ 12/ 2012
Stabilita Contributory c.p.f., STABILITA, c.p.c., a. s.	223 826 798	217 403 098
Stabilita Beneficiary c.p.f., STABILITA, c.p.c., a. s.	33 690 537	34 685 498
Stabilita Equity Contributory c.p.f., STABILITA,c.p.c.	1 813 259	612 629
Assets in funds total:	259 330 594	252 701 225

As of 31 December 2013 the company administers 3 complementary pension funds, a contributory complementary pension fund, a equity contributory complementary pension fund, and a beneficiary complementary pension fund. The net value of assets under management is listed in the above chart.

Contributory complementary pension fund is established for unspecified period and it does not represent a legal entity. The name of the complementary pension fund is Stabilita contributory complementary pension fund, STABILITA, d.d.s., a. s., (hereinafter referred to as contributory c. p. f.). The company initiated a contributory c.p.f. commencing on the date of its establishment based on the transfer of relevant assets appropriate to the value of liabilities of complementary pension insurance company against complementary pension insurance policy holders in compliance with the procedure stipulated within the thirteenth section of legal act 650/2004 Coll., applicable to complementary pension companies, mainly provision § 83 paragraph 5 act on complementary pension companies and in compliance with the procedure of delimitation of assets and liabilities of Complementary Pension Company Stabilita as stipulated within the transformation project of Complementary Pension Company Stabilita.
The assets of contributory c.p.f. are not a part of company assets; management is registered separately from the assets and management of the company.
Investment strategy of contributory pension fund is balanced and it takes into account the purpose of fund´s establishment. The objective is to create a long term return on capital at the medium risk. The strategy foresees allocation of invested assets to stock components on the one hand, and bond and monetary components on the other hand and this within partial elimination of currency risk. The stock components must not exceed 50% assets in contributory complementary pension fund. Further limitations and details of investment strategy ensue from relevant legislation and fund statute.
The statute of the contributory c.p.f. has been altered for the first time by the decision of the board of directors on approval of amendments to this statute and was subsequently approved by the proper General Assembly on 13 May 2008 in accordance with the decision of NBS of 1/ 4/ 2008 OPK 3844/2008-PLP which came to force on 23/ 4/ 2008.
There was an amendment of the statute regarding the introduction of complementary pension unit under the law of 650/2004 Coll. § 87 letter i) on 10/ 3 /2009. The statute was approved by the General Assembly on 10/ 3/ 2009 in compliance with the decision of NBS on 5/ 3/ 2009 No. OPK-2864-1/2009. The company introduced complementary pension unit on 1/ 6/ 2009 whereby the evaluation period is one calendar day.
On 26/ 1/ 2010 there was a change in the statute in respect to an amendment of act 650/2004 Coll. that in particular impacted the provision of professional care for employees, the introduction of the fee limit for the fund administration, the introduction of recompenses for the valorisation of fund assets, changes to fees for transfer of a participant to another CPC, and changes in compensation for redundancy. The statute was approved by the General Assembly on 26/ 1/ 2010 and it was signed by board members in accordance with the decision of NBS of 24/ 2/ 2010 No. OPK 1473-1-2010.
On 11/ 5/ 2010 there was a change in statute in respect to investment and risk assessment associated with investment in CPF. The statute was approved by proper General Assembly in accordance with the decision of NBS of 6/ 5/ 2010 No. OPK 5080-1-2010.
Any changes in statutes have been made public on the company website in full text and with change notification.

Equity contributory complementary pension fund is established for unspecified period and it does not represent a legal entity. The company created the equity c.p.f. on 1 February 2012; the name of the fund is Stabilita equity contributory c.p.f., STABILITA, d.d.s., a. s. (hereinafter equity c. p.f.). Assets in the equity c.p.f. are not a part of the company´s assets. The management of the assets is registered separately from the assets and management of the company as well as separately from the assets and management of the assets in other complementary pension funds.
Investment strategy of equity c.p.f. is growth strategy aiming to achieve growth in the value of assets over the long term in order to maintain an appropriate level of risk. The strategy foresees allocation of invested assets primarily in an equity part while investments in bond and monetary components are complementary with the partial elimination of currency risk. The value of equity components may be up to 100% of the fund assets. Limitations and details of the investment policy follow from applicable legal regulations and of the statute of the fund. The risk profile results from the specified investment strategy in accordance with the statute of the fund and it represents such a degree of risk which, in an equity component of assets, is associated with investments in equity securities (mainly in equity and equity equivalents, and index certificates.
The company administers the assets in the equity c.p.f. separately, on its own behalf and in the interest of the participants of saving. Obligations resulting from the administration are set out in the statute of the fund, part VI „Principles of assets management in equity c.p.f".
In accordance with § 48 paragraph 2 of the Act on CPC, statute changes are effective by the 15th day following their publication on the website of the company. Statute of equity c.p.f. was approved by proper General Assembly on 18/ 11/ 2011 and was signed by the members of the Board. Prior consent of the request for the establishment of an equity fund was issued by NBS on 6/12/2011 under number ODT-1219/2011-1 which entered into force on 7/12/2011.

