



2016

Annual Report



Bálint Szécsényi



András Gereben

Brief introduction of Equilor

In 1990, at the same time when Equilor was founded and the Budapest Stock Exchange (BSE) was re-structured, a new era begun in the Hungarian domestic stock market. Over 25 years have elapsed since Equilor's establishment, our objectives, however, have remained unchanged ever since.

Over the past years, in addition to the steady development of our services, we have been striving to provide our customers with swift and reliable access to the ever expanding world of money and capital markets, and – by means of well-established financial advice and analyses – assist them in obtaining the highest possible yield on the assets vested.

The world of finance is one of the most rapidly evolving industries and therefore, we wish to live up to market expectations by constantly introducing new services so as to offer a fully-fledged investment bank portfolio to our private and corporate customers. Because of the continuous tightening of market regulations, we lay great emphasis on stability and on providing reliable and transparent information, which forms the basis of our responsible investment service.

We endeavour to work with employees who fully adhere to these principles and consider them as fundamental values during their everyday work and decisions. Our colleagues serve all our customers with utmost care and attention, giving the best of their knowledge and fully taking into consideration needs and provide tailor-made investment advice and solutions.

As a result of our commitment over the past years, the number of Equilor customers, the assets managed as well as our achievements were steadily increasing, while we continue to give priority to improving our service standards.

We are proud to be present throughout the CEE region as full-fledged members of the Budapest, Prague and Warsaw Stock Exchanges, and to offer, in conjunction with Equilor Corporate Finance and Equilor Asset Management, comprehensive investment banking services to our customers ranging from trading in stock exchanges through asset management to corporate finances.

We are honoured to have received a number of awards from the BSE over the past few years in recognition of our work. ■

Bálint Szécsényi
Chief Executive Officer

András Gereben
Chairman

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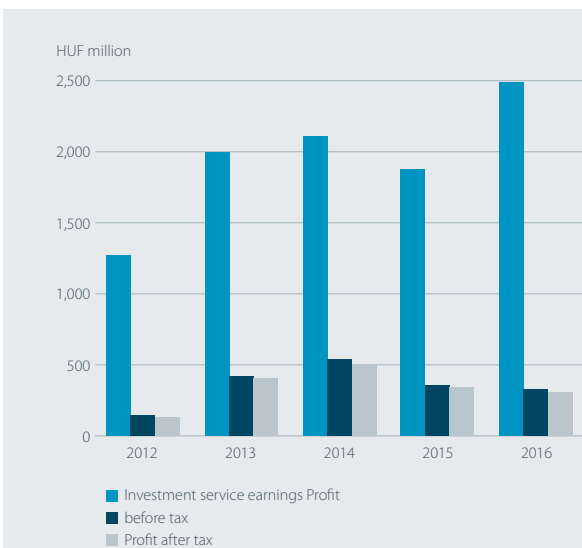


Summary financial and corporate information

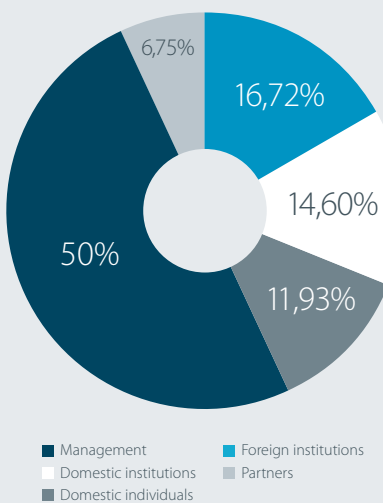
Financial highlights

(in thousand HUF)	2012	2013	2014	2015	2016
Balance sheet total	9,125,585	12,511,360	16,315,667	15,399,767	19,148,809
Equity	1,374,570	1,487,955	1,647,133	1,997,579	2,302,692
Issued share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment service earnings	1,272,458	2,005,149	2,114,705	1,884,503	2,494,541
Profit before tax	145,791	424,580	535,890	362,220	330,546
Profit after tax	138,098	411,510	510,679	350,446	305,113
Total securities turnover (in million HUF)	759,938	2,128,664	2,151,641	2,718,400	1,678,557
Total FX turnover (in million HUF)	4,855,909	6,004,904	5,120,601	3,372,858	2,197,853
Number of employees	69	71	71	77	82
Return on equity	10%	31%	36%	22%	15%

Profit and loss data



Ownership structure



Executive officers and persons in senior positions

Equilor Investment Ltd.

Board of Directors

András Gereben, chairman
Krisztián Kőrössi, managing director
Bálint Szécsényi, CEO

Supervisory Board

Dr. József Tóth, chairman
Dr. József Csernák
András Gömböcz

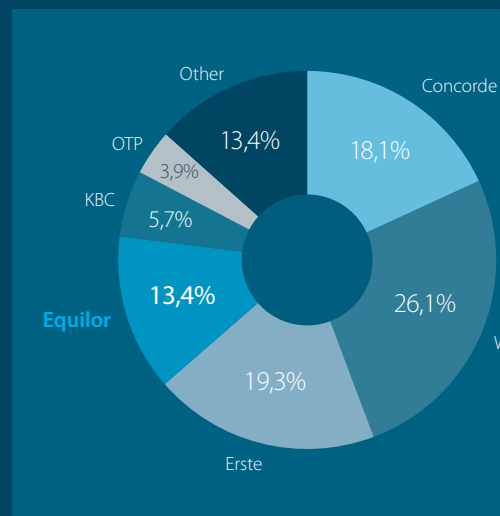
Independent auditor: Venilia Vellum

Auditing and Tax Consultancy Ltd.

