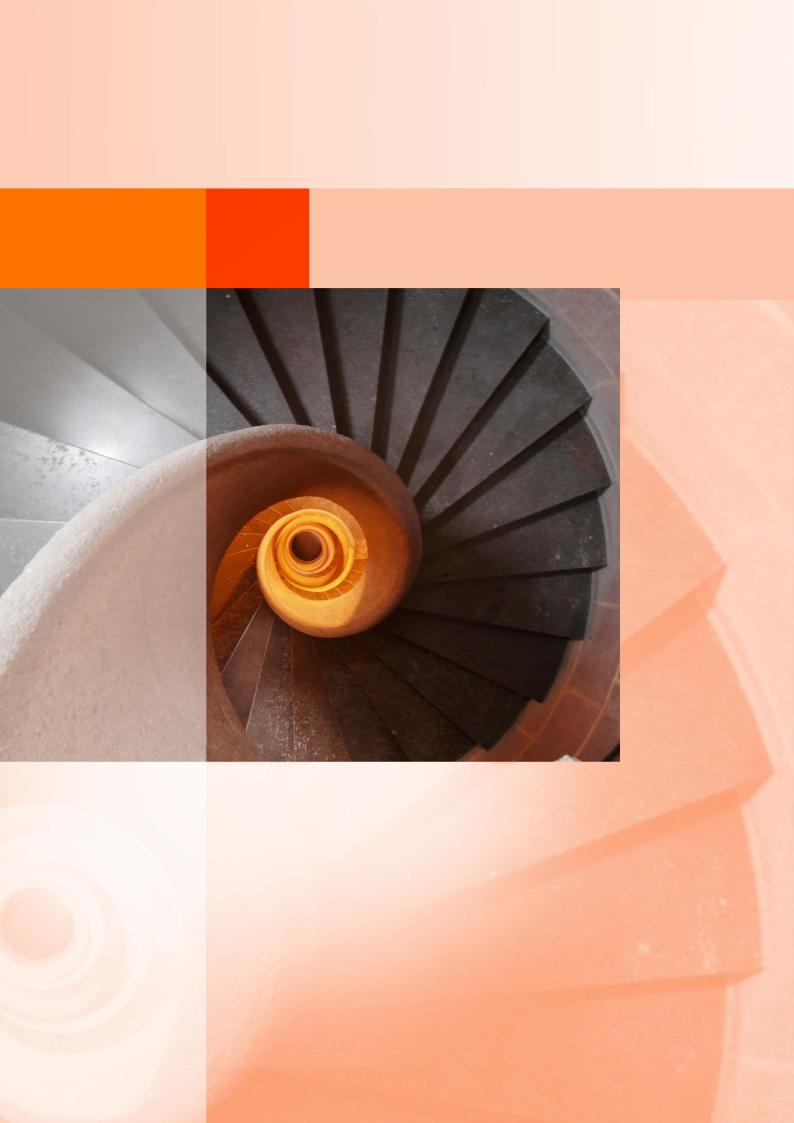


Pillar of your pension

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STABILITA, d. d. s., a. s.

Appendix to the Independent Auditor's Report on the Annual Report within the meaning of § 27 (6)of Act No. 423/2015 Coll.

To shareholders, the Supervisory Board and the Board of Directors of the company STABILITA, d.d.s., a.s., and to the Audit Committee:

I. We have audited the financial statements of the company STABILITA, d.d.s., a.s. (hereinafter referred to as the company) as of December 31, 2017 presented in the appendix of the accompanying annual report to which we issued an independent auditor's report on the financial statements audit on March 5, 2018 in the following wording:

Report on the audit of the financial statements

Position

We executed an audit of the financial statements of STABILITA d.d.s., a.s. (hereinafter referred to as the company) which includes statement of financial position as of 31/12/2017, Statement of comprehensive gains and losses, statement of changes within equity, statement of cash flows for the year ended on that date, and annotations including the review of significant accounting principles and accounting methods.

In our opinion, the accompanying financial statements provide a true and fair view of the company's financial position as of December 31, 2017 and the results of its operations and its cash flows for the year that ended on that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

The basis for our position

We executed the audit in accordance with International Auditor Standards. Our responsibility resulting from these standards is detailed in the paragraph The auditor's responsibility for the audit of the financial statements. We are independent from the company according to the provisions of Act no. 423/2015 Coll. on Statutory Audit and on Amendments to the Act no. 431/2002 Coll. on Accounting as amended (hereinafter Act on statutory Audit) related to the ethics, including Code of Ethics of the Auditor, which are relevant to our audit of the financial statements. And we have met the other requirements of these ethical provisions. We are convinced that the audit evidence obtained provides a sufficient and appropriate basis for our position.

Key audit issues

Key audit issues are issues which, according to our expert judgment, are the most important in our audit of financial statements for the current period. We have dealt with these issues in relation to the audit of the financial statements as a whole and in formulating our opinion on it but we do not provide a separate opinion on these matters.

Deloitte refers to one or more companies of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its members firms. Each of its member firms is legally separate and independent entity. A detailed description of the legal structure of the association Deloitte Touche Tohmatsu Limited and its member companies can be found at www.deloitte.com/sk/o-nas.

Company Deloitte provides audit, tax, corporate and transactional consulting services to clients in many public and private sectors. Thanks to a globally connected network of member firms in more than 150 countries, Deloitte has world-class capabilities and a thorough knowledge of the local environment and can thus help its clients achieve success in all areas of their business. Approximately 250,000 Deloitte experts are keen to act to create values that

A description of the most serious assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud

A summary of our response to the risks

Loyalty program reserve for participants

See point 11 of the financial statement

The company creates a long-term reserve for the loyalty program for participants of the complementary pension saving in order to stabilize the participant's stock.

The company attributes points to the participants of saving depending on the amount of participant contributions paid, and on the length of their participation in the system. The value of each point is expressed in euro. The participant's claim for payment of the monetary value corresponding to the balance of the point account arises on the date of payment of the first allowance.

The calculation of the reserve includes estimates of future draw downs and actual determination of the present value of future performance.

We did the testing of draft and of operational effectiveness of key control procedures in connection with the process of entering participant contracts into the system as well as of attributing the contributions of each participant to the participant accounts.

Participant to the participant accounts.

We did the testing of draft and operational effectiveness of information technologies used to enter and manage participants' contribution accounts in the area of access rights and change procedures.

We have verified the accuracy and completeness of the calculated points for the year 2017 as well as their value expression on a selected sample of participant accounts by performing substantive procedures. We also assessed the value of individual assumptions used by the company to determine the calculation of the present value of future payments to the participants of complementary pension saving within the loyalty program.

The responsibility of the statutory body and the persons entrusted with management of the financial statements

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

When preparing the financial statements, the statutory body is responsible for assessing the company's ability to continuously carry on its activities, for describing the facts relating to the continuous business continuity, if it is necessary, and for the use of the presumption of continuous business continuity in accounting, unless it intends to liquidate the company or to end its business or does not have any real possibility as to do so.

The persons entrusted with management are responsible for oversight of the company's financial reporting process.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance whether the financial statements as a whole does not include any substantial discrepancies either due to fraud or error, and to issue an auditor's report that contains the auditor's position. A reasonable assurance is a high level of assurance, but not a guarantee that the audit performed according to the International Auditor Standards will always reveal any significant misstatement. Misstatements may arise as a result of fraud or error and are considered to be significant if it is reasonable to expect that they individually or in aggregate affect economic decisions of users that were adopted on the basis of these financial statements.

We apply expert judgment in the audit in accordance with the International Auditor Standards and maintain professional scepticism throughout the audit. Besides that:

- We identify and assess risks of material misstatement of the financial statements either due to fraud or error, we design and perform audit procedures that respond to these risks, and we obtain audit evidence that is sufficient and appropriate to provide the basis for the auditor's opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk due to an error since a fraud can include a secret agreement, falsification, deliberate omission, false declaration, or obsolescence of internal control.
- We are getting familiar with internal controls relevant to the audit, to be able to design audit procedures that are appropriate in the given circumstances but not to express an opinion on the effectiveness of internal company controls.
- We evaluate the appropriateness of the accounting policies and methods used and the accounting methods used as well as the reasonableness of the accounting estimates and related information published by the statutory body.
- We conclude on whether the statutory body appropriately uses the accounting principle of continuous business continuity and on the basis of the audit evidence we have obtained, we conclude if there is a significant uncertainty about events or circumstances that could significantly undermine the company's ability to continue to operate continuously. If we come to the conclusion that there is significant uncertainty we are required to report in our auditor's report the related information in the financial statements or, if such information is insufficient, to modify our opinion. However, our findings are based on audit evidence obtained by the date of issue of our Auditor's Report. Future events or circumstances may cause the company to cease continuing its activity.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, as well as whether the financial statements faithfully reflect the transactions and events that have taken place.

With the persons entrusted with management, we communicate, among other things, about the planned scope and timing of the audit, and the significant audit findings, including any significant internal control deficiencies that we may find during our audit.

We also provide a statement to the persons entrusted with management that we have complied with the relevant ethical requirements regarding independence and we communicate with them about all relationships and other facts that can reasonably be considered to have an impact on our independence, as well as about any related protective measures.

From the facts communicated to the persons entrusted with the administration we will identify those that have the greatest importance in the audit of the financial statements of the current period and are therefore the key issues of the audit. These matters are stated in our auditor's report unless the law or other legal regulations exclude their disclosure, or if, in extremely rare circumstances, we do not decide that a matter should not be reported, because it can reasonably be expected that the adverse consequences of its disclosure would outweigh the public benefit of its introduction.