Beneficiary complementary pension fund is created for an indefinite period and has no legal personality. The name of the beneficiary complementary pension fund is Stabilita beneficiary c.p.f., STABILITA, d.d.s., a.s. (hereinafter beneficiary c.p.f.). The company commenced the creation of the beneficiary c.p.f. on the day of its establishment based on the transfer of relevant assets equivalent to the value of liabilities of complementary pension insurance company against complementary pension insurance policy holders in compliance with the procedure stipulated within the thirteenth section of legal act on CPSC mainly provision § 83 paragraph 5 act on complementary pension companies and in compliance with the procedure of delimitation of assets and liabilities of Complementary Pension Company Stabilita as stipulated within the transformation project of Complementary Pension Company Stabilita.
The assets of beneficiary c.p.f. are not a part of company assets; management is registered separately from the assets and management of the company, and separately from the assets and management of the assets in other complementary pension funds.

Assets within beneficiary c.p.f. can be utilized only for purpose of securing a proper and secure investment of assets and protection of beneficiaries of complementary pension saving. Investment strategy of the 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 policy 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. Because of that its equity may not be invested into shares and other securities with yields dependant on share value development. Beneficiary pension fund yield may not at the same time be affected by currency fluctuations. Assets in the beneficiary pension fund are mainly invested in monetary and capital market into securities, term deposits, and other instruments with pre-set interest rate. Further limitations and details in investment strategy ensue from relevant legal provisions and the statute.
The statute of the beneficiary c.p.f. has been altered for the first time by the decision of the board of directors on approval of amendments to this statute and was approved by the General Assembly on 13 May 2008 in accordance with the decision of NBS of 1/ 4/ 2008 OPK 3842/2008-PLP which came to force on 23/ 4/ 2008.
The amendment concerned the recompense for the fund administration representing 2.00% of average annual net value of assets in beneficiary c.p.f. from original 2.5% effectual from 1/7/2008.
There was an amendment of the statute in respect of the introduction of a complementary pension unit in accordance with act 650/2004 Coll. § 87letter i). The statute was approved by the General Assembly 10/ 3/ 2009 in compliance with the decision of NBS of 4/ 3/ 2009 No. OPK-2862-1/2009.
On 26/ 1/ 2010 there was a change in the statute in relation to the amendment of Act 650/2004 Coll. that impacted imposing of limits on the amount of fund management fees and the introduction of the fee for recovery of assets in funds. The statute was approved by the General Assembly of 26/ 1/ 2010 and it was signed by the members of the Board in compliance with the decision of NBS of 24/ 2/ 2010 No. OPK 1474-1-2010.
The last change of the statute of fund was of 11/ 5/ 2010 and it concerned investment and risk assessment associated with investing in complementary pension funds. The statute was approved by the proper General Assembly in compliance with the decision of NBS of 6/ 5/ 2010 No. OPK 5081-1-2010.
Any changes in statutes have been made public on the company website in full text and with change notification.

The company provides for accounting and reporting of complementary pension funds separately from its own accounting and reporting according to § 30 paragraph 1 Act 650/2004 Coll. Complementary pension funds managed by the company have no legal personality, each of them compiles the accounting report separately. Annual accounting report of complementary pension funds has to be verified by an auditor. The verification as of 31/12/2012 was conducted by audit company BILANC AUDÍT SLOVAKIA, ltd. that was approved as an auditor by the General Assembly on 16/05/2013.

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).
STABILITA, d. d. s., a. s. company is a part of a consolidated unit as being a controlling entity within other company (§ 22 clause 2 Act on Accounting). The other company is the STABILITA Servis, s. r. o. Company providing attendant services for STABILITA, d. d. s., a. s.
Even though the company is a part of a consolidated unit being a parent accounting unit of trade company STABILITA Servis, s. r. o. with 100% stake, it does not meet the requirements for preparation of consolidated financial statement under § 22 clause 12 Act on Accounting 431/2002 Coll. STABILITA Servis, s. r. o., provide attendant services for STABILITA, d.d.s., a. s., commencing on 1/ 4/ 2007 that is from the date of its establishment.

Statutory, supervisory, and managing bodies as of 31/ 12/ 2013

Members of the Board	Position	Began
Ing. Miloš Krššák	chairman	28.11.2007
JUDr. Marián Melichárek	vice-chairman	1.4.2007
Ing. Valér Ostrovský	member	till 2.5.2013
Ing. Igor Hornák, CSc	member	till 2.5.2013

Members of Supervisory Board	Position	Began
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	18.10.2007
Ing. Stanislava Fejfarová,CSc.	member	7.8.2008
Ing. Peter Benedikt	member	8.6.2011
Ing. Ján Peržeľ	member	8.6.2011
JUDr. Nataša Kučerová	member	8.6.2011

Structure of shareholders and their share in the company capital

Shareholders	Shareholder ID	Share in %
Lorea Investment Limited	7001665	21.72
ZSNP, a. s.	30222524	8.5
Železnice SR	31364501	55.26
Železiarne Podbrezová	31562141	5.17
U.S. Steel Košice	36199222	9.3
Marek Szabo	7303076407	0.05

Data on number of personnel

Employees´structure	31.12.2013	31.12.2012
General Manager, Managing Director, Financial Director	3	3
Middle management	4	13
Other employees	38	32
Average number of employees	45	48

Approval of financial statement for previous accounting period

General Assembly on 16/ 5/ 2013 approved the financial statement of the company for the year ending 31/ 12/ 2012 according to provision No. X paragraph 1) Company Statutes for the complementary pension funds and for the management company.