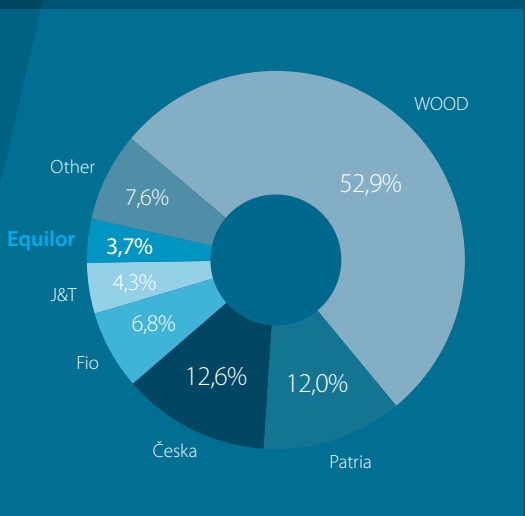
H-1026 Budapest, Szilágyi Erzsébet fasor 79.
Rózsa Bukri, auditor,
Member of the Chamber of Auditors

Equilor's Market Share

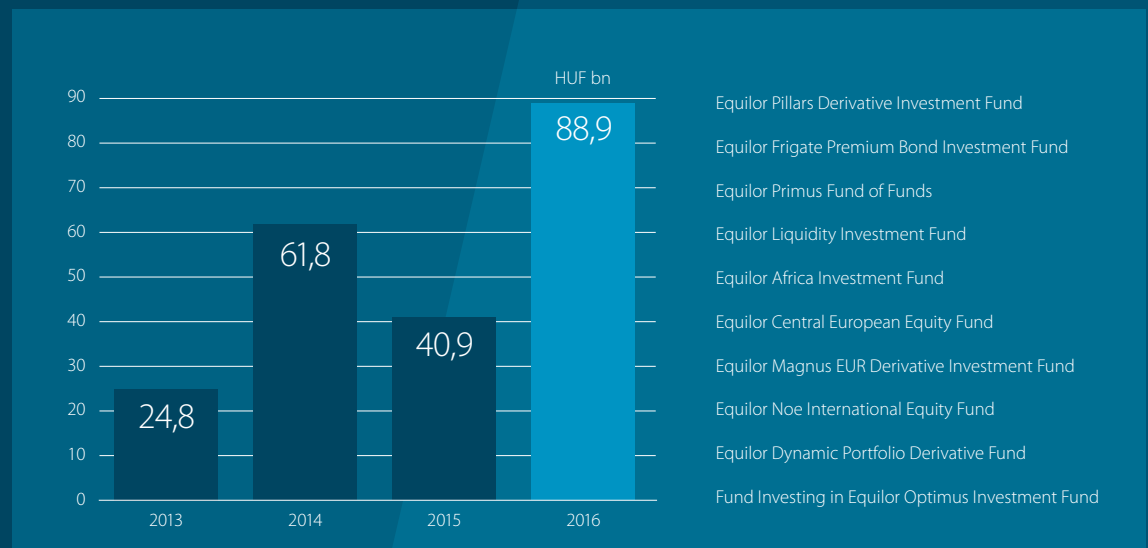
Equity turnover – Budapest



Equity turnover – Prague



Assets managed by Equilor Asset Management





Management Report

A strong capital market is the basis of a strong economy

We have been voicing the above statement, which is verified by international comparison data, in various forums for a number of years, and it seems that its effects could be seen in the Hungarian capital market in 2016. Following a year full of surprises in 2015, the National Bank of Hungary purchased a significant share in the Budapest Stock Exchange and at the same time announced a new stock exchange development strategy supported by the Hungarian Government. Recently, the National Bank of Hungary and the Government have introduced measures which generate significant expenditure for investment service providers, as well as raising the level of customer asset value provided by the Investor Protection Fund to equal that of commercial banks. Confidence is so high in investment service providers that the stock of assets managed by Equilor Investment Ltd. and Equilor Asset Management Ltd. has increased and exceeded 170 billion HUF by the end of 2016.

The development of the stock market and the capital market is a lengthy process, which involves lows originating in the nature of these markets, and which may lead to significant drops in the stock exchange. In the current international situation, where interest can even be negative and where stocks are soaring at never before seen heights, there is an increasing chance of market correction. We continuously draw the attention of our customers to this. When this correction



occurs and investors' mood lowers at the same time, uniform government support for the capital market and its workers will be necessary.

Following a weaker period in the first six months of last year, the American stock markets performed well in the second half of the year and this growth continued this year after Trump's election victory. The interest rate increasing cycle continued in December and, according to warnings by central bankers, the next restrictive measure may be expected within months. These measures by the central bank are made necessary by increasing inflation and the planned loosening of fiscal measures by the Trump administration - 2 or 3 interest rate increases are expected this year. We expect the growth of the American stock market to continue to grow this year, a larger correction may be deferred for 1-2 years.

February saw a significant turning point in oil prices, after reaching the lowest level at 26 USD, an intensive rise enabled oil prices to surpass the 50 USD mark as a result of OPEC limiting their own production during the autumn.

Developed European stock markets underperformed last year, it was only due to the increase in December that 2016 was closed with a positive result. The situation remains the same in the Euro-zone: despite the European Central Bank's purchases of assets, the economy showed stagnant growth, while inflation was on the rise. The Central Bank contributes this latter to a one-off event, to the rise in oil prices, so the Bank is not planning on terminating the QE program before its time. The Bank keeps insisting that in case the inflation makes it necessary, it may even be extended.

The Hungarian domestic stock market performed well in 2016, following a successful year 2015. For the first time in 9 years, BUX exceeded 30 thousand points. Aside from the excellent fundamentals of large enterprises, Hungary's improved rating also contributed to the favourable processes, and the Hungarian state debt is now recommended for investment by all three major credit rating agencies. The annual turnover of the immediate market continued to grow thanks to rising current rates, from 2190 billion HUF in 2015 to 2400 billion HUF, of which 2297 billion HUF was buying and selling stocks. On the immediate BSE market Equilor moved ahead one position and the company had the 4th largest volume of transaction here, while it was 5th in the Prague Stock Exchange and 32nd in the Warsaw Stock Exchange.