II Report to other requirements of laws and other legal regulations

Report on the information presented in the annual report - Appendix to the Independent Auditor's Report

The Statutory body is responsible for information presented in the annual report compiled according to the requirements of the Accounting Act No.431/2002 Coll. as amended (further Accounting Act). Our above statement on the financial statements does not apply to other information in the annual report.

In regard of audit of the financial statements we are responsible for getting acquainted with the information contained in the Annual Report and for evaluating whether this information is not inconsistent with the financial statements or our knowledge that we obtained during the audit of the financial statements or otherwise appear to be significantly incorrect.

We assessed whether the company's annual report contains information required by the Accounting Act.

In our opinion, based on the work performed during the audit of the financial statements:

- the information provided in the annual report compiled for the year 2017 is consistent with the financial statements for that year,
- the annual report contains information under the Act on Accounting.

Besides that, based on our knowledge of the company and its situation we have gained during the audit of the financial statements, we are required to state whether we have identified material misstatements in the annual report we received after the date of issue of this auditor's report. In this respect, there are no findings to be made.

Bratislava, March 28, 2018

Deloitte Audit, s.r.o. Licence SKau no. 014 ng. Zuzana Letková, FCCA Responsible Auditor Licence SKau no.865

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Ge	eneral information on the company	7
	a) Information on company's development and on current state of affairs	8
	b) Information on events of special significance that occurred after the	
	end of the accounting period	11
	c) Information on expected future development of the company activity	11
	d) information on operating costs in the area of research and development	11
	e) Information on company 's acquisition of its own shares, and business shares	11
	f) Proposal for 2016 profit distribution of the company STABILITA d. d. s., a. s.	11
	g) Data on organisation unit registered abroad	16
	Statement of financial position as of 31 December 2017	16
		17
	Statement of changes in equity in the 12 months of the year ending 31 December 2017	17
	Statement of changes in equity in the 12 months of the year ending 31 December 2016	17
	Statement of cash flows in the 12 months of the year ending 31 December 2017	17
۸ ۱	Notes to the financial statements for the period from 1 January 2017 to 31 December 2017	18
	General information on company	18
	Accounting principles and methods applied	20
	Additional information	24
D)	Notes on the items of Separate Company Statements	25
	1) Intangible fixed assets – summary of movements as of 31 December 2017	25
	2) Tangible fixed assets – summary of movements as of 31 December 2017	25
	3) Investments in the affiliated company	26
	4) Receivables resulting from the deferred income tax	26
	5) Cash and cash equivalents	27
	6) Receivables from banks	27
	7) Receivables from clients and other debtors	27
	8) Tax receivables	28
	9) Structure of other current assets	28
	10) Trade liabilities	28
	11) Provisions and other liabilities	28
	12) Income tax due	29
	13) Share capital	29
	14) Profit based funds	29
	15) Retained earnings	29
	16) Profit/loss for the accounting period after taxation	29
De	escription of profit and loss statement items	30
	1) Net interest yields	30
	2) Net profit or loss on retaliation and commissions	30
	3) Other yields	30
	4) General administration costs	30
	5) Personnel costs	30
	6) Depreciation of tangible and intangible assets	31
	7) Other costs	31
	8) Income tax	31
	9) Earnings per share	32
E)	Overview of contingent assets and liabilities	32
F)	Information on related parties	32
G)	Capital adequacy	33
H)	Risk management	33
1) [Information related to subsequent events	35

Základné údaje o spoločnosti

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 inBusiness Register of District Court Košice I,

Section Sa, Insert no. 1407/V

Depositary 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

Ing. Boris Gubriansky, Member of the Board

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

Ing. Pavol Bulla

Basic capital 1 660 000 Euro as of December 31, 2017

Net assets 5 826 451 Euro as of December 31, 2017

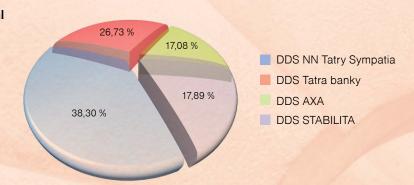


a) Information on company's development and on current state of affairs

The year 2017 was a significant milestone for the society regarding its activities. STABILITA, ds., A.s., commemorated the 20th anniversary of its founding. The second oldest complementary pension company over the course of its existence has concluded more than 240,000 participant contracts. In the course of two decades of operation, some of the contributors have already terminated their contracts by paying out their pension benefits, and as of 31 December 2017 the company administered 139,675 participant contracts. On the total number of participants in the third pension pillar, STABILITA, d.d., a.s., has a share of almost 18 percent.

The total number of participants in complementary pension savings in all complementary pension companies in Slovakia reached 781, 360 by the end of 2017. Compared to 2016, this figure grew by 25,127 contributors. In this case, it is the net increase of the saving contributors, as the data provided by the ADDS are registered on the basis of the birth registration, which takes into account not only the increase in new contracts during the year but also the contracts that have already been terminated during the year.

Market share of individual complementary pension companies



The focus of the company was again focused on acquiring new savings participants over the past year. In the course of the year, 7,932 new participant contracts were received, which represents the fulfilment of the annual business plan at 132.2%. Other planned indicators were also met, namely the collection of saving contributions in individual funds. The largest contributory fund (Stability contributory d.d.f.) presented performance of 105.8% and in the equity fund even up to 123.76%. The average cumulative contribution reached € 28.33 as of December, 31 2017. The positive trend of rejuvenation of the insurance line has also been confirmed. Thanks to this, the company has long maintained the average age of the saving participants just above the age of 46. The company also saw a significant shift in the growth of new employers' contracts, which is a prerequisite for the successful acquisition of new savings participants. In the past year, 297 new employer contracts were concluded and their total number increased to 5 878.

The total volume of savings managed by each fund reached € 316,633,944 at the end of the year, representing a market share of 16.6%.

Positive economic developments in the global economy and global growth brought stability in financial markets in 2017, as we have not seen in recent years. The past year was a period that could be described as economic expansion and during which investors preferred mostly risky assets. This mainly affected the growth of global stock markets along especially with the growth of industrial commodities and riskier bonds.

In view of the favourable investment environment, our contribution funds have held positive appreciation throughout the year. An exception was the Payout d.d.f. which consists of predominantly safe investments, which failed to deliver the desired yield during the year. For this reason, the Payout d.d.f. ended the year in a moderate loss of -0.12%. The largest Contributory d.d.f., whose portfolio could be described as balanced with a higher bond ratio, posted a 2.27% appreciation at the end of the year. The Equity Complementary Pension Fund valued its investments during the year with a total return of 3.43%.

Appreciation in the funds

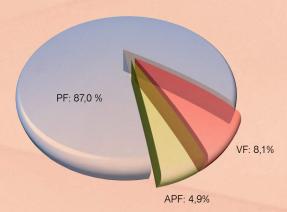
Názov fondu	Creation of the fund	Annualized performance of the fund from the creation date to 31/12/2017	Average annual performance from 2013 to 2017
STABILITA Contributory d.d.f. STABILITA, d.d.s., a.s.	2/4/2007	1.99 % p.a.	0.89 %
STABILITA Equity d.d.f. STABILITA, d.d.s., a.s.	7/2/2012	2.64 % p.a.	1.74 %
STABILITA Payout d.d.f. STABILITA výplatný d.d.f.	2/4/2007	1.88 % p.a.	1.38 %

The total volume of assets in the management of the complementary pension company grew by 7.83% and amounted to 316.6 million euros. The largest volume of assets was owned by Stabilita Contributory d.d.f., STA-BILITA, d.d.s., (hereinafter referred to as "Contributory d.d.f."), namely 87.0% of the total assets, in the assets of Stabilita Equity d.d.f., STABILITA, d.d.s., a.s. (hereinafter referred to as Eguity d.d.f.) was 4.9% of the total assets, and in the assets of Stabilita Payout d.d.f., STABILITA, d.d.s., a. s. (hereinafter Payout d.d.f.) there was 8.1% of the total assets.

Net asset value in the funds as of December 31, 2017:

Contributory d.d.f.	Payout d.d.f.	Equity d.d.f.	Σ
275 607 413	25 480 324	15 546 207	316 633 944

The share of individual funds in total net value of assets managed by the company Stabilita, d.d.s. a. s. as of December 31, 2017

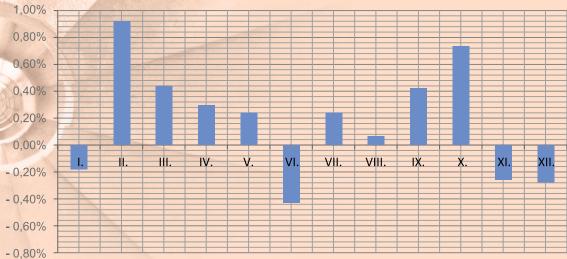


PF - Contributory Fund

VF - Payout Fund

APF - Equity Contributory Fund

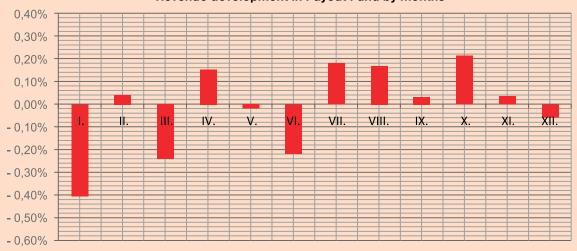




Revenue development in Equity Contributory Fund by months



Revenue development in Payout Fund by months



STABILIT

Comparison of performance of the complementary pension funds

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

			Performa	Annualised performance				
Complementary pension company/ FUND	Creation date of the fund	2013	2014	2015	2016	2017	Since the fund creation to 31/12ú2017	2012- 2017
Balanced contributory c.p.f. NN Tatry - Sympatia, d.d.s., a.s.	1.2.2006	0,68%	3,19%	0,36%	2,90%	3,33%	1,09%	2,96%
Contributory complementary pension fund AXA d.d.s., a.s. contributory d.d.f.	27.1.2006	2,39%	4,75%	-0,25%	3,16%	1,56%	1,91%	3,00%
Complementary pension compa- ny of Tatra banka, a.s., Comfort life 2030 contributory d.d.f.	10.4.2006	2,50%	3,49%	-3,62%	2,00%	5,52%	1,59%	2,55%
STABILITA, d.d.s., a. s. Contributory d.d.f.	2.4.2007	-0,20%	4,27%	-4,45%	2,80%	2,27%	1,99%	2,54%