Release of the financial statement for previous accounting period

Individual financial statement of the company as of 31/ 12/ 2012 together with the Annual Report and auditor report on verification of financial statement as of 31 December 2012 was deposited into Register Of Deeds of the Company register on 25/ 5/ 2013.

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 as of 31 December 2013 was compiled in compliance with Commission Regulation (ES) No. 1126/2008 which repealed the Commission Regulation (ES) No. 1725/2003 as of 29 September 2003 under which certain international accounting standards were accepted in compliance with the regulation of European Parliament and Council (ES) No. 1606/2002.

Basis of preparation of the financial statement

The financial statement of the company for the period of the year 2013 is in the Slovak Republic in accordance with the Act 431/2002 Coll. on Accounting according to

§ 17a). The preparation of financial statement in compliance with IFRS requires the company management to prepare estimates and assumptions which affect the reported amounts of assets and liabilities and contingent active and passive items as of the date of the balance sheet as well as the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates and future changes in economic conditions, business strategies, regulation provisions, accounting rules or other factors may cause a change in estimates which might subsequently have a significant impact on the financial position and economic results of operations.

This financial statement was prepared with respect to accrual (accrual principle), individual account cases are accounted in the period and time to which they relate objectively and in respect of time. The financial statement of the company was prepared on the assumption of continuous operation activity. The values of items of the annual accounts are expressed in EUR and rounded with no decimal places, unless stated otherwise. Negative values are given in brackets .

Company presentation

The company prepared annual financial statement for 12 month of the year 2013 taking into consideration comparable data of the year 2012. In the course of the year 2013 the company adopted all new and revised standards issued by the Board for International Accounting Standards with effect from 1 January 2013 to 31 December 2013.

New and novelised standards and interpretations in force since 2013:

- Commission Regulation (EU) No. 183/2013 of 4 March 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council Regulation No. 1606/2002 adopts certain international accounting standards as regards international standard of financial reporting 1
- Commission Regulation (EU) No. 301/2013 of 27 March 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council Regulation No. 1606/2002 adopts certain international accounting standards as regards annual improvements to International Standards of Financial reporting (IFRS), cycle 2009 - 2011
- Commission Regulation (EU) No. 313/2013 of 4 April 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council regulation (ES) adopts certain international accounting standards as regards consolidated financial statement, joint agreements, and disclosure of interest in other accounting entities, transitional guidelines (alteration and amendments of international standards of financial reporting 10, 11, and 12
- Commission Regulation (EU) No. 407/2013 of 23 April 2013 amending Spanish and Swedish wording of the Regulation (EU) No. 475/2012 that amends Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council regulation (ES) adopts certain international accounting standards as regards international standard IAS 1, and IAS 19
- Commission Regulation (EU) No. 1174/2013 of 20 November 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament adopts certain international accounting standards as regards reporting standards 10 and 12, and accounting standard 27
- Commission Regulation (EU) No. 1374/2013 of 19 December 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council Regulation (ES) adopts certain international standards as regards standard 36
- Commission Regulation (EU) No. 1375/2013 of 19 December 2013 amending Regulation (ES) No. 1126/2008 which in accordance with the Regulation of the European Parliament and Council Regulation (ES) No. 1606/2002 adopts certain international accounting standards as regards Standard 39

B2) Information on the use of accounting principles and methods in comparison to the previous period and their impact on economic results

These standards and interpretations and their incorporation into the accounting practices did not affect the company´s accounting principles or reporting of the economic result.

B3) Description of methods of evaluation of assets and liabilities, the methods of determining real values of assets

The financial statement is processed on the principle of the accrual of costs and yields. Their impact is accounted to the period to which they relate. Non-current tangible and intangible assets and reserves are evaluated at purchase costs which include the costs associated with their acquisition

Asset type	Depreciation period	Depreciation rate	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

The par value is applied for evaluation of receivables, liabilities, cash and cash equivalents.

B4) Calculation of foreign currency to Euro

Costs and revenues denominated in foreign currency are calculated to EUR by exchange rate announced by the European Central Bank on the day preceding the day of the executed accounting case.
Monetary assets and liabilities are in the balance sheet evaluated by the exchange rate of the European Central Bank as of the date on which the balance sheet is drawn up.
Performed and not performed exchange rate profits and losses are recognized in the profit and loss statement.

B5) Methods of depreciation of tangible and intangible assets

Non-current tangible and intangible assets are reported at purchase cost which is reduced by accumulated depreciation (amortization) of the assets. 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 2013 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) Income and expense recognition

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 – derivates
- 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.
Deferred income tax is reported in the form of the

balance sheet method that is made of temporary differences between a tax liability and an accounting commitment by reason of depreciable non-current tangible assets as well as by reason of the creation of unrecognized tax reserves, and by reason of the costs incurred in connection with the recompenses for mediation which are reimbursed to natural persons and included in the expenditure in the period when they are paid up.

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 recompenses for the management of the complementary pension funds, for the valorisation of assets in pension funds, for the transfer of a participant of complementary pension saving to other complementary pension company, and the redundancy compensation. The recompenses of the company are reported in the item Revenues from recompenses and commissions in the attached statement of profit and loss.