In 2016, BSE introduced 2 new stocks, those of the estate agent Duna House Holding's and of UBM Holding. Wingholding, Tündér-szikla, Erste Mortgage Bank and Eximbank appeared as new bond issuers. However, Synergion, Norbi Update, Libri-Shopline and Visonka left the stock exchange. OTP's current rates rose by 40% in a year, by 2400 HUF, closing 2016 at 8400 HUF. Mol shares rose by 45% or 6380 HUF in 2016, closing at 20,635 HUF on the last trading day of 2016. Richter's closing result at 6210 HUF at the end of the year 13% or 712 HUF higher than in 2015, while Hungarian Telekom's current rates rose by 23% or 92 HUF over the year to 498 HUF.

We are proud that Equilor managed to keep its leading position after a year full of challenges, including the reorganisation of the Hungarian domestic investment market. Moreover, based on the decision of BSE's independent professional jury, Equilor won the prize for the best Hungarian investment service provider in 2015.

We could not have achieved these results without the trust of our customers or the dedicated work of our employees, both of which have provided the greatest power and motivation during Equilor's history of over twenty-five years. ■

Retail Division

In 2016, the disposition in the capital markets showed significant improvement on previous years. The number of market players continued to decrease, Codex shut down, Solar Capital exited the stock exchange, while Agrokont, formerly active in the goods market, became Equilor's agent.

The number of newly opened accounts increased in 2016 and the volume of customer's assets managed by Equilor also showed a sharp rise. This was partly due to the pending agency agreements we signed with a number of new partners, which means that we can be reached in an increasing number of locations nationally. Our internal sales team was further expanded, providing more support to the retail division and strengthening our customer acquisition activities.

In 2016, we successfully completed the asset issuing for the former customers of Quaestor, commissioned by Pénzügyi Stabilitási Felszámoló Nonprofit Kft.

We organise more and more online campaigns, educational activities, events and media appearances each year and for the first time this year, Equilor began to sponsor sports events by lending support to the triathlon events.

Our product range was extended mainly by savings products, including continuous savings and higher risk investments. In 2016, besides traditional Equilor products (shares, OTC foreign currency transactions and online trading), the sale of retail state bonds has also become significant due to the contract we signed with the Government Debt Management Agency. ■





Institutional Division

The domestic and international institutional division performed in accordance with expectations in 2016. We performed in accordance with expectations on transactions listings, with a significant market share in the Central Eastern European Region. In the strong stock exchange turnover of 2016, only the global sports events of the summer caused a little break, while there was no strong reaction from the stock exchanges to surprising political events such as Brexit and the American elections. Overall, the year was similar to previous years, an average year in the stock exchange.

Trends such as electronic trading (so-called DMA systems) continued to gain ground, so it is important for us to be able to grow the most in this segment during 2017. ▮



Equilor Asset Management

Equilor Asset Management closed an extremely successful year in 2016. The value of the assets managed by the company increased from 40 billion HUF in the previous year to 88 billion HUF. The division achieved excellent results in the field of institutional asset management, where it carries out the asset management of several voluntary pension funds and economic organisations. The overall performance of the managed institutional portfolio was between 4.5 and 11.7 %, surpassing inflation rates by far. In the case of several customers, similarly to 2014 and 2015, Equilor Asset Management achieved excellent performance in year 2016, both compared to expected yields (benchmarks) and in the competition of asset managers. By the end of 2016, the number of Equilor Asset Management Ltd's funds increased to 12, out of which 10 are public and 2 operate privately. The value of the assets managed within the funds has reached 54 billion HUF.

The Equilor Noe International Stock Fund, which is specialised in investment in developed stock markets, performed excellently in 2016, yielding 8.32%. The Equilor Primus investment fund continues to be popular with investors, which selects from domestic funds with the best absolute yield, and which reached its 3.51% annual yield with very little fluctuation. It outperforms deposit yields and inflation rates.

Asset management's fastest growing division is private asset management, offering standard and unique solutions for private individuals and companies interested in portfolio management. ▀



Private Banking

Low bank interest rates and the rise of various banking fees in 2016 encouraged investors to rethink their investments and open up to new opportunities and new service providers. The Equilor Private Banking team responded to this new market opportunity and demand by laying great emphasis on new customer acquisition in 2016, as well as actively serving our strong base of existing customers, whose trust we enjoy. This was assisted by the organisation of various customer events, stock exchange evenings and the introduction of new products. As a result, many new accounts were opened, increasing the volume of the assets managed by us and the number of satisfied customers. The trust of our existing customers, the yields achieved with the assets managed by Equilor, customer recommendations and new account openings have all contributed to 2016 being one of the most successful years for Equilor Private Banking, which increased the assets it manages by 30%. The growth, which greatly surpassed the sector's average, was supported by the industry's and personnel control systems, paving the way for further expansions of the personnel in the future. ■



Corporate Finance

Parallel to global and domestic macro-economical trends, Equilor Corporate Finance focused primarily on private transactions in 2016; we successfully closed a large volume M&A energy project, we gave strategic advice to a number of companies, and we continue to be market leaders in the area of stock issuing. In 2016, we took part in private bond issuing to the volume of 50 billion HUF. Besides private transactions, we continued to be active in the area of public transactions; we introduced bonds to the BSE and we took part in a large-scale share issuing project as co-distributors, while we also organised a stock exchange auction for the sale of stocks. In the future, we wish to remain active in the areas of both private and public transactions; in line with global trends, we have identified a number of sectors where significant M&A activity is expected, and the BSE may even start dealing with public shares and bond transactions this year. ■

Equilor Fine Art

Equilor Fine Art Ltd., a company serving customers interested in investing in works of art, was founded by Equilor in 2007. Its activities encompass, amongst others, management, building, enlargement and appraisal of collections, implementation of the sale and purchase of works of art, organization of exhibitions, arrangement of domestic and international verification of originality, as well as arrangement of credit and insurance services in relation to works of art. Our background as an independent investment bank, along with customized and committed counselling, ensures that various customer needs are served. In 2016, the company continued its counselling activity, started in 2010, related to tax savings solutions based on theatre and film endorsement. Moreover, to continue with the cooperation launched in 2012, it joined the organizing team of the Art Moments contemporary visual arts festival and that of ZENITH Art Exchange program – an international visual arts exchange program, a partner event of the Art Moments festival – in 2016 as well. Within the scope of the Zenith Art Exchange program, in 2016 Equilor Fine Art co-organized Hungarian and Middle East related exhibitions.