Key indicators of the company according to International Accounting Standards

Item	Year 2017	Year 2016	Year 2015
Total revenues achieved	4 502 938	4 366 739	5 667 101
Profit after income tax application	212 426	59 909	838 083
Own capital profitability	3,65%	1,06%	13,99%
Profitability of assets	2,92%	0,86%	12,01%

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

During the period since the closure of financial statements as to December 3,1 2017 to the compilation of this annual report there were no events of special significance.

c) Information on expected future development of the company activity

The amendment to Act no. 650/2004 Coll., which entered into force on 1 January 2014, the company, sees a continued downward trend in remuneration for managing the fund, which has an impact on the estimated amount of revenue for 2018 in the amount of 4.52 mil. Euros

Also, in 2018 we will continue to strengthen the perception of the company as a prosperous and successful company in the long term, which operates in the complementary pension saving market. We will continue to increase the value of the assets of participants and beneficiaries with a prudent approach to managing of complementary pension funds.

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 the year 2017.

e) Information on company's acquisition of its own shares, and business shares

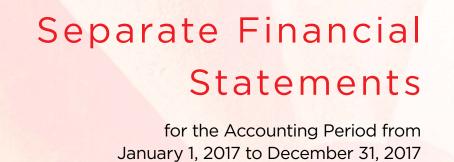
Complementary Pension Company in the year 2017 did not acquire any own shares or shares in other companies and thus did not meet §20 paragraph. 1) Point. e) of the Act 431/2002 Coll. on Accounting.

f) Proposal for 2017 profit distribution of the company STABILITA d.d.s., a.s.

Item	Value in EUR
Economic outturn for the year 2017	212 426
Distribution:	
- allocation to the Social Fund	12 426
Retained earnings of past years	200 000

g) Data on organisation unit registered abroad

The company has no unit of account registered abroad.



Compiled in accordance with International Standards of Financial Reporting in wording adopted by the European Union



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STABILITA, d.d.s., a.s. Independent Auditor's Report on the Annual Report

To shareholders, the Supervisory Board and the Board of Directors of the company STABILITA, d.d.s., a.s., and to the Audit Committee:

We have audited the financial statements of the company STABILITA, d.d.s., a.s. (hereinafter referred to as the company) which includes statement of financial position as of 31/12/2017, Statement of comprehensive gains and losses, statement of changes within equity, statement of cash flows for the year ended on that date, and annotations including the review of significant accounting principles and accounting methods.

In our opinion, the accompanying financial statements provide a true and fair view of the company's financial position as of December 31, 2017 and the results of its operations and its cash flows for the year that ended on that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

The basis for our position

We executed the audit in accordance with International Auditor Standards. Our responsibility resulting from these standards is detailed in the paragraph The auditor's responsibility for the audit of the financial statements. We are independent from the company according to the provisions of Act no. 423/2015 Coll. on Statutory Audit and on Amendments to the Act no. 431/2002 Coll. on Accounting as amended (hereinafter Act on statutory Audit) related to the ethics, including Code of Ethics of the Auditor, which are relevant to our audit of the financial statements. And we have met the other requirements of these ethical provisions. We are convinced that the audit evidence obtained provides a sufficient and appropriate basis for our position.

Key audit issues

Key audit issues are issues which, according to our expert judgment, are the most important in our audit of financial statements for the current period. We have dealt with these issues in relation to the audit of the financial statements as a whole and in formulating our opinion on it but we do not provide a separate opinion on these matters.

A description of the most serious assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud A summary of our response to the risks Loyalty program reserve for participants See point 11 of the financial statement We did the testing of draft and of operational effectiveness of key control The company creates a long-term reserve for the loyalty program for participants of the complementary pension saving in order to stabilize the procedures in connection with the process of entering participant contracts into the system as well as of attributing the contributions of each participant to the participant accounts. We did the testing of draft and operational effectiveness of information technologies used to enter and manage participants' contribution accounts in the area of access rights and change procedures. participant's stock. The company attributes points to the participants of saving depending on the amount of participant contributions paid, and on the length of their participation in the system. The value of each point is expressed in euro. The participant's claim for payment of the monetary value corresponding to the balance of the point account arises on the date of payment of the first allowance. We have verified the accuracy and completeness of the calculated points for the year 2017 as well as their value expression on a selected sample The calculation of the reserve includes estimates of future draw downs and actual determination of the present value of future performance. of participant accounts by performing substantive procedures. We also assessed the value of individual assumptions used by the company to determine the calculation of the present value of future payments to the participants of complementary pension saving within the loyalty program.

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We apply expert judgment in the audit in accordance with the International Auditor Standards and maintain professional scepticism throughout the audit. Besides that:

- We identify and assess risks of material misstatement of the financial statements either due to fraud or error, we design and perform audit procedures that respond to these risks, and we obtain audit evidence that is sufficient and appropriate to provide the basis for the auditor's opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk due to an error since fraud can include a secret agreement, falsification, deliberate omission, false declaration, or obsolescence of internal control.
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- We evaluate the appropriateness of the accounting policies used and the accounting methods used as well as the reasonableness of the accounting estimates and related information published by the statutory body.
- We conclude on whether the statutory body appropriately uses the accounting principle of continuous business continuity and on the basis of the audit evidence we have obtained, we conclude if there is a significant uncertainty about events or circumstances that could significantly undermine the company's ability to continue to operate continuously. If we come to the conclusion that there is significant uncertainty we are required to report in our auditor's report the related information in the financial statements or, if such information is insufficient, to modify our opinion. However, our findings are based on audit evidence obtained by the date of issue of our Auditor's Report. Future events or circumstances may cause the company to cease continuing its activity.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, as well as whether the financial statements faithfully reflect the transactions and events that have taken place.

With the persons entrusted with management, we communicate, among other things, about the planned scope and timing of the audit, and the significant audit findings, including any significant internal control deficiencies that we may find during our audit.

We also provide a statement to the persons entrusted with management that we have complied with the relevant ethical requirements regarding independence and we communicate with them about all relationships and other facts that can reasonably be considered to have an impact on our independence, as well as about any related protective measures.

From the facts communicated to the persons entrusted with the administration we will identify those that have the greatest importance in the audit of the financial statements of the current period and are therefore the key issues of the audit. These matters are stated in our auditor's report unless the law or other legal regulations exclude their disclosure, or if, in extremely rare circumstances, we do not decide that a matter should not be reported, because it can reasonably be expected that the adverse consequences of its disclosure would outweigh the public benefit of its introduction.

Report to other requirements of laws and other legal regulations

Report on the information presented in the annual report

Statutory body is responsible for information presented in the annual report compiled according to the requirements of the Accounting Act no.431/2002 Coll. as amended (hereinafter "Act on Accounting"). Our above statement on the financial statements does not apply to other information in the annual report.

In regard of audit of the financial statements we are responsible for understanding the information contained in the Annual Report and for evaluating whether this information is not inconsistent with the financial statements or our knowledge that we obtained during the audit of the financial statements or otherwise appear to be significantly incorrect.

We did not have the annual report available at the date of issue of the auditor's report on the audit of the financial statements.

When we receive an annual report, we evaluate whether the annual report of the company contains information required by the Accounting Act to be disclosed, and on the basis of the work performed during the audit of the financial statements, we express the view whether:

- the information provided in the annual report compiled for the year 2017 is consistent with the financial statements for that year.
- the annual report contains information under the Act on Accounting.

In addition, we report whether we have identified material misstatements in the Annual Report on the basis of our knowledge of the Company and its situation that we have acquired during our audit of the financial statements.

Other reporting obligations according to the Regulation of the European Parliament and Council (EU) No. 537/2014 of 16 April 2014 on specific requirements for the statutory audit of public interest entities

Appointment of the auditor

We were appointed as Statutory Auditor on approval by the General Meeting of the Company on May 16, 2017. The total uninterrupted period of our contract, including previous renewals of the order (extending the period for which we were originally appointed) and our re-appointment as statutory auditors, represents 2 years.

Consistency with the additional report for the Audit Committee

Our opinion expressed in this report is consistent with the additional report prepared for the Audit Committee that we issued on the same date as the date of issue of this report.

Non-audit services

We did not provide the prohibited non-audit services listed in Article 5 (1) of the Regulation of European Parliament and EU Council No 537/2014 of 16 April 2014 on Specific requirements regarding statutory audits of public interest entities and we have remained independent of the company in the audit.

Apart from statutory audit services and services disclosed in the annual report and financial statements, in the year 2018 we provided the company with an opinion on the application of the new standard IRFS 15 (Revenues from customer contracts) with effect from 1 January 2018.