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. Such limitations include the maximum amount of recompenses for the management of the complementary pension funds, for the redundancy compensation, and for the transfer of a participant of complementary pension saving to other complementary pension company, as well as limits relating to maximum share of individual types of securities in relation to issuers contained in the funds´ assets and other limits and restrictions. As of 31 December 2013 the company was meeting all the above limits and restrictions in accordance with the Act on Complementary Pension saving.

Amendment to Act 650/2004 Coll. effective from 1 January 2014 changes the amount of recompenses for the fund management, for the transfer of a participant to other complementary pension company and there are further changes published on the company website.

D) Notes on items of the Financial Statement and on the Statement of profit and loss for the year 2013

Description of items on the balance sheet

1) Non-current intangible assets – review of transactions as of 31/ 12/ 2013

Assets (gross)	L.No.	as of 31/12/2012	Increases	Decrease	Transfers	as of 31/12/2013
B.I.Non-current intangible 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 non-current intangible assets	3	4 567		3 914	-	653
3. NCIA (from 332 EUR to 2 400 EUR)	4	24 911		2 186	-	22 725
B.II. Accumulated depreciations of NCIA (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 NCIA	7	(4 567)		(3 914)	-	(653)
3. Accum.depr.of NCIA (from 332 to 2400)	8	(20 795)	(4 039)	(2 186)	-	(22 648)
Net book value of non-current intangible assets (L.1+L.5)		**63 544**	**112 107**	**0**	**-**	**175 651**

Technical improvement of the participant portal was due to a software improvement by which the company ensured extension of an electronic access for clients so as to enable them to enter changes related to the amount of the monthly allowance, way of saving, change of an address, sending statements electronically. The item that increased the procuring price of software was electronic archiving of documents which will be gradually applied and put into practice.

2) Non-current intangible assets – review of transactions as of 31/ 12/ 2012

Assets (gross)	L.No.	as of 31/12/2011	Increases	Decrease	Transfers	as of 31/12/2012
B.I.Non-current intangible assets total (lines 2 to 4)	**1**	**219 168**	**4 389**	**(6 124)**	**-**	**217 433**
1. Software	2	192 159	1 920	(6 124)	-	187 955
2. Other non-current intangible assets	3	4 567	-	-	-	4 567
3. NCIA (from 332 EUR to 2 400 EUR)	4	22 442	2 469	-	-	24 911
B.II. Accumulated depreciations of NCIA (L.6 to 8)	**5**	**(126 627)**	**(33 386)**	**(6 124)**	**-**	**(153 889)**
1. Accumulated depreciations of software	6	(108 314)	(26 337)	(6 124)	-	(128 527)
2. Accumul.depreciations of other NCIA	7	(4 567)	-	-	-	(4 567)
3. Accum.depr. of NCIA (from 332 to 2400)	8	(13 746)	(7 049)	-	-	(20 795)
Net book value of non-current intangible assets (L.1+L.5)		**92 541**	**(28 997)**	**(0)**	**-**	**63 544**

Abbreviations: NCIA – non-current intangible assets

1) Non-current tangible assets – review of transactions as of 31/ 12/ 2013

Fixed assets (gross)	Line	as of 31/12/2012	Increases	Decrease	Transfers	as of 31/12/2013
B.I.Non-current tangible assets Total (L.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. Indiv.MA and coll. - vehicles	4	179 250	169 459	(95 016)		253 693
3. Individual MA - inventory	5	66 098		(3 621)		62 477
4. Indiv.MA(from 166 EUR to 1 700 EUR)	8	112 024	1 901	(9 091)		104 834
5. Other non-current tangible assets	9	67 405		(8 091)		59 314
B.II. Accum.depreciations of NCTA-total (L.11 to 16)	**10**	**(630 862)**	**(66 521)**	**(154 563)**		**(542 819)**
1. Acc.deprec.of machinery and devices	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. Acc.deprec.of SMA (from 166-1700 eur)	15	(93 582)	(13 653)	(9 091)		(98 144)
5. Accum.depeciations of other NCTA	16	(67 404)		(8 091)		(59 313)
B.III. Net book value of non-current tangible assets		**82 566**	**136 783**	**0**		**219 350**

Abbreviations: NCTA – non-current tangible assets MA – movable

Increases in non-current tangible assets in the group of „tangible assets machinery, devices, equipment"are the acquisition of a franking machine, computers, and of a copying equipment. The group „vehicles" represented the change of company´s fleet