In October 2014, a weekly radio magazine of Dr. Katalin Gereben, Managing Director of Equilor Fine Art Ltd., started on Gazdasági Rádió (Trend FM from 2015); titled “Collector”, discussing collection of works of art and other valuables. The broadcast contributes to the building of Equilor Fine Art’s reputation and the promotion of the collection of works of art, which is a direct business interest of the company. ■





Equilor Investment Ltd. Affiliates

Equilor Asset Management Ltd.

Issued share capital: HUF 112,000,000

Ownership share: 68.3%

Board of Directors: Zsolt Pillár, chairman and CEO; András Kullai; Péter Szígeti

Supervisory board: Bálint Szécsényi, Chairman; Éva Németh; Péter Horváth

Equilor Corporate Advisory Ltd.

Issued share capital: HUF 3,000,000

Ownership share: 90%

Managing Director: Ágnes Svoób

Equilor Fine Art Ltd.

Issued share capital: HUF 3,000,000

Ownership share: 100%

Managing Director: Katalin Gereben, Dr.

Budapest Stock Exchange Ltd.

Issued share capital: HUF 541,348,100

Ownership share: 0.14702%

Corporate Social Responsibility

Supporting sport continued to be a primary concern for Equilor in 2016. Vasas-Pasarét Women's Basketball Ltd., Balatonfüred Youth Sailing and Competition Foundation and the SecondWind Mátrafüred Sport Association received more significant support from our company. We have started negotiations about long-term co-operation with the Újbuda triathlon sport association, which is the most successful in the field internationally and domestically.

Within the cultural support of theatres, we contributed to the activities of Király Project Ltd., and supporting children remained an important goal in 2016. We helped the development of pre-school and school-aged children through the support of Gyermekkuckó Foundation and other pre-school support. Furthermore, we joined the MikulásGyár campaign, which helps children living in deep poverty and large families through donations. ■

Mérleg Eszközök (aktívák)

BALANCE SHEET (assets)

(adatok eFt-ban) / in thousand HUF

Ssz. No.	A tétel megnevezése Title	2015.12.31 31.12.2015	2016.12.31 31.12.2016
1	A) Befektetett eszközök (02+10+18. sorok) A) Fixed assets (lines 02+10+18)	375,990	388,905
2	I. IMMATERIÁLIS JAVAK (03-09. sorok) I. INTANGIBLE ASSETS (lines 03-09)	32,871	37,952
3	Alapítás átszervezés aktivált értéke Capitalised value of foundation/restructuring	0	0
4	Kísérleti fejlesztés aktivált értéke Capitalised value of research and development	0	0
5	Vagyoni értékű jogok Concessions and similar rights	0	0
6	Szellemi termékek Intellectual assets	32,871	37,952
7	Üzleti vagy cégérték Goodwill	0	0
8	Immateriális javakra adott előlegek Advance payments of intangible assets	0	0
9	Immateriális javak érték helyesbítése Revaluation of intangible assets	0	0
10	II. TÁRGYI ESZKÖZÖK (11-17. sorok) II. TANGIBLE ASSETS (lines 11-17)	204,668	243,302
11	Ingatlanok és kapcsolódó vagyoni értékű jogok Land and buildings and related concessions and similar rights	46,324	48,487
12	Műszaki berendezések, gépek, járművek Technical equipment, machines and vehicles	0	0
13	Egyéb berendezések, felszerelések, járművek Other equipment, machines and vehicles	158,344	194,815
14	Tenyészállatok Breeding stock	0	0
15	Beruházások, felújítások Capital WIP, renovations	0	0
16	Beruházásokra adott előlegek Advance payments of capital WIP	0	0
17	Tárgyi eszközök érték helyesbítése Revaluation of tangible assets	0	0
18	III. BEFEKTETETT PÉNZÜGYI ESZKÖZÖK (19-25. sorok) III. FINANCIAL INVESTMENTS (lines 19-25)	138,451	107,651
19	Tartós részesedés kapcsolt vállalkozásban Long term shares in related companies	113,000	82,200
20	Tartósan adott kölcsön kapcsolt vállalkozásban Long term loans given to related companies	0	0
21	Egyéb tartós részesedés Other long term investments	11,516	11,516