Bratislava, March 5, 2018

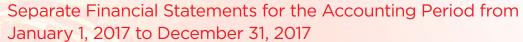
Deloitte Audit, s.r.o. Licence SKau no. 014

elable

Ing. Zuzana Letková, FCCA Responsible Auditor

Licence SKau no.865





Compiled in accordance with International Standards of Financial Reporting in wording adopted by the European Union

Statement of financial position as of 31/12/2017 (data in charts are in EUR)

Item	Note n.	31.12.2017	31.12.2016
ASSETS	Х	Х	Х
Non-current assets	х	733 113	715 853
Acquisition of intangible fixed assets	a)	11 000	11 000
Intangible fixed assets	(1)	146 984	168 577
Tangible fixed assets	(2)	154 880	190 565
Investment in the subsidiary	3a)	203 323	203 323
Receivable in the subsidiary	3b)	75 000	
Deferred income tax related receivables	(4)	141 926	142 388
Current assets	х	6 545 605	6 261 408
Money and cash equivalents	(5)	2 577 057	2 073 272
Bank receivables	(6)	3 500 000	3 500 000
Other debtors' receivables	(7)	391 177	415 490
Tax receivables	(8)	-	218 563
Other current assets	(9)	77 371	54 083
Total assets	x	7 278 718	6 977 261
LIABILITIES AND EQUITY	х	х	x
Current liabilities	x	1 451 130	1 343 327
Trade liabilities	(10)	154 044	72 973
Provisions and other liabilities	(11)	1 297 086	1 270 354
Income tax related liabilities	х	1 137	-
Income tax due	(12)	1 137	
Income tax deferred		-	-
Total equity:	х	5 826 451	5 633 934
Share capital subscribed	(13)	1 660 000	1 660 000
Profit based funds	(14)	832 000	832 000
Other capital funds		36 513	36 513
Valuation differences from equity contributions to the subsidiary capital		4 148	4 148
Retained earnings	(15)	3 081 364	3 041 364
Profit in approval proceedings		-	-
Profit/ loss for the accounting period after taxation	(16)	212 426	59 909
Liabilities and equity total	x	7 278 718	6 977 261

Notes presented on pages 16-35 are an integral part of these financial statements.

Statement of comprehensive income and losses for the year ended 31 December 2017

Item	Note	YEAR ending31/12/2017	YEAR ending 31/12/2016
Interest income and similar income	X	4 027	2 683
Interest and similar costs	X	(31)	(64)
Net interest income	(1)	3 996	2 619
Revenues from retaliation and commissions	X	4 487 101	4 353 346
Retaliation and commissions costs	X	(565 559)	(566 954)
Net profit (loss) from retaliation and commissions	(2)	3 921 542	3 786 392
Other revenues	(3)	11 810	10 710
General administration costs	(4)	(3 656 169)	(3 699 726)
Incl:	X		
Personnel costs	(5)	(2 016 723)	(1 895 372)
Depreciation of tangible and non-tangible assets	(6)	(87 483)	(97 189)
Other costs	(7)	(1 551 963)	(1 707 165)
Comprehensive profit (loss) prior taxation	x	281 179	99 995
Income tax	(8)	(68 753)	(40 086)
Comprehensive profit after taxation	x	212 426	59 909
Basic profit per share	(9)	4,25	1,20

Profit and loss statement of the company is the same as the statement of comprehensive income and losses; the company has no components of the other parts of comprehensive income.

Statement of Changes in Equity in the 12 months of the year ending 31 December 2017 (Data in EUR)

Item	Capital	Profit based funds	Other capital funds	Retained earnings from the past years	Profit for the current account- ing period	Capital total
Balance as of 31/12/2016	1 660 000	832 000	40 661	3 041 364	59 909	5 633 934
Allocation of profit for 2016:						
Other movements					(19 909)	
Payment of dividends to shareholders						
Contribution to the Development Fund from profit						
Retained earnings				40 000	(40 000)	
Profit as of 31 December 2017					212 426	
Balance as of 31/12/2017	1 660 000	832 000	40 661	3 081 364	212 426	5 826 451

Statement of Changes in Equity in the 12 months of the year ending 31 December 2016 (Data in EUR)

Item	Capital	Profit based funds	Other capital funds	Retained earnings from the past years	Profit for the current accounting period	Capital total
Balance as of 31/12/2015	1 660 000	832 000	40 661	2 620 043	838 083	5 990 787
Allocation of profit for 2015:						
Other movements					(16 762)	
Payment of dividends to shareholders					(400 000)	
Contribution to the Development Fund from profit						
Retained earnings				421 321	(421 321)	
Profit as of 31/12/2016					59 909	
Balance as of 31/12/2016	1 660 000	832 000	40 661	3 041 364	59 909	5 633 934

Statement of Cash Flows for the 12 Months of the Year Ending December 31, 2017 (Data in EUR)

Item name	31.12.2017	31.12.2016
Cash flows from operating activities:	Х	Х
Economic results of current activity prior to income taxation (+/-)	281 179	99 995
Non-monetary operations affecting the profit or loss from ordinary activities	83 456	102 551
Depreciation of intangible fixed assets and tangible fixed assets	87 483	97 189
Changes in accruals of costs and revenues (+/-)		
Interest charged to revenues (-)	(4 027)	(2 683)
Interest charged to costs (+)		
Profit from sale of non - current assets		8 045
Change in liabilities from investing activities		
Other items of non-monetary character		Х
Impact of changes in working capital on the profit or loss from ordinary activities	(88 865)	(3 600 370)
Change in receivables from operating activities (-/ +)	(19 327)	(3 366 848)
Change in liabilities from operating activities (-/+)	108 264	(233 426)
Change in inventory (+/-)	(72)	(96)
Cash flows from operating activities other than income and expense which are separately listed in other parts of the cash flow statement (+/-)	155 489	(2 683)
Interest received (+)	4 027	2 683
Interest paid (-)	-	-
Income tax expense (+/-)	151 462	-
Net cash flows from operating activities		
Cash flows from inevestment activity	(30 204)	(99 189)
Expenditure on acquisition of tangible and intangible fixed assets (-)	(30 204)	(107 234)
Revenues from sales of tangible fixed assets	-	8 045
Net cash flows from investment activities		
Cash flows from financial activities	(75 000)	
Credit related revenues and expenses	(75 000)	Х
Nrt cash flows total:	503 785	(3 499 696)
Net increase or net decrease in cash and monetary equivalents (+/-)	503 785	(3 499 696)
State of cash and monetary equivalents at the beginning of the accounting period (Note n.5)	2 073 272	5 572 968
Balance of cash and monetary equivalents at the end of the accounting period (Note n.5)	2 577 057	2 073 272

Statement of monetary cash flow is processed by indirect flow.

Notes presented on pages 16-35 are an integral part of these financial statements.



Comments to the financial statements for the period from 1 January 2017 to 31 December 2017

A) General information on company

Business activities

Complementary pension company STABILITA, d. d. s., a. s., (hereinafter "company "), with seat at Bačíkova 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 N. 650/2004 Coll. on Complementary Pension Saving and amending and supplementing certain acts, as amended (further the "Act on CPC "), 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, identification number 00 151 653, entered in Company Register administered by the District Court Bratislava I., section Sa, Insert No.601//B (hereinafter Depositary).

Statutory, supervisory, and managing bodies as of December 31,2017

Board members	Position	Appointed
Ing. Peter Gregor	chairman	7.10.2014
JUDr. Marián Melichárek	vice-chairman	1.4.2007
Ing. Boris Gubriansky	member	7.10.2014

Members of the 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 Peržeľ	member	26.5.2011
JUDr. Nataša Kučerová	člen	26.5.2011
Ing. Pavol Bulla	člen	16.5.2017

Structure of shareholders and their share in the company capital

Shareholders	Shareholder ID	% in the share capital
Lorea Investment Limited	7001665	30,22
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 the number of employees

Employees' structure	31.12.2017	31.12.2016
General Director, Executive Director, Investment Director	3	3
Middle management staff	15	15
Other employees	29	29
Average number of employees	47	47



Approval of financial statements for the previous accounting period

General Assembly at its meeting on May 16,.2017 approved the financial statement of the company for the year ending 31/12/2016 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

Separate financial statement of the company as of 31/12/2017 was deposited in the Financial Statements Register on 14 March 2017. The Annual Report was deposited in the Financial Statements Register on 4 May 2017.

Information on complementary pension funds

As of December 31, 2017, the company administers 3 complementary pension funds, a contributory complementary pension fund, an equity contributory complementary pension fund, and a payout complementary pension fund. The net value of assets under management as of the balance sheet date is listed in the chart; data are rounded to the nearest Euro.

Item	Net value of assets as of 31/12/2017	Net value assets as of 31/12/2016	Auditor
Stabilita contributory d.d.f.	275 607 413	256 122 655	Deloitte Audit s.r.o.
Stabilita payout d.d.f.	25 480 324	26 744 863	Deloitte Audit s.r.o.
Stabilita equity contributory d.d.f.	15 546 207	10 782 724	Deloitte Audit s.r.o.
Assets in funds total:	316 633 944	293 650 242	

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 are not the property of the company. Separate financial statements of the complementary pension funds are not consolidated in the financial statements of the company. The Company does not form a consolidated financial statement because it does not meet the conditions for consolidation under Section 22 of Act No. 431/2002 Coll. on Accounting as amended (hereinafter the "Accounting Act").