2) Non-current tangible assets – review of transactions as of 31/ 12/ 2012

Fixed assets (gross)	Line	as of 31/12/2011	Increases	Decrease	Transfers	as of 31/12/2012
B.I.Non-current tangible assets Total (L.02 to 09)	**1**	**793 821**	**62 900**	**(143 293)**		**713 428**
1. Indiv. MA and coll.of MA-machinery, devices	3	357 103	44 008	(112 460)		288 651
2. Indiv. MA and coll. - vehicles	4	179 250	-	-		179 250
3. Individual MA - inventory	5	72 464		(6 366)		66 098
4. Indiv.MA(from 166 EUR to 1 700 EUR)	8	100 696	18 892	(7 564)		112 024
5. Other non-current tangible assets	9	84 308		(16 903)		67 405
B.II. Accum.depreciations of NCTA-total (L.11 to 16)	**10**	**(742 386)**	**(31 768)**	**(143 292)**		**(630 862)**
1. Acc.deprec.of machinery,devices,equipment	12	(327 016)	(14 327)	(112 460)		(228 883)
2. Accum.depreciations of vehicles	13	(170 429)	(4 464)			(174 893)
3. Accum.depreciations of inventory	14	(72 465)		(6 366)		(66 099)
4. Acc.deprec.of SMA (from 166-1700 EUR)	15	(88 168)	(12 977)	(7 564)		(93 581)
5. Accum.depreciations of other NCTA	16	(84 308)		(16 902)		(67 406)
B.III. Net book value of non-current tangible assets		**51 435**	**31 132**	**0**		**82 566**

Abbreviations: NCTA – non-current tangible assets MA – movable assets

Increases in the non-current tangible assets represented the purchase of new computers, printers, in the group "vehicles" the company´s fleet has been changed, the purchase of computers and printers represented the gro-up movable assets to 1 700 EUR.

Method and amount of insurance of non-current tangible assets

Motor vehicles in company ownership on 31/ 12/ 2013 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 non-current tangible 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.

3) Investments in affiliated companies

Item	as of 31/ 12/ 2013	as of 31/ 12/ 2012
Investments in affiliated companies	203 323	1 023 406

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. Based on the decision of the sole shareholder of the company STABILITA Servis, s. r. o. of 24 /6 /2013 the basic capital of the subsidiary was reduced to 200, 000 EUR.

4) Liabilities resulting from the deferred income tax

Item	as of 31/ 12/ 2013	as of 31/12/2012
Deferred tax - tax liability	76 776	36 422
Total	**76 776**	**36 422**

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 / 2013 is 76, 776 EUR.

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

Item	31.12.2013	31.12.2012
Temporary differnces between carrying amount of assets and	(21 322)	(14 001)
tax base, of which:		
deductible		
taxable	(21 322)	(14 001)
Temporary differences between carrying amount of liabilities and	355 129	172 358
tax base, of which:		
deductible	355 129	172 358
taxable		
Intermediate total:	333 807	158 357
Income tax rate (in %)	22	23
Deferred tax liability	76 776	38 774
Applied tax liability	36 422	36 422
Accounted for as a reduction of cost	**76 776**	**36 422**
Deferred tax liability	76 776	36 422
Change of deferred tax liability	40 353	(2 352)

5) Cash and cash equivalents

Structure of items as of 31/12/2013 and 31/12/2012

Item	as of 31/ 12/2013	as of 31/ 12/2012
Cash desk domestic, foreign	4 533	6 436
Valuables	19 040	19 873
Operating account	4 223 781	4 417 202
Wages and salaries account	3 680	5 427
Total:	4 251 034	4 448 939

6) Receivables from banks:

As of 31/12/2013 and 31/012/02012 the term deposits on the bank accounts had no balance.

7) Receivables from clients and other debtors

Item	as of 31/12/2013	as of 31/12/2012
Receivable for the management of the contributory fund	419 109	590 328
Receivable for the management of the beneficiary fund	43 952	52 198
Receivable for the management of the equity contributory fund	2 857	2 019
Other receivables	x	6 862
Total:	**465 918**	**651 407**

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

8) Tax assets

Item	as of 31/ 12/2013	as of 31/ 12/2012
Tax assets from income tax of legal person	145 157	0
Total:	**145 157**	**0**

Tax assets represent mutual accreditation of paid tax advances for the year 2013 in the total amount of 638 986 EUR and the tax payable calculated under Act 595/2003 Coll. § 15 in amount of 493 829 EUR.
Difference is the reduction of tax assets to 145 157 EUR.

9) Structure of other current assets

Item	as of 31/12/ 2013	as of 31/12/ 2012
Advances provided domestic, foreign	8 623	5 810
Prepaid expenses	31 492	23 255
Accrued income	53	260
Inventory material	1 894	2 165
Other receivables	237	203
Total:	**42 299**	**31 693**

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 a 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 2014 to 2016. Material in stock represents a balance of small stationery supplies and unused contract forms of complementary pension saving.

10) Trade payables

Item	as of 31/12/ 2013	as of 31/12/ 2012
Domestic suppliers	85 930	84 646
Foreign suppliers	0	0
Total:	**85 930**	**84 646**

The item “domestic suppliers” represents liabilities arising from business intercourse in total amount of 85 930 EUR. These are current liabilities maturing in 14 days. They relate to invoices of the subsidiary company STABILITA Servis, s. r. o. in amount of 39, 174 EUR, invoices of bound financial agents in the total sum of 14 797 EUR, invoice for rent of the branches in total sum of 9 098 EUR, phone charges in amount of 6 620 EUR, software maintenance in amount of 1 188 EUR. The invoices in amount of 15 053 EUR relate to services providing regular operating activities of the company (newspapers and professional journals, toner replacement, fuel, promotional items).