(adatok eFt-ban) / in thousand HUF

22	Tartósan adott kölcsön egyéb részesedési viszonyban álló vállalkozásban Long term loans given to other investees	0	0
23	Egyéb tartósan adott kölcsön Other long term loans given	13,935	13,935
24	Tartós hitelviszonyt megtestesítő értékpapír Securities representing long term loans	0	0
25	Befektetett pénzügyi eszközök érték helyesbítése Revaluation of financial investments	0	0
26	B) Forgóeszközök (27+34+48+53. sorok) B) Current assets (lines 27+34+48+53)	14,970,886	18,716,537
27	I. KÉSZLETEK (28-33. sorok) I. INVENTORIES (lines 28-33)	30,150	36,174
28	Anyagok Raw materials and consumables	0	0
29	Befejezetlen termelés és félkész termékek Work in progress and semi-finished goods	0	0
30	Növendék-, hízó- és egyéb állatok Animals	0	0
31	Késztermékek Finished goods	0	0
32	Áruk Goods	30,150	36,174
33	Készletekre adott előlegek Advance payments on inventories stocks	0	0
34	II. KÖVETELÉSEK (35-47. sorok) II. RECEIVABLES (lines 35-47)	616,440	1,039,967
35	Vevőkövetelések Trade account receivables	1,439	3,147
36	Követelések ügyfeleknek nyújtott szolgáltatásból Account receivables from service supplied to customers	136,925	322,832
37	Követelések tőzsdei ügyletek elszámolásaiból Account receivables from settlement of stock market transactions	0	0
38	Követelések tőzsdén kívül kötött ügyletek elszámolásaiból Account receivables from settlements of over the counter transactions	0	0
39	Központi értéktárral, központi szerződő féllel szembeni követelések Receivables from clearing houses and institutions offering clearing services	383,580	431,510
40	a) elszámolóházzal szembeni követelés a) Claims against clearing houses	383,580	431,510
41	b) elszámolóházi tevékenységet végző szervezettel szembeni követelések b) Claims against institutions offering clearing services	0	0
42	Követelések kapcsolt vállalkozással szemben Receivables from related companies	72,849	4,576
43	Követelések jelentős tulajdoni részesedési viszonyban lévő vállalkozással szemben Receivables from companies with material share relation	0	0

(adatok eFt-ban) / in thousand HUF			
44	Követelések egyéb részesedési viszonyban lévő vállalkozással szemben Receivables from companies with other share relation	0	0
45	Váltókövetelések Receivables from bills of exchange	0	0
46	Egyéb követelések Other receivables	21,647	277,902
47	Követelések értékelési különbözete Fair value adjustment of receivables	0	0
48	Származékos ügyletek pozitív értékelési különbözete Positive difference of derivatives transactions	0	0
49	III. ÉRTÉKPAPÍROK (49-52. sorok) III. MARKETABLE SECURITIES (lines 49-52)	1,257,693	918,903
50	Részesedés kapcsolt vállalkozásban Investments in related companies	0	0
51	Egyéb részesedés Other shares	36	221
52	Saját részvények, saját üzletrészek Own shares	0	0
53	Forgatási célú hitelviszonyt megtestesítő értékpapírok Securities presenting loans held for sale	1,257,657	918,682
54	IV. PÉNZESZKÖZÖK (54-55. sorok) IV. CASH AND BANK (lines 54-55)	13,066,603	16,721,493
55	Pénztár, csekkek Cash, cheques	27,844	33,277
56	Bankbetétek Bank deposit	13,038,759	16,688,216
57	a) tőzsdeforgalmi számla a) stock exchange account	1,747,340	4,725,995
58	b) egyéb bankbetétek b) Other bank deposit	11,291,340	11,962,221
59	C) Aktív időbeli elhatárolások (59-61. sorok) C) Prepaid expenses and accrued income (lines 59-61)	52,891	43,367
60	Bevételek aktív időbeli elhatárolása Accrued income	49,910	40,248
61	Költségek, ráfordítások aktív időbeli elhatárolása Prepaid expenses	2,981	3,119
62	Halasztott ráfordítások Deferred expenses	0	0
63	ESZKÖZÖK (AKTÍVÁK) ÖSSZESEN (01+26+58. sorok) TOTAL ASSETS (lines 01+26+58)	15,399,767	19,148,809

Budapest, 27 April, 2017

MÉRLEG Források (passzívák)

BALANCE SHEET (liabilities)

(adatok eFt-ban) in thousand HUF				
Sz. No.	A tétel megnevezése Title	2015.12.31 31.12.2015	2016.12.31 31.12.2016	
64	D) Saját tőke (64+66+67+68+69+70+73+74. sorok) D) Shareholders' equity (lines 64+66+67+68+69+70+73+74)	1,997,579	2,302,692	
65	I. JEGYZETT TŐKE I. ISSUED CAPITAL	1,000,000	1,000,000	
66	Ebből: visszavásárolt tulajdoni részesedés névértéken of which: treasury shares repurchased at face value	0	0	
67	II. JEGYZETT, DE BE NEM FIZETETT TŐKE (-) II. ISSUED, BUT NOT PAID CAPITAL	0	0	
68	III. TŐKETARTALÉK III. CAPITAL RESERVE	21,369	21,369	
69	IV. EREDMÉNYTARTALÉK IV. RETAINED EARNING FROM PREVIOUS YEARS	625,764	976,210	
70	V. LEKÖTÖTT TARTALÉK V. NON-DISTRIBUTABLE RESERVES	0	0	
71	VI. ÉRTÉKELÉSI TARTALÉK VI. VALUATION RESERVE	0	0	
72	1. Értékhelyesbítés értékelési tartaléka 1. Valuation reserve of revaluation of assets	0	0	
73	2. Valós értékelés értékelési tartaléka 2. Fair valuation reserve	0	0	
74	VII. ÁLTALÁNOS TARTALÉK VII. GENERAL RESERVE	0	0	
75	VIII. TÁRGYÉVI EREDMÉNY VIII. PROFIT OR LOSS FOR THE YEAR	350,446	305,113	
76	E) Céltartalékok (76-78. sorok) E) Provisions (lines 76-78)	3,562	1,526	
77	Céltartalék várható kötelezettségekre Provisions for expected liabilities	0	0	
78	Céltartalék a jövőbeni költségekre Provisions for future costs	0	0	
79	Egyéb céltartalék Other provisions	3,562	1,526	
80	F) Kötelezettségek (80+84+92. sorok) F) Liabilities (lines 80+84+92)	13,369,682	16,741,903	
81	I. HÁTRASOROLT KÖTELEZETTSÉGEK (81-83. sorok) I. Subordinated liabilities (lines 81-83)	0	0	
82	Hátrasorolt kötelezettségek kapcsolt vállalkozással szemben Subordinated liabilities to related companies	0	0	
83	Hátrasorolt kötelezettségek egyéb részesedési viszonyban lévő vállalkozással szemben Subordinated liabilities to other investees	0	0	
84	Hátrasorolt kötelezettségek gazdálkodóval szemben Subordinated liabilities to other entities	0	0	
85	II. HOSSZÚ LEJÁRATÚ KÖTELEZETTSÉGEK (85-91. sorok) II. LONG-TERM LIABILITIES (lines 85-91)	562,354	220,000	
86	Hosszú lejáratra kapott kölcsön Long-term credits	0	0	