Stabilita Contributory d.d.f., STABILITA, d.d.s., a. s. (hereinafter,,Contributory d.d.f. ") was established under the Act on Complementary Pension Companies for the purpose of administering contributions of the complementary pension saving participants and their employers, according to the fund's investment strategy. Establishment and management of Contributory d.d.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 d.d.f. was approved by the Extraordinary General Assembly on May 17, 2016, 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 d.d.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 on the Complementary Pension Saving 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 d.d.f. are listed

in the fund statute

Contributory d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Contributory d.d.f. aims to acceptable forms of assets defined by the Act on CPC and the Statute so as to achieve appreciation of fund assets. The investment policy of the Contributory d.d.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 components, with the possibility of eliminating credit and market risk. The bond component forms the bulk of the assets in the Contributory d.d.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

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 d.d.f., STABILITA, d.d.s., a. s. (hereinafter "Equity d.d.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 d.d.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 d.d.f. was approved by the

Extraordinary General Assembly May 17, 2016, it entered into force on that date and the text is published on the web site of complementary pension company.

Equity d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Equity d.d.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 d.d.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 d.d.f. arises from the given 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 d.d.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.

Stabilita Payout d.d.f., STABILITA, d.d.s., a. s. (hereinafter "Payout 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 Payout d.d.f. was approved by the Extraordinary General Assembly on May 17, 2016, it entered into force on that date and the text is published on the web site of complementary pension company.

The Payout d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Payout d.d.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 Payout d.d.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 Payout 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 Payout d.d.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 to 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

Separate financial statement for the year 2017 was compiled in compliance with International Financial Reporting Standards (hereinafter IFRS), in the wording adopted by bodies of 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 financial statements compiled by the company.

Background and objective of the preparation of financial statements

Separate financial statements of the Company for the period of 2017 with a comparable period of 2016, is compiled in accordance with the Act 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 the sole source of information when deciding and judging.

Consolidated entity information

The Company, pursuant to § 22 par. 12 of the Act of the National Council of the Slovak Republic no. 431/2002 Coll. is not subject to the obligation to draw up a con-

solidated financial statement and a consolidated annual report.

The main parent company is the Railways of the Slovak Republic, which applies the exemption from the preparation of the consolidated financial statements pursuant to § 22 par. 12 of the Act of the National Council of the Slovak Republic no. 431/2002 Coll.

Hlavnou materskou spoločnosťou sú Železnice Slovenskej republiky, ktorá uplatňuje výnimku zo zostavenia konsolidovanej účtovnej závierky podľa § 22 ods. 12 zákona NR SR č. 431/2002 Z. z.

Company presentation

The company prepared annual financial statement for 12 months of the year 2017 taking into consideration comparable data of the year 2016. In the course of the year 2017 the company adopted all new and revised standards issued by the Board for International Accounting Standards with effect from 1 January 2017 to 31 December 2017. All figures in the tables are stated in whole Euros, negative values in parentheses.

Significant accounting estimates

The preparation of financial statements in accordance with IFRS requires the management to prepare estimates and assumptions that affect the reported amounts of assets and liabilities, and estimated asset and liability items at the balance sheet date as well as on the reported amounts of income and expense over the reporting period. Actual results may differ from these estimates and future changes in economic conditions, business strategies, regulatory measures, accounting policies, or other factors may cause a change in estimates, which may subsequently have a significant effect on the reported financial position and results.

The effect of a change in accounting estimates is prospectively included in the economic outturn of the period in which the change occurs, provided that the changes affect only the period or the economic outturn and the subsequent periods, if the change also affects subsequent periods.

First-time adoption of new amendments to existing standards applicable to the current period

The following amendments to existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and approved by the EU are valid for the current accounting period:

- Amendments to IAS 7 "Cash Flow Statements"

 Improvement Initiative on Information Disclosures Adopted by the EU on 6 November 2017 (Effective for accounting periods beginning on or after 1 January 2017);
- Amendments to IAS 12 "Income Taxes" Recognition of deferred tax receivables from unrealized losses adopted by the EU on 6 November 2017 (effective for annual periods beginning on or after 1 January 2017);
- Amendments to the various IFRS (2014-2016)
 Quality Improvement Project Standards, resulting
 from the annual IFRS Quality Improvement Project
 (IFRS 1, IFRS 12 and IAS 28), primarily aimed at eliminating irregularities and clarifying the wording adopted by the EU on 8 February 2018 (the amendments)

to IFRS 12 will apply for accounting periods beginning on or after 1 January 2017).

The application of these amendments to existing standards did not lead to any significant changes in the financial statements.

Standards and amendments to existing standards issued by the IASB and approved by the EU, but which have not yet come into force

As of the date of approval of these financial statements, the following new standards and amendments to standards issued by the IASB and approved by the EU have yet to come into force:

- IFRS 16 "Leases" adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IFRS 4 "Insurance contracts" -Application of IFRS 9 "Financial Instruments" and IFRS 4 "Insurance Contracts" - Adopted by the EU on 3 November 2017 (effective for annual periods beginning on or after 1 January 2018; or when IFRS 9 "Financial Instruments" applies for the first time),
- Amendments to the various IFRS (2014-2016)
 Quality Improvement Project Standards, resulting
 from the annual IFRS Quality Assurance Project (IFRS
 1, IFRS 12 and IAS 28), primarily aimed at eliminating
 irregularities and clarifying the wording adopted by
 the EU on 8. February 2018 (Amendments to IFRS 1
 and IAS 28 will apply for accounting periods beginning on or after January 1, 2018)

The Company has decided not to apply these new standards and amendments to existing standards before their effective date. The Company expects that the adoption of these Standards and Appendices to existing Standards will not have a material impact on the Company's financial statements for the first time, except for IFRS 15, as set out below.

 IFRS 9 "Financial Instruments" - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018);

During 2017, the Company conducted an analysis of the impact of IFRS 9 "Financial Instruments" on the Company's financial statements.

Due to the Company's business model as a complementary pension management company and the nature of individual items of financial assets and liabilities, there will be no significant change in the classification and measurement method of the Company's financial instruments. An insignificant effect is also expected from the point of view of changing the model in determining the impairment of financial assets on the basis

ANNUAL REPORT 2017 www.stahilita.sk of the expected loss. The Company assessed the impact arising from the change in the accounting model of the hedging instrument as insignificant or none, as the Company does not use hedging instruments.

Amendments to IFRS 15 "Revenue from contracts with customers" - Explanation on IFRS 15 "Revenue from contracts with customers" - adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2018).

As of January 1, 2018, the Company will apply International Accounting Standard IFRS 15, this Accounting Standard will allow for the revaluation and subsequent adjustment of the Deferred Acquisition Cost (DAC) for the acquisition of contracts with complementary pension savings scheme participants. Thus, the accrued acquisition cost expense will be the part of the commission paid for the intermediation that is due to future periods during the term of the participant contract. The Company will develop an internal model for the accruals cost recognition of the acquisition of participating contracts and adjust the undistributed profits of previous periods under the simplified approach in the Standard as a simplified retrospective adjustment. Due to this fact, the Company will recognize the value of the DAC as of 1 January 2018 with the corresponding write-off of the increase in equity in the aggregate amount of EUR 2,319 thousand.

New standards and amendments to existing standards issued by the IASB, which the EU has not yet approved

Currently, IFRS as approved by the EU do not differ significantly from those adopted by the International Accounting Standards Board (IASB), except for the following new standards, additions to existing standards and new interpretations not approved for use in the EU as of the date of preparation of the financial statements:

IFRS 14 "Accruals Accounts in Regulating" (Effective for accounting periods beginning on or after 1 January 2016) - The European Commission has decided not to start the process of approving this Prestandard Standard and wait for its final version,

B2) Information on the use of accounting principles and methods in relation to the prior period and their impact on the result 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 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021);
- Amendments to IFRS 2 "Share-based payment"
 Classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 9 "Financial Instruments" -Early repayment with negative compensation (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or transfer of property between an investor and its affiliate or joint venture and other additions (the effective date has been postponed indefinitely until the equity method of equity research project has been completed),
- Amendments to IAS 19 Employee Benefits Adjustment, curtailment or settlement of a plan (effective for annual periods beginning on or after 1 January 2019):
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" - Long-Term Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 40 "Investments in Real Estate" Transfers of Real Estate Investment (effective for annual periods beginning on or after 1 January 2018);
- Amendments to the various standards due to the IFRS Quality Assurance Project (Cycle 2015-2017) "resulting from the annual IFRS Quality Assurance Project (IFRS 3, IFRS 11, IAS 12 and IAS 23), primarily aimed at eliminating discrepancies and explaining the wording (effective for annual periods beginning on or after 1 January 2019),
- IFRIC 22 "Foreign Currency Transactions and Prepaid Consideration" (effective for annual periods beginning on or after 1 January 2018);
- IFRIC 23 "Uncertainty in the assessment of income tax" (effective for annual periods beginning on or after 1 January 2019).

The Company expects that the adoption of these new standards, additions to existing standards and new interpretations will not have a material impact on the company's financial statements in the first application period.

B3) Description of ways of valuing assets and liabilities, methods of determining the real 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 relate. Tangible and intangible fixed assets and inventories are valued at acquisition cost, which include costs related to its acquisition.