11) Reserves and other liabilities

Item	as of 31/12/ 2013	as of 31/12/ 2012
Reserves	418 253	197 741
Other liabilities	0	776
Liabilities to employees	85 363	241 094
Clearing with social and health insurance companies	76 831	68 338
Tax liabilities	32 753	57 671
Accrued expenses	1 056	1 334
Unbilled supplies	0	29 680
Commission contract	42 307	23 368
Social fund	17 151	5 344
Total:	**673 714**	**625 346**

The item "Reserves" in amount of 418 253 EUR represents reserves for a loyalty programme in amount of 199 093 EUR, reserve for unused vacation, and health and insurance payments in amount of 43 339 EUR, and reserves for remuneration of statutory officers in amount of 141 241 EUR, and reserves for unbilled supplies in amount of 34 580 EUR. Commitments to employees and clearing with social and health insurance companies represent costs arising from employee income costs for the month of December 2013. Accrued expenses involve bank fees for the verification confirmation of the account balances.
Commission contracts represent company´s commitment to external employees for the month of December, social fund is represented by its balance as of 31/ 12/ 2013.

Creation and drawing on the social fund as of 31/ 12/ 2013

Item	31.12.2012	Movement	31.12.2013
Initial state as of 1/1/2012	**5 344**		
Creation of the social fund		43 012	
Use-meal vouchers		(21 576)	
Use-International Children´s Day		(702)	
Use-regeneration		(8 111)	
Use-other		(816)	
Closing balance as of 31/12/ 2013			**17 151**

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.

12) 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 2013, represented the amount of 2 022 691 EUR. By means of mutual accreditation of paid advances, there was created receivable of the company against the state budget and it is described in section 8) of Notes.

13) Income tax due

Income tax is calculated in accordance with regulations valid in the Slovak Republic under Act 595/2003 Coll. on Income Tax. At the same time, it represents cost item of the balance statement.

Item	31.12.2013	31.12.2012
Income tax due	0	344 725
Income tax deferred - tax liability	0	0
Total:	**0**	**344 725**

15) Share capital

Share capital of the company as of 31/12/2013 consists of 50 000 pieces of shares at nominal value of 33.20 EUR per a share. Company shares represent the shareholders partnership rights of participation in its management, profit distribution, and liquidation balance after dissolution of 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 Bratislava	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	85 822	17 164	
Szabo Marek	830	166	
Total:	1 660 000	332 000	417 988

16) Profit based funds

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. In the first half of the year 2013 part of the profit was reversed into the company development fund in amount of 232, 289 EUR thus the fund was increased and amounted to 417, 988 EUR.

17) Other capital funds

Other capital funds item 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

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 non-current intangible assets transferred as a contribution in kind into company as of 1/ 4/ 2007 valuated by expert opinions on individual evaluated assets components and on the actual acquisition cost of the said assets.

19) Unallocated company profit

Unallocated company profit forms part of retained earnings after taxation for the period of the company existence in amount of 800 000 Euros.

Profit for the current accounting period is the economic result after deduction of income tax. As of 31/ 12/ 2013 the company made a profit after taxation in amount of 1 569 214 Euros and the General Assembly shall decide on its allocation in the course of 2014.

Description of Income Statement items

1) Net interest yields

Item	31.12.2013	31.12.2012
Interest yields and other yields	4 295	10 171
Interest costs and other costs	(816)	(7 464)
Net interest yields	**3 479**	**2 707**

Net interest yields 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 commissions

Item	31.12.2013	31.12.2012
Revenues from recompenses and commissions	6 271 278	6 792 189
Recompenses and commissions costs	(490 296)	(392 907)
Net profit or loss from recompenses and commissions	**5 780 982**	**6 399 282**

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 490 296 Euros.

3) Other yields

Item	31.12.2013	31.12.2012
Other yields	20 901	2 511

The item of other operating yields as of 31/ 12/ 2013 represents the amount of 20 901 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	31.12.2013	31.12.2012
General administration costs	3 782 672	3 608 008

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 1 907 731 EUR represents wage costs and their breakdown can be seen in the in the chart below:

Item	31.12.2013	31.12.2012
Wage costs and agreements	(1 099 365)	(948 734)
Remuneration of the board members	(141 241)	(165 182)
remunaration of the Supervisory Board members	(147 816)	(183 044)
Social security costs	(389 494)	(340 143)
Personnel training	(32 497)	(55 586)
Meal voucher costs	(26 371)	(25 491)
Contribution to CPS	(46 550)	(49 849)
Sick pay recompenses	(97)	(356)
Other social costs	(2 136)	(1 740)
Mandatory social fund creation	(9 018)	(10 337)
Severance	**(13 146)**	
Total:	**(1 907 731)**	**(1 780 462)**

6) Depreciations of tangible and intangible assets

Item	31.12.2013	31.12.2012
Depreciations of non-current tangible assets	(65 034)	(31 768)
Depreciations of non-current intangible assets	(34 975)	(33 386)
Total:	**(100 009)**	**(65 154)**

7) Other costs

Item	31.12.2013	31.12.2012
Material consumption	(147 588)	(165 765)
Services (purchased performances) out of which:	(1 493 590)	(1 569 486)
x costs of mediation		
x rent	(153 086)	(158 092)
x auditor services	(28 340)	(24 697)
x legal services and advice	(12 654)	(15 602)
Other taxes and fees	(6 249)	(3 577)
Property insurance	(8 001)	(5 919)
Creation of long-term provisions for loyalty programme	(97 495)	
Other operating costs	(22 009)	(17 645)
Total:	**(1 774 932)**	**(1 762 392)**

Costs to the auditor represent the costs for verification of separate financial statement as of 31/12/2013 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/ 2013:

Item	31.12.2013	31.12.2012
Income tax - tax due	(493 829)	(527 857)
Income tax - deferred tax	40 353	(2 352)
Total:	**(453 476)**	**(530 209)**

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.