(adatok eFt-ban) / in thousand HUF			
87	Átváltoztatható kötvények Convertible bonds	0	0
88	Beruházási és fejlesztési hitelek Investment and development loans	0	0
89	Egyéb hosszú lejáratú hitelek Other long-term loans	0	0
90	Tartós kötelezettségek kapcsolt vállalkozással szemben Long term liabilities to related companies	562,354	220,000
91	Tartós kötelezettségek egyéb részesedési viszonyban lévő vállalkozással szemben Long term liabilities to other investees	0	0
92	Egyéb hosszú lajáratú kötelezettségek Other long-term liabilities	0	0
93	II. RÖVID LEJÁRATÚ KÖTELEZETTSÉGEK. (93-98. sorok) II. SHORT-TERM LIABILITIES (lines 93-98)	12,807,328	16,521,903
94	Rövid lejáratú kölcsönök Short-term credits	0	0
95	Rövid lejáratú hitelek Short-term loans	0	0
96	Vevőtől kapott előlegek Advance payments received from customers	0	0
97	Kötelezettségek áruszállításból és szolgáltatásból (szállítók) Trade accounts payables	61,481	24,324
98	Ügyfelekkel szembeni kötelezettségek Liabilities towards customers	12,422,173	15,823,987
99	Kötelezettségek tőzsdei ügyletek elszámolásaiból Liabilities from settlement of stock market transactions	0	0
100	Kötelezettségek tőzsdén kívüli ügyletek elszámolásaiból Liabilities from settlement of over the counter transactions	0	0
101	Központi értéktárral, központi szerződő féllel szembeni kötelezettségek Liabilities towards clearing houses and institutions offering clearing services	0	0
102	a) elszámolóházzal szembeni kötelezettség a) Liabilities towards clearing houses	0	0
103	b) elszámolóházi tevékenységet végző szervezettel szembeni kötelezettség b) Liabilities towards institutions offering clearing services	0	0
104	Rövid lejáratú kötelezettségek kapcsolt vállalkozással szemben Short-term liabilities towards related companies	236,096	572,583
105	Rövid lejáratú kötelezettségek jelentős tulajdoni részesedési viszonyban lévő vállalkozással szemben Short-term liabilities towards companies with material share relation	0	0
106	Rövid lejáratú kötelezettségek egyéb részesedési viszonyban lévő vállalkozással szemben Short-term liabilities to other investees	0	0
107	Váltótartozások Bill of exchange payable	0	0
108	Egyéb rövid lejáratú kötelezettségek Other short-term liabilities	87,578	101,009
109	Kötelezettségek értékelési különbözete Fair value adjustment of liabilities	0	0
110	Származékos ügyletek negatív értékelési különbözete Negative difference of derivatives transactions	0	0
111	G) Passzív időbeli elhatárolások (110-112. sorok) G) Accrued expenses and deferred income (lines 110-112)	28,944	102,688
112	Bevételek passzív időbeli elhatárolása Deferred revenues	0	0
113	Költségek, ráfordítások passzív időbeli elhatárolása Accrued expenses	28,944	102,688
114	Halasztott bevételek Deferred income	0	0
115	FORRÁSOK (PASSZÍVÁK) ÖSSZESEN (63+75+79+109. sorok) TOTAL LIABILITIES (lines 63+75+79+109)	15,399,767	19,148,809

Budapest, 27 April, 2017

EREDMÉNYKIMUTATÁS “A” típusú

PROFIT AND LOSS STATEMENT

(adatok eFt-ban) in thousand HUF			
Ssz. No.	A tétel megnevezése Title	2015,12.31 31.12.2015	2016.12.31 31.12.2016
a)	Bizományosi tevékenység bevételei Incomes from stock brokerage activities	2,154,531	2,192,170
b)	Kereskedelmi tevékenység bevételei Incomes from commercial activities	629,983	609,217
c)	Értékpapír forgalomba hozatali tevékenység bevételei Incomes from security issuing activities	20,482	48,000
d)	Letétkezelési, letéti őrzési, portfólió kezelési tevékenység bevételei Incomes from deposit and portfolio management activities	28,106	57,545
e)	Egyéb befektetési szolgáltatási tevékenység bevételei Incomes from other investment service activities	584,839	649,489
1	Befektetési szolgáltatási tevékenység bevételei (a+b+c+d+e sorok) Incomes from investment service activities (lines a-b-c-d-e)	3,417,941	3,556,421
	Ebből: értékelési különbözet of which valuation difference	0	0
f)	Bizományosi tevékenység ráfordításai Expenditures of stock brokerage activities	515,166	413,160
g)	Kereskedelmi tevékenység ráfordításai Expenditures of commercial activities	436,813	312,809
h)	Értékpapír forgalomba hozatal szervezési tevékenység ráfordításai Expenditures of share issuing activities	0	0
l)	Letétkezelési, letéti őrzési, portfólió kezelési tevékenység ráfordításai Expenditures of deposit and portfolio management activities	19,920	21,335
j)	Egyéb befektetési szolgáltatási tevékenység ráfordításai Expenditures of other investment service activities	561,539	314,576
2	Befektetési szolgáltatási tevékenység ráfordításai (f+g+h+i+j sorok) Expenditures of investment service activities (lines f-g-h-i-j)	1,533,438	1,061,880
	Ebből: értékelési különbözet of which valuation difference	0	0
I.	Befektetési szolgáltatási tevékenység eredménye (01-02. sorok) Profit on investment service activities (lines 01-02)	1,884,503	2,494,541
II.	Egyéb bevételek Other incomes	1,285,688	35,805
	Ebből: visszaírt értékvesztés of which: reversal of impairment loss provision	0	4,850
III.	Nem befektetési szolgáltatási tevékenység bevételei Incomes from non-investment service activities	0	0
IV.	Aktívált saját teljesítmények értéke Own performance capitalized	0	0
a	Anyagköltség Cost of raw materials	30,970	34,882
b	Igénybe vett szolgáltatások értéke Value of services used	453,619	508,033