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Asset type	Appreciation period	Depreciation rate	Depreciation method for accounting depreciation
Tangible fixed assets over 1 700 EUR	by type	by type	linear
Tangible fixed assets from 166 to 1 700 EUR	2 years		time
Intangible fixed assets from 332 to 2 400 EUR	2 years		time
Intangible fixed 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

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 fixed assets are stated at acquisition cost, which is reduced by accumulated depreciation (amortization). Depreciation of assets is calculated using the straight-line method of depreciation according to period of use in accordance with Act 595/2003 Coll. on Income Tax as amended. 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 the currency of euro and in foreign currencies, and of the balances 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 reduce the 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. Apart from short-term provisions, the company created also in 2017 the long-term reserves for loyalty programme so as to stabilize the participant stock 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. The company reviewed the creation of the loyalty program reserve and, with effect from 1 January 2017, reduced the value of the loyalty program to half, 1 point is equal to 0.005 EUR.

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 liabilities arising from 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) Accounting for revenue and expenses

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 who perform financial intermediation for the company in accordance with Act 186/2009 Coll. on financial intermediation and financial counselling and on amendments to certain laws and selected external collaborators. Parts of these costs are the costs of broker companies. The company accounts for these cost items at the time of their creation and does not distinguish them in time. Other administrative costs are broken down by types to personnel, depreciation of tangible and intangible assets, and other costs. Income tax is reported separately as it forms a part of the company's costs.

B10) Financial assets

The Company's financial assets 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 records as a financial instrument the amounts of funds in the current account with the depositary; the financial instruments also include the

balance of the unassigned payment account, which represents the received contributions from the savings participants on the date on which the financial statements are prepared. At the same time, it records in the balance sheet receivables from savings participants, which are the mirror account of the received contributions, recorded in the balance sheet on the liability side of the item "Other payables ".

B11) Subsidiaries and other equity

Subsidiaries

Investments in subsidiaries include direct or indirect investments by companies in companies exceeding 50% of their capital or companies in which a company can exercise more than 50% of the voting rights or where a company may appoint or remove a majority of the members of the board of directors or the supervisory board, or where it has other means to manage the entity's financial and operating policies so as to benefit from its activities.

Subsidiaries are measured at acquisition cost less impairment losses due to impairment

B12) Taxation and deferred tax

Income tax calculation is exhaustively defined by Act 595/2003 Coll. on Income tax as amended based on economic outturn, which is recognized in the statement of comprehensive income and losses 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 in a given tax period.

Accounting for a deferred tax claim 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 claim.

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.

B13) 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, nature of services, 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. on CPCs 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 CPC

Remuneration for managing the Equity d.d.f. and Contributory d.d.f. in the year 2017 accounted for 1.50 % of the average annual net value of fund assets. (for year 2016: 1.60%).

Remuneration for managing the Payout d.d.f. in the year 2017 accounted for 0.75 % of the average annual net asset value of the fund (for year 2016: 0,80%).

Remuneration for evaluation of assets in complementary pension funds is determined every working day in accordance with the calculation set forth under the Act on CPC

Remuneration for transfer of a participant to another complementary pension fund within one year from the conclusion of the participant contract may not present more than 5% of the balance on the participant's personal account on the day preceding the date of transfer.

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 complementary pension scheme for employees. No unrecognized liabilities to employees result from this scheme.

Information on statutory requirements

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 2017, 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 December 31, 2017

Assets (gross)	L. no.	as of 31/12/2016	Increase	Decrease	Transfers	as of 31/12/2017
B.I.Intangible fixed assets total	1	456 090	3 366	-	-	459 456
1. Software	2	415 818	-	-	-	415 818
2. Trademark	3	3 926	-	-	-	3 926
4. IFA (from 332 euro to 2 400 euro)	4	36 346	3 366	-	-	39 712
B.II. Accumulated depreciations of IFA total	5	(287 513)	(24 959)		-	(312 472)
1. Accumulated depreciations of software	6	(260 285)	(21 300)		-	(281 585)
2.Accumulated depreciations of trademark	7	(948)	(396)	-	-	(1 344)
3. Accumulated depreciations of IFA (from 332 to 2400)	8	(26 280)	(3 263)		-	(29 543)
Residual price of intangible fixed assets (L.1+L.5)	9	168 577	(21 593)		-	146 984

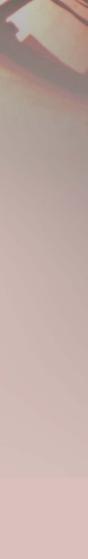
Intangible fixed assets – summary of transactions as of December 31,2016

Assets (gross)	L.no.	as of 31/12/2015	Increase	Decrease	Transfers	as of 31/12/2016
B.I.Intangible fixed assets total (L.2 to 4)	1	411 574	44 516	-	-	456 090
1. Software	2	372 649	43 169	-	-	415 818
2. Trademark	3	3 926	-	-	-	3 926
4. IFA (from 332 euro to 2 400 euro)	4	34 999	1 347	-	-	36 346
B.II. Accumulated depreciations of intangible fixed assets (L.6 to 8)	5	(257 163)	(30 350)		-	(287 513)
1. Accumulated depreciations of software	6	(233 361)	(26 924)		-	(260 285)
2. Accumulated depreciations of trademark	7	(552)	(396)	-	-	(948)
3. Accumulated depreciations of IFA (from 332 to 2400)	8	(23 250)	(3 030)		-	(26 280)
Residual price of intangible fixed assets (Lr.1+L.5)	9	154 411	14 166	-	-	168 577

2) Tangible fixed assets – summary of transactions as of 31/12/2017

Assets (grosss)	L.no.	as of 31/12/2016	Increase	Decrease	Trans- fers	as of 31/12/2017
B.I.Tangible fixed assets total(L.02 to 09)	1	710 825	26 838	-	-	737 663
1.Ind. MA and coll. Of MA-machinery, devices	3	269 355	25 594	-	-	294 949
2. Ind. MA ndacoll vehicles	4	236 295	0	-	-	236 295
3.Ind.MA - inventory	5	65 071	0	-	-	65 071
4. Ind. MA(from 166 euro to 1 700 euro)	8	83 009	1 244	-	-	84 253
5. Other tangible fixed assets	9	57 095	0	-	-	57 095
B.II. Accumulated depreciations of tangible fixed assets -total (L.11 to 16)	10	(520 260)	(62 523)	-	-	(582 783)
1. Accum.depr. of machinery, devices, and equipment	12	(206 892)	(27 846)	-	-	(234 738)
2. Accumulated depreciations of vehicles	13	(112 329)	(32 148)	-	-	(144 477)
3. Accumulated depreciations of inventory	14	(62 811)	(444)	-	-	(63 255)
4. Accum.depr of SMA (from 166-to 1700 euro)	15	(81 133)	(2 085)	-	-	(83 218)
5. Accumulated depreciations of other TFA	16	(57 095)	0	-	-	(57 095)
B.III.residual price of tangible fixed assets		190 565	(35 685)			154 880

Skratky: DHM - dlhodobý hmotný majetok HV - hnuteľné veci



Tangible fixed assets - summary of transactions as of 31/12/2016

Assets (grosss)	L.no.	as of 31/12/2015	Increase	Decrease	Trans- fers	as of 31/12/2016
B.I.Tangible fixed assets total(L.02 to 09)	1	683 751	62 718	(35 644)		710 825
1.Ind. MA and coll. Of MA-machinery, devices	3	237 774	38 397	(6 816)		269 355
2. Ind. MA ndacoll vehicles	4	235 037	18 390	(17 132)		236 295
3.Ind.MA - inventory	5	62 477	2 594			65 071
4. Ind. MA(from 166 euro to 1 700 euro)	8	91 368	3 337	(11 696)		83 009
5. Other tangible fixed assets	9	57 095				57 095
B.II. Accumulated depreciations of tangible fixed assets -total (L.11 to 16)	10	(479 684)	(76 220)	(35 644)		(520 260)
1. Accum.depr. of machinery, devices, and equipment	12	(180 693)	(33 015)	(6 816)		(206 892)
2. Accumulated depreciations of vehicles	13	(88 431)	(41 030)	(17 132)		(112 329)
3. Accumulated depreciations of inventory	14	(62 478)	(333)			(62 811)
4. Accum.depr of SMA (from 166-to 1700 euro)	15	(90 987)	(1 842)	(11 696)		(81 133)
5. Accumulated depreciations of other TFA	16	(57 095)	-			(57 095)
B.III.residual price of tangible fixed assets		204 067	(13 502)			190 565

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

Method and amount of insurances of tangible fixed assets

Motor vehicles in company ownership on 31/12/2017are 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 Colonnade Insurance S.A. By the insurance contract with this insurance company the company insured the tangible fixed assets against the element and the alienation, located in the individual branches and in the building on Bačíkova Street in Košice. There is no lien recorded on the property to which the Company has the right of management.

3a) Investment in the subsidiary

tem	as of 31/12/2017	as of 31/12/2016
Investment in the 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 value of the subsidiary's equity in 2017 is € 238,498. In 2016, the value of its equity amounted to EUR 231,478.

Company, d.d.s, a.s. it is not obliged to prepare the consolidated financial statements as at 31 December 2017 because it does not meet the conditions for the preparation of the consolidated financial statements pursuant to § 20, 10 of Act no. 431/2002 Coll. on accounting.

3b) Receivable in subsidiary

tem	as of 31/12/2017	as of 31/12/2016
Receivable in sub- sidiary	75 000	0

STABILITA, d.d.s, a. s. provided a long-term financial assistance to the subsidiary STABILITA Servis, s.r.o., for a period of four years of EUR 100,000. The outstanding balance of the loan is EUR 75,000 as of 31 December 2017, the long-term residual value of EUR 75,000 being EUR 50,000 and short-term EUR 25,000.