Item	31.12.2013	31.12.2012
Economic results prior to taxation	**2 022 690**	**2 796 493**
Theoretical tax calculated on the basis of income tax	(465 219)	(531 334)
Items attributable to the tax base	309 856	214 614
Items deductible from the tax base	(185 462)	(232 909)
Tax base:	2 147 084	2 778 198
Income tax of 23 %	**(493 829)**	**(527 857)**
deferred tax-tax asset/ liability	40 353	2 352
Tax total:	**(453 476)**	**(530 209)**

Theoretical income tax is calculated without taking into account the impact of cost 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	31.12.2013	31.12.2012
Economic result after taxation	1 569 214	2 266 283
Number of shares	50 000	50 000
Basic earnings per share	**31,38**	**45,33**

E) Review of contingent assets and liabilities

Receivables from future credits, loans, and guarantees
- as of 31/ 12/ 2013 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/ 2013 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/ 2013 the company has neither such assets nor receivables written off

Liabilities from future credits, loans, and guarantees
- 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/ 2013 the company has no liabilities arising from derivative transactions

F) Other notes

The company is entitled to remuneration for the management of complementary pension funds and to remuneration for asset recovery in the funds. Remuneration for the management of funds is paid monthly and it currently represents:

a) 0. 1625% of the average monthly net asset value of the equity contributory c.p.f.,
b) 0. 1875% of the average monthly net asset value of the contributory c.p.f.,
c) 0. 083% of the average monthly net asset value of the beneficiary c.p.f.

Remuneration for the asset recovery in a pension fund is determined every business day according to given formula under § 35b) Act and in accordance with annex No. 1 of Act 650/2004 Coll. The height of coefficient K for the year 2013 is set at 0. 13. The complementary pension company shall not be entitled to remuneration for the asset recovery in the pension fund if calculated amount is negative value. The company remuneration is presented as fee and commission income in the accompanying income statement.
Consideration for the transfer of a participant to another complementary pension company is under § 35c of Act within three years following the conclusion of a participant contract of 5% of the balance on the participant´s personal account. The complementary pension company shall not be entitled to consideration for the transfer of a participant to another complementary pension company if:
a) more than three years elapsed since the conclusion of a participant contract or
b) it is a participant who is employed by an employer who is not covered by an employer contract with a complementary pension company with which the transferring participant concluded a participant contract.

Redundancy compensation for participants with benefit plans 1,2,3,4 is redundancy compensation under § 35d of Act in the amount of 5% of the current value of the personal account on the day on which the compensation is paid and 15% of the current value of the personal account on the day on which the compensation is paid, remains in the fund as a positive fund return in accordance with § 19 paragraph 2 Act 650/2004 Coll.
The remuneration for the contributory fund management was reduced by the Amendment of Act 650/2004 Coll. effective from 1 January 2014 to maximally 1.8% of net asset value of the fund for one year (currently, the remuneration is 2.25% in the contributory c.p.f. and 1.95% in the equity fund). The remuneration for the beneficiary fund management will be reduced to 0.9% of net asset value of the fund for one year in the year 2014 (currently there is 0.996%). Remuneration for asset recovery shall only relate to contributory pension funds.
At the same time, the transfers to other complementary pension companies after a year elapsed since the conclusion of a participant contract shall not be charged. Third pillar saving becomes more variable even though our company enabled clients to save in both of the funds at the same time since 1 February 2012.

G) Information on related parties

Under IAS 24 related parties include the following entities:

- Board of Directors
- Supervisory Board
- Subsidiary
- Other companies in group

The company is the parent company of the subsidiary STABILITA Servis, s. r. o., and in terms of IFRS it controls the company directly and has a 100% shareholding.
The company has as of 31/ 12/ 2013 the amount of the share capital in the STABILITA Servis, s. r. o. company worth 203 323 EUR. The company STABILITA Servis, s. r. o. is its 100% subsidiary providing on the basis of the Framework Contract on Provision of Economic Governance and Technical and Service Activities of 1 January 2012 provision of services relating to ensuring of the functioning of administration, performance, service activities, and renting of software. The parent company pays regularly monthly for these services corresponding amount, specified on the invoice.

Structure of assets in relation to related parties:

Item	31.12.2013	31.12.2012
Capital share in subsidiary company	203 323	1 023 406

Structure of liabilities in relation to related parties:

Item	31.12.2013	31.12.2012
Other capital funds	36 513	36 513

Review of transactions of the complementary pension company against related party as of 31/ 12/ 2013:

Item	31.12.2013	31.12.2012
Software rental from the subsidiary STABILITA Servis	(412 585)	(358 907)
Total:	(412 585)	(358 907)

H) Capital adequacy

The company is obliged in accordance with the act No. 650/2004 Coll. § 33 to observe adequacy of own funds while own funds are considered to be adequate providing not lower than:

a) total of value 1 659 695.94 Euros and 0.05% of the value of the complementary pension funds´ assets exceeding an amount of 165 969 594.37 Euros. This sum shall not be further increased after reaching an amount of 16 596 959.43 Euros.
b) 25% of general operation costs of the complementary pension company for previous calendar year providing the complementary pension company carries out complementary pension savings for less than a year, 25 % of the value general operation costs as given within its business plan.