(adatok eFt-ban) / in thousand HUF

c	Egyéb szolgáltatások értéke Value of other services	9,904	10,215
d	Eladott áruk beszerzési értéke Cost of goods sold	0	0
e	Eladott (közvetített) szolgáltatások értéke Value of recharged services	24,772	16,392
V.	Anyagjellegű ráfordítások (a-e sorok) Material type expenditures (lines a-e)	519,265	569,522
3	Bérköltség Wages	469,706	687,369
4	Személyi jellegű egyéb kifizetések Other personnel-related payments	87,478	93,185
5	Béjárulékok Personnel related contributions	134,339	196,017
VI.	Személyi jellegű ráfordítások (03-05. sorok) Personnel-related expenditures (lines 03-05)	691,523	976,571
VII.	Értécsökkenési leírás Depreciation	51,825	55,813
VIII.	Egyéb ráfordítások Other expenses	1,532,563	486,311
	Ebből: értékvesztés of which: impairment loss provision	1,672	7,149
IX.	Nem befektetési szolgáltatási tevékenység ráfordításai Non-investment service activities expenditures	0	0
A	ÜZLETI TEVÉKENYSÉG EREDMÉNYE (I-IX. sorok) TRADING PROFIT (lines I-IX)	375,015	442,129
6	Kapott (járó) osztalék és részesedés Dividends and profit-sharing received	68,260	0
	Ebből: kapcsolt vállalkozástól kapott of which: received from related companies	67,504	0
7	Részesedések értékesítésének árfolyam nyeresége Capital gains on investments	0	0
	Ebből: kapcsolt vállalkozástól kapott of which: received from related companies	0	0
8	Befektetett pénzügyi eszközökből (értékpapírokból, kölcsönökből) származó bevételek, árfolyamnyereségek Interest and financial gains on financial investments	0	0
	Ebből: kapcsolt vállalkozástól kapott of which: received from related companies	0	0
9	Egyéb kapott kamatok és kamatjellegű bevételek Interest and interest-like revenues	27,152	28,498
	Ebből: kapcsolt vállalkozástól kapott of which: received from related companies	0	0
10	Pénzügyi műveletek egyéb bevételei Other incomes from financial transactions	91,414	29,772
	Ebből: értékelési különbözet of which valuation difference	0	0
X.	Pénzügyi műveletek bevételei (06-10. sorok) Incomes from financial transactions (lines 6-10)	186,826	58,270

(adatok eFt-ban) / in thousand HUF

11	Részesedésekből származó ráfordítások, árfolyamveszteségek Expenses and financial losses from investment	0	5,200
	Ebből: kapcsolt vállalkozásnak adott of which: from related companies	0	0
12	Befektetett pénzügyi eszközökből (értékpapírokból, kölcsönökből) származó ráfordítások, árfolyamveszteségek Interest and capital gains on financial investments	0	0
	Ebből: kapcsolt vállalkozásnak adott of which: from related companies	0	0
13	Fizetett (fizetendő) kamatok és kamatjellegű ráfordítások Paid interests and interest-like payments	128,285	115,338
	Ebből: kapcsolt vállalkozásnak adott of which: from related companies	124,851	112,678
14	Részesedések, értékpapírok, bankbetétek értékesztése Write-off of financial investments	0	0
15	Pénzügyi műveletek egyéb ráfordításai Other expenditures of financial transactions	71,336	49,315
	Ebből: értékelési különbözet of which valuation difference	0	0
XI.	Pénzügyi műveletek ráfordításai (11-15. sorok) Expenditures of financial transactions (lines 11-15)	199,621	169,853
B	PÉNZÜGYI MŰVELETEK EREDMÉNYE (X-XI. sorok) PROFIT ON FINANCIAL TRANSACTIONS (lines X-XI)	-12,795	-111,583
C	ADÓZÁS ELŐTTI EREDMÉNY (+/-A+/-B) PROFIT BEFORE TAXATION	362,220	330,546
XII.	Adófizetési kötelezettség Tax liability	11,774	25,433
F	ADÓZOTT EREDMÉNY (+/-C-XII) PROFIT AFTER TAXES	350,446	305,113
XIII.	Általános tartalék képzés, felhasználás (+/-) General reserve creation (+) /usage (-)	0	0
G	TÁRGYÉVI EREDMÉNY (+/-F+/-XIII) PROFIT OR LOSS FOR THE YEAR	350,446	305,113