4) Receivables arising from deferred income tax

item	as of 31/12/2017	as of 31/12ú2016
Deferred tax - tax receivable	141 926	142 388
Total	141 926	142 388

A deferred tax asset arises on temporary differences between the tax value of assets and liabilities and their carrying amount for financial reporting purposes. The Company has a deferred tax asset, the amount of the deferred tax asset at 31 December 2017 is EUR 141 926.

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

Item	31.12.2017	31.12.2016
Temporary differences between the carrying amount of assets and	(65 052)	(74 966)
tax base, of which:		
deuctible		
taxable	(65 052)	(74 966)
Temporary differences between the carrying amount of liabilities and	740 891	753 003
tax base, of which:		
deductible	740 891	753 003
taxable		
Subtotal:	675 839	678 037
Income tax rate (in %)	21	21
Deferred tax asset	141 926	142 388
Applied tax assets	141 926	142 388
Accounted for as a reduction in costs	(462)	9 972
Deferred tax asset	141 926	142 388
Change of deferred tax asset	(462)	9 972

5) Cash and cash equivalents

Structure of items as of 31/12/2017 and as of 31/12/2016

Item	as of 31/ 12/2017	as of 31/ 12/2016
Cash desk domestic, foreign	2 412	5 953
Valuables	32 301	21 554
Operating account	2 197 752	1 674 758
Payroll account	194 741	257 584
Account of unassigned payments	149 851	113 423
Total:	2 577 057	2 073 272

The item "Money and cash equivalents" also includes an account of unassigned payments, to which the participants of saving transfer their contributions on a monthly basis. The account balance presents unsettled contribution orders to received payments as of December 31, 2017.

6) Receivables from banks

ltem .	as of 31/ 12/2017	as of 31/ 12/2016
Term deposit in SLSP	-	1 000 000
Term deposit in ČSOB	3 500 000	2 500 000
Total:	3 500 000	3 500 000

The maturity of the term deposit with a principal of 1 mil. EUR is June 5, 2018 with an interest rate of 0.20% p. a. and maturity of the term deposit with a principal of 2.5 mil. EUR is December 5, 2018 with an interest rate of 0.18% p. a.

7) Receivables from clients and other debtors

Item	as of 31/12/2017	as of 31/12/2016
Receivable for managing the Contributory Fund	343 682	339 238
Receivable for managing the Payout Fund	15 990	17 896
Receivable for managing the Equity Contributory Fund	19 179	14 074
Other receivables	12 326	44 282
Total:	391 177	415 490

Receivables relate to remuneration for the management of funds, other receivables are the amounts of outstanding contributions as of 31 December 2017.



8) Tax receivables

Item	as of 31/ 12/2017	as of 31/ 12/2016
Tax receivables from income tax of legal person	-	218 563
Total:	-	218 563

Tax receivables represent mutual accreditation of paid income tax advances of legal persons for the year 2017 and of the tax due, calculated on the basis of Act No. 595/2003 Coll. on Income Tax, § 15.

The company does not have a tax claim for 2017 due to the payment of higher advance payments.

9) Structure of other short-term assets

Item	as of 31/12/2017	as of 31/12/2016
Provided prepayments domestic	8 873	15 568
Expenses for future periods	61 820	33 134
Income from future periods	4 633	2 344
Material in stock	2 045	2 221
Other receivables	0	816
Total:	77 371	54 083

Prepayments provided are permanent advances for rent and energy at branches in Bratislava and Trenčín. Expenses for future periods are paid fees for parking cards, subscriptions to professional journals and newspapers, statutory and motor-hull insurance, relating to the following period, invoices for advertising banners, accrued in the period December 2017 to April of 2018. These costs include maintenance and up-grade of the server for the year 2018. Material in stock represents a balance of small stationery supplies and forms for the conclusion of complementary pension saving.

10) Trade liabilities

Item	as of 31/12/2017	as of 31/12/2016
Domestic suppliers	154 044	
Foreign suppliers	0	0
Total:	154 044	72 972

The item "domestic suppliers" includes short-term liabilities with a maturity of 14 days. The highest liability items are the cost of intermediation commissions of EUR 20 711, the costs of the subsidiary for servicing activities in amount of EUR 27 659, the rentals of individual branches.

11) Provisions and other liabilities

Item	as of 31/12/2017	as of 31/12/2016
Provisions	679 050	560 151
Other liabilities	182 185	197 755
Unbilled deliveries	16 500	17 980
Liabilities to employees	188 588	339 517
Settlement with organization of social, health insurance	129 914	60 478
Tax liabilities	58 199	57 884
Expenses for future periods	1 043	1 070
Mandate contracts	21 007	26 204
Social fund	20 600	9 115
Liabilities from the payment of dividends to shareholders	-	200
Total:	1 297 086	1 270 354

The item provisions and other liabilities in the amount of EUR 1,297,086 includes a provision for loyalty program amounting to 587,000. Euros. Other liabilities as of 31 December 2017 are detailed in the table.



Creation and drawing of the Social Fund as of 31 December, 2017

Item	31.12.2016	movement	31.12.2017
Initial state as of 1/1/2016	9 115		
Creation of the social fund		30 519	
Use-meal vouchers		(14 421)	
Use-other		(4 613)	
Closing balance as of 31/12/ 2017		(11 485)	20 600

Part of the Social Fund is, according to the Social Fund Act, compulsory to bear the costs and a part may be generated from the profit. Social fund can under the Social Fund Act be used for health, social, recreational and other needs of employees.

12) Income tax payable

Income tax is calculated according to Act no. 595/2003 Coll. On Income Tax, as amended, on the basis of the results reported in the Profit and Loss Statement prepared under IFRS. Income tax is charged to company's expenses at the moment of the tax liability and in the statement, it is calculated on the basis of the tax resulting from the pre-tax profit, which amounted to EUR 281 179 in 12 months of 2017. By means of mutual accreditation of the prepayments paid and the tax liability, the company has a tax liability of EUR 1 137.

13) Share capital

The share capital of company as of 31/12/2017 consists of 50,000 pieces of shares at nominal value of 33.20 EUR per a share. Company shares represent shareholders' rights as partners 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	The value of the share in the capital	Share Value in Reserve 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

14) Funds created from profit

The total value of the reserve fund as of 31 December 2011 amounted to EUR 332,000, which fulfils the mandatory allocation up to 20% of the share capital in accordance with the Commercial Code 513/1991 Coll. § 217 par. 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 2017

The General Assembly approved the separate financial statements, annual report and profit distribution for the year 2016, on May 16, 2017. Dividends to shareholders were not paid.

15) Retained earnings

The undistributed profits of the company form part of the retained earnings after taxation for the period of existence of the company amounting to EUR 3, 081, 364.

16) Profit / loss of current accounting period after taxation

The profit for the current accounting period is the economic result after deducting the income tax. As of December 31, 2017, the company earned a net profit after tax of EUR 212,426, and the General Assembly decides on its allocation.

Description of Profit and Loss Statement items

1) Net interest revenues

Item	31.12.2017	31.12.2016
Interest revenues and similar ravenues	4 027	2 683
Interest costs and similar costs	(31)	(64)
Net interest revenues	3 996	2 619

The item net interest income represents the difference between the interest income of the bank accounts held with the depositary and the withholding tax on such interest paid, as well as the interest revenues on term deposits.

2) Net profit or loss from recompenses and commissions

Item	31.12.2017	31.12.2016
Revenues from recompenses and commissions	4 487 101	4 353 346
Recompenses and commissions costs	(565 559)	(566 954)
Net profit or loss from recompenses and commissions	3 921 542	3 786 392

The item Revenues from recompenses and commissions represents the proceeds of fund management, remuneration for severance pay and reward for the transfer of saving participants to other complementary pension companies to which the management company has a claim under § 35 of the Act on CPC. The item "Recompenses and commissions costs" includes costs of mediation.

3) Other revenues

Item	31.12.2017	31.12.2016
Other revenues	11 810	10 710

The item of other operating revenues relates to implementation of the car insurance of the company's motor vehicles on the side of the insurance company for closed hull insurance of the company's motor vehicles.

4) General administration costs

Item	31.12.2017	31.12.2016
General administration costs	3 656 169	3 699 726

General administration costs consist 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 2, 016, 723 EUR represents payroll costs and their breakdown can be seen in the in the chart below:

Item	31.12.2017	31.12.2016
Payroll costs and agreements	(1 127 708)	(1 038 788)
Remuneration of members of the Board of Directors	(185 107)	(248 462)
Remuneration of members of the Supervisory Board	(87 392)	(83 266)
Social security costs	(489 116)	(386 692)
Training of employees	(19 963)	(50 570)
Contribution for meal vouchers	(29 012)	(27 581)
Contribution for CPS	(64 403)	(49 380)
Sick day recompenses	(412)	-
Other social costs	(3 000)	(839)
Mandatory creation of the Social Fund	(10 610)	(9 794)
Severance	-	-
Total:	(2 016 723)	(1 895 372)

6) Depreciations of tangible and intangible assets

Item	31.12.2017	31.12.2016
Depreciations of tangible fixed assets	(62 524)	(66 839)
Depreciations of intangible fixed assets	(24 959)	(30 350)
Total:	(87 483)	(97 189)

7) Other costs

Item	31.12.2017	31.12.2016
Material consumption	(144 768)	(162 188)
Services (purchased performance) of which:	(1 312 063)	(1 329 759)
x costs of technical provisioning	(324 027)	(303 262)
x rent	(164 611)	(162 963)
x auditor services	(32 696)	(32 281)
x legal services and counseling	(9 713)	(12 365)
Other taxes and fees	(7 825)	(5 402)
Property insurance	(7 583)	(7 314)
Creating long-term provisions for loyalty program	(58 432)	(135 064)
Other operating costs	(21 292)	(67 438)
Total:	(1 551 963)	(1 707 165)

The costs of auditing services are the costs of verifying separate financial statements as of 31 December 2017 and do not include reassurance, related or other services (e.g. tax advice, etc.).