ITEM	31.12.2013	31.12.2012
Capital and reserves of complementary pension company		
Items creating the value of capital and reserves	**3 251**	**3 019**
paid up share capital (§2 clause 2 letter a)	1 660	1 660
share premium		
reserve fund and other funds created from after tax profit	750	518
other capital funds except differences from calculation of CP	41	41
retained earnings from previous years (§ 2 clause 2 letter e)	800	800
Items reducing value of capital and reserves	**182**	**64**
Book value of own shares CPSC (§2 clause 3 letter a)		
non current intangible assets (§ 2 clause 3 letter b)	182	64
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	**3 069**	**2 955**
Additional capital and reserves		
Capital and reserves (total of lines BCR and ACR)		
Assets value for calculation of adequacy of capital	285 911	236 230
Value of assets in contributory c.p.f.	252 123	203 650
Value of assets in beneficiary c.p.f.	33 788	32 580
Operation costs CPSC for previous year		
Guarantee amount (§ 33 clause 5)		
Adequacy of capital and reserves:		
Percent share of capital and reserves in total value of 1 660 K Euros and 0.05 % of assets value in c.p.f. exceeding value of 16 597 thous. Euros, the sum is not increased after reaching an amount of 166 thous. Euros	179.43%	173.01%
Percent share of capital in 25 % of line value	306.29%	310.64%
Own funds are adequate	A	A

(data in the chart in thousands of Euros)

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

The company has a substantial portion of financial funds deposited on a current account with the depositary. 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 depositary, SLSP where all of its funds are deposited.

Currency risk – i.e. the risk of fluctuation of a financial instrument value 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 fluctuations in future cash flows of a financial instrument due to changes in market interest rates. Changes in interest rates on current accounts did not affect the profit as of 31 December 2013.

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 2013

Assets	0-1m	1-3 m	3m-1year	1-5 years	over 5 years	Undefined	Total:
Non current intangible assets	-	-	-	175 651	-	-	175 651
Non current tangible 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 2013

Liabilities	0-1 m.	1-3 m.	3m-1 year	1-5 years	over 5 years	Undefined	Total:
Trade liabilities	85 930	-	-	-	-	-	85 930
Reserves and other liabilities	-	-	474 624	-	-	199 090	673 714
Income tax	-	-	-	-	-	-	0
Subscribed equity	-	-	-	-	-	1 660 000	1 660 000
Funds generated of profit	-	-	-	-	-	749 989	749 989
Other capital funds	-	-	-	-	-	36 513	36 513
Differences to subs.com.	-	-	-	-	-	4 148	4 148
Retained earnings	-	-	-	-	-	800 000	800 000
Profit in account.period	-	-	-	-	-	1 569 214	1 569 214
Total:	85 930	0	474 624	-	-	5 018 954	5 579 508

Company assets and their liquid position as of December 31st 2012

Assets	0-1m	1-3 m	3m-1year	1-5 years	over 5 years	Undefined	Total:
Non current intangible assets	-	-	-	64 929	-	-	64 929
Non current tangible assets	-	-	-	82 566	-	-	82 566
Investments in affiliated companies	-	-	-	-	-	1 023 406	1 023 406
Deferred income tax	-	-	-	-	-	36 422	36 422
Money and monetary equivalents	4 448 939	-	-	-	-	-	4 448 939
Bank receivables	-	-	-	-	-	-	0
Client receivables	651 407	-	-	-	-	-	651 407
Other short-term assets		31 693	-	-	-	-	31 693
Total:	5 100 346	31 693	-	147 495	-	1 059 828	6 339 362

Company liabilities and their liquid position as of December 31st 2012

Liabilities	0-1 m	1-3 m	3m-1 year	1-5 years	over 5 years	Undefined	Total:
Trade liabilities	84 646	-	-	-	-	-	84 646
Reserves and other liabilities	-	344 725	520 686	-	-	104 661	970 072
Income Tax	-	-	-	-	-	-	0
Subscribed equity	-	-	-	-	-	1 660 000	1 660 000
Funds generated of profit	-	-	-	-	-	517 700	517 700
Other capital funds	-	-	-	-	-	36 513	36 513
Differences to subs.com.	-	-	-	-	-	4 148	4 148
Retained earnings	-	-	-	-	-	800 000	800 000
Profit in accounting period	-	-	-	-	-	2 266 283	2 266 283
Total:	84 646	344 725	520 686	-	-	5 389 305	6 339 362

J) Information related to following events

From the date of the creation of this individual financial statement as of 31 December 2013 to the date when these annotations were processed no events of special significance to the data in this report occurred.

Košice February 14th 2014

Ing. Miloš Krššák
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 2013

STABILITA
doplnková dôchodková spoločnosť