8) Income tax

The structure of the income tax payable and deferred to 31/12/2017:

Item	31.12.2017	31.12.2016
Income tax - tax payable	(68 292)	(50 058)
Income tax - deferred tax	(461)	9 972
Total:	(68 753)	(40 086)

Income tax payable is calculated based on the economic result recorded in the accounting, which is adjusted for permanent or temporary differences relating to tax unrecognized cost items of the company and income not included in the tax base in a given taxable period.

	2017		2016	
	Tax base /€/	Daň /€/	Tax base /€/	Tax /€/
Profit / loss before tax	281 045		99 995	
of which the theoretical tax	21%	59 020	22%	21 999
Permanent differences increasing the tax base	66 351	13 934	51 394	11 307
Permanent differences decreasing the tax base	-20 000	-4 200	0	0
The impact of the change in the tax rate	0	0	32 287	6 780
Other	0	0	0	0
Redemption of losses	0	0	0	0
	327 396	68 753	151 389	40 086
Tax payable		68 292		50 058
Tax deferred		461		-9 972
Total reported tax		68 753		40 086

The theoretical income tax is calculated without taking into account the impact of allowable and deductible items. The basis for the calculation is the accounting profit taxed at the rate in force in that year.

31

9) Earnings per share

The indicator provides information on the relative performance of the company, it gives the ratio of the amount of the profit after tax to the number of shares for which this result is due.

Item	31.12.2017	31.12.2016
Profit after tax	212 426	59 909
Number of shares	50 000	50 000
Basic earnings per share	4,25	1,20

E) Overview of contingent assets and liabilities

Receivables from future credits, loans, and guaranties

- as of 31/12/2017 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 operations, fixed forward transactions and transactions with options

 as of 31/12/.2017 the company does not have any claims arising from derivative transactions

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

as of 31/12/2017 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/ 2017 the company has no liabilities arising from derivative transactions

F) Related party information

Related parties as defined in IAS 24 are particularly:

- a) A person or close family member of that person is related to the management company if that person:
- has control or joint control over management company,
- has a significant impact on the 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, 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 an entity that is related to the management company,
- accounting entity is controlled or joint-controlled by a person referred to in point. a) and
- a person who controls or co-manages a management company has a material influence on the entity or is a member of the entity's key management personnel (or the parent of that entity).

When assessing relationships with each related person, emphasis is placed on the nature of the relationship, not just the legal form.

In the normal course of business, the management company enters into a number of transactions with related parties. Transactions were conducted under normal terms and conditions and at market prices. The company is the parent company of the subsidiary STABILITA Servis, s.r.o., and it controls the company in terms of IFRS directly and has its 100% shareholding.

As of 31 December 2017, the Company holds the share capital of STABILITA Servis, s.r.o., in the amount of EUR 203,323. The 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:

Položka	31.12.2017	31.12.2016
Item	31.12.2017	31.12.2016
Shares in the registered capital of the subsidiary (1)	203 323	203 323

Structure of liabilities in relation to related parties:

Item	31.12.2017	31.12.2016
Other capital funds	36 513	36 513

Summary of transactions of the complementary pension company to a related party as of 31/12/2017:

Item	31.12.2017	31.12.2016
Rental of software from a subsidiary STABILITA Servis	(324 027)	(303 262)
Total:	(324 027)	(303 262)

G) Capital adequacy

For purposes of capital management company defines regulatory capital. Regulatory capital is the capital that is set by capital adequacy rules. When quantifying regulatory capital, the company proceeds in accordance

with the valid legislation, that sets its structure as well as its minimum amount. The company is obliged to comply with the requirements of the regulatory capital of the company resulting from the relevant provisions of the CPC Act and its implementing rules.

Regulatory capital, referred to as the company's own funding sources, consists of basic own resources and additional own resources, the sum of which is reduced by the value of the deductible items. Regulatory capital serves to cover risks arising from the company's activities. 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 of CPC referring to minimum capital.

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

llem .	31.12.2017	31.12.2016
Own resources of the company	Х	Х
Basic own resources	5 614 025	5 574 025
Additional own resources	0	0
Deductible items	146 984	168 577
Own resources total:	5 445 448	5 405 448
Indicators of adequacy of own resources:		
"Own resources limit § 33 Par. 3 lett. a) Act on CPC"	1 726 726	1 715 546
"Own resources limit § 33 Par. 3 lett. b) Act on CPC"	924 934	957 405
Own resources are adequate	áno	áno

H) Risk management

As of 31 December 2017, the Company had all the funds deposited in the current account with the depositary. Purchase of securities and security instruments did not take place in the company. Given the above, the risks mentioned 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 being transferred, with the following risks in particular:

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 the risk management the company pursues the credibility of its depositary, SLSP, where all of its funds are deposited.

Currency risk - i.e. the risk of a change in the value of a financial instrument in relation to a change in foreign exchange rates. The company has placed its funds in the currency of the Euro on current accounts. Risk exposure and related possible losses has only minor importance to the company as it results from only small liabilities in the form of invoices from business relations.

Interest rate risk – i. e. the risk of a change in the financial instrument in response to changes in market interest rates. Changes in interest rates on current accounts did not affect the economic outturn as of 31 December 2017.

Liquidity risk is characterized by the possibility that the company will not have sufficient liquidity at the time it is to meet certain financial obligations. It is linked to the ability to repay and the monetization of assets and liabilities. It is in the interest of the company to maintain its ability to pay and to meet its obligations at the same time properly and in time and the resulting obligation to manage its assets in order to maintain its liquidity position.

Assets	0-1month	1-3 m.	3m-1year	1-5 years	over 5 years	Undefined	Total:
Intangible fixed assets	-	-	-	146 984	-	11000	157 984
Tangible fixed assets	-	-	-	154 880	-	-	154 880
Investments in affiliated companies	-	-	-	75 000	-	203 323	278 323
Deferred income tax	-	-	-	-	-	141 926	141 926
Tax receivables	-	-	-	-	-	-	0
Cash and monetary equivalents	2 577 057	-	3 500 000	-	-	-	6 077 057
Bank receivables	-	-	-	-	-	-	0
Receivables from clients	391 177	-	-	-	-	-	391 177
Other short-term assets	-	77 371	-	-	-	-	77 371
Total:	2 968 234	77 371	3 500 000	376 864	-	356 249	7 278 718

Company assets and their liquidity position as of 31 December 2016

Assets	0-1month	1-3 m.	3m-1year	1-5 years	over 5 years	Undefined	Total:
Intangible fixed assets	-	-	-	168 577	-	11000	179 577
Tangible fixed assets	-	-	-	190 565	-	-	190 565
Investments in affiliated companies	-	-	-	-	-	203 323	203 323
Deferred income tax	-	-	-	-	-	142 388	142 388
Tax receivables	-	218 563	-	-	-	-	218 563
Cash and monetary equivalents	2 073 272	-	3 500 000	-	-	-	5 573 272
Bank receivables	-	-	-	-	-	-	0
Receivables from clients	415 490	-	-	-	-	-	415 490
Other short-term assets	-	54 083	-	-	-	-	54 083
Total:	2 488 762	272 646	-	359 142	-	345 711	6 977 261

Company liabilities and their liquidity position as of December 31, 2017

Liabilities	0-1 month	1-3 m.	m-1 year	1-5 years	over 5years	Undefined	Total:
Trade liabilities	154 044	-	-	-	-	-	154 044
Provisions and other liabilities	-	-	588 583	-	-	708 503	1 297 086
Income tax	-	1 137	-	-	-	-	1 137
Subscribed capital	-	-	-	-	-	1 660 000	1 660 000
Funds created from profit	-	-	-	-	-	832 000	832 000
Other capital funds	-	-	-	-	-	36 513	36 513
Valuation differences to subs.com.	-	-	-	-	-	4 148	4 148
Retained earnings	-	-	-	-	-	3 081 364	3 081 364
Profit from the current accou. period	-	-	-	-	-	212 426	212 426
Total:	154 044	1 137	588 583	-	-	6 534 954	7 278 718

Company liabilities and their liquidity position as of December 31, 2016

Liabilities	0-1 month	1-3 m.	m-1 year	1-5 years	over 5years	Undefined	Total:
Trade liabilities	72 972	-	-	-	-	-	72 972
Provisions and other liabilities	-	-	710 132	-	-	560 223	1 270 355
Income tax	-	-	-	-	-	-	0
Subscribed capital	-	-	-	-	-	1 660 000	1 660 000
Funds created from profit	-	-	-	-	-	832 000	832 000
Other capital funds	-	-	-	-	-	36 513	36 513
Valuation differences to subs.com.	-	-	-	-	-	4 148	4 148
Retained earnings	-	-	-	-	-	3 041 364	3 041 364
Profit from the current accou.period	-	-	-	-	-	59 909	59 909
Total:	72 972	0	710 132	-	-	6 194 157	6 977 261

I) Information related to subsequent events

After 31 December 2017 and until the date of the preparation of the separate financial statements there were no events that would materially affect the Company's assets and liabilities other than those listed above that are the result of routine business.

Košice, February 7, 2018

Ing Peter Gregor
Chairman of the Board of Directors

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

Ing. Agáta Bachledová Responsible for compiling of the company's financial statements



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