Budapest, 27 April, 2017



CASH-FLOW statement

	31.12.2015	31.12.2016.
I. OPERATIONAL CASH-FLOW	-543,082	3,729,047
1. Profit before taxes +/-	362,220	330,546
2. Depreciation+	51,825	55,813
3. Impairment accounted and reversed +/-	1,247	627
4. Difference between provisions made and provisions used +/-	-1,142	-2,036
5. Income from fixed asset disposals +/-	-11	-438
6. Changes in trade payables +/-	-15,429	-37,157
7. Changes in liabilities to clients +/-	-977,829	3,401,814
8. Changes in other current liabilities +/-	-127,072	13,431
9. Changes in accrued expenses and deferred income +/-	-13,368	73,744
10. Changes in trade account receivables +/-	1,110	-1,708
11. Changes in current assets (without receivables and financial assets) +/-	212,200	-89,680
12. Changes in accrued expenses and deferred income +/-	-25,059	9,524
13. Taxes paid (on profits) -	-11,774	-25,433
14. Dividends and profit shares paid -	0	0
II. INVESTMENT CASH FLOW	-37,206	-68,290
14. Purchase of fixed assets -	-114,296	-101,744
15. Sale and reclassification of fixed assets +	8,830	33,454
16. Dividend, profit sharing received +	68,260	0
III. FINANCIAL CASH FLOW	-199,767	-5,867
17. Proceeds from the issue of shares (fundraising) +	0	0
18. Proceeds from the issue of bonds and debt securities +	0	0
19. Loans taken +	242,839	220,000
20. Repayment, termination and redemption of long-term loans given and bank deposits placed +	0	0
21. Final cash received +	0	0
22. Reduction of stock (decrease of capital) -	0	0
23. Repayment of bonds -	0	0
24. Loan repayment -	-414,826	-225,867
25. Long-term loans given and bank deposits placed -	0	0
26. Non-repayable assets given -	-27,780	0
27. Changes in liabilities to founders and other long-term liabilities +/-	0	0
IV. CHANGES IN CASH	-780,055	3,654,890

31 December 2016

Independent Auditor's Report



Venilia Vellum Auditing and Tax Consultancy Ltd.
Company registration number: 01-09-566797
License number: TBV000340

H-1026 Budapest, Szilágyi Erzsébet fasor 79.
Rózsa Bukri, auditor, Member of the Chamber of Auditors
Chamber identification number: EBV-001130

To the Shareholders of EQUILOR Investment Ltd Report on the Financial Statements

Opinion

We have audited the 2016 annual financial statements of EQUILOR Investment Ltd. (the "Company"), which comprise the balance sheet prepared for 31 December 2016, with a balance sheet total figure of HUF 19,148,809 thousand, and a retained profit for the year amounting to HUF 305,113 thousand, the related profit and loss account for the year then ended, and the supporting notes to the financial statements including a summary of the significant accounting policies. In our opinion, the attached financial statements give a true and fair view of the financial position of the Company on 31 December 2016, and of the results of its operations for the business year ended on that day, in accordance with the provisions of Act C of 2000 on Accounting as prevalent in Hungary (hereinafter: the "Accounting Act").

The basis of the opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and with the applicable laws and regulations in force in Hungary. A more detailed description of our responsibilities pursuant to these standards can be found in the section "The auditor's responsibility for the auditing of the annual report".

In compliance with the prevalent ethical laws in Hungary governing the auditing of the annual report, we are independent of the Company, and in line with these same ethical requirements, we have fulfilled our other ethical liabilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information: Business report

The other information consists of EQUILOR Befektetési Zrt.'s (Equilor Investment Ltd.) 2016 business report. The Management is responsible for the preparation of the business report in accordance with the provisions of the Accounting Act and other relevant legislation. Our opinion in this report's "Opinion" section does not pertain to the business report.

With regards to our auditing of the annual report, it is our responsibility to read through the business report and evaluate whether the business report contains any major contradictions with the annual report or our understating of the facts gained during the auditing process or whether it seems to contain any major false statements.

With regards to the business report, it is also our responsibility pursuant to the Accounting Act to evaluate whether the business report was prepared in compliance with the Accounting Act and any other relevant legal stipulations.

In our opinion, EQUILOR Befektetési Zrt.'s (Equilor Investment Ltd.) 2016 business report is in concordance with EQUILOR Befektetési Zrt.'s (Equilor Investment Ltd.) 2016 annual report and the business report was prepared in compliance with the stipulations of the Accounting Act.

Since no other legislation prescribes any other requirements for the Company's business report, our opinion on the business report does not contain the opinion as prescribed in Section 156, Paragraph (5), Point h) of the Accounting Act. Besides the above, on the basis of the understanding we gain of the company and its environment, we are obliged to report if any significant false statement in the business report has come to our knowledge, and if it has, what the nature of this false statement is. We have nothing to report in this regard.

The Management's and the Persons' Commissioned with Governance Responsibility for the Annual Report

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Accounting Act and for internal controls that the Management considers necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

During the preparation of the annual report, the Management is responsible for evaluating the company's ability to continue and to publish information on the continuance of the company in accordance with the given situation, as well as for applying accounting based on the company's continuance in the annual report, except if the Management wishes to discontinue the company or to cease business activities or if there is no other realistic choice.

The persons commissioned with governance are responsible for supervising the Company's financial accounting process.

The auditor's responsibility for the auditing of the annual report

During the auditing process, our aim is to gain sufficient evidence that the whole of the annual report is free from material misstatements whether due to fraud or error, and to issue an independent audit report containing our opinion on the basis of this. Sufficient evidence is a high level of confidence; however, it does not guarantee that an audit carried out in accordance with the Hungarian National Audit Standards always discloses actually present material misstatements. Misstatements may result from fraud or error, and they are considered material if the expectation that these in themselves or altogether may influence the users' economic decisions based on the annual report may be reasonable.

As part of an audit carried out in accordance with the Hungarian National Audit Standards we apply professional evaluation and professional scepticism during the whole auditing process. Besides:

- We identify and estimate the risks of the annual report's material misstatements whether due to fraud or error. We develop and apply auditing processes which manage these risks and we gather enough auditing evidence as proof of our opinion. The risk of not uncovering material misstatements due to fraud is greater than in the case of error, as fraud may involve conspiracy, forgery, deliberate omissions, false statements or the overwriting of internal control.
- We get to understand internal control relevant to the auditing process in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of the accounting policy applied by the Management, as well as the reasonableness of the accounting estimates and related publications prepared by the Management.
- We come to conclusions about whether it is appropriate for the Management to apply accounting based on the principle of the company's continuation, and, on the basis of the gained audit evidence, about whether there is material uncertainty in relation to events or conditions which may pose significant doubt about the Company's ability to continue. If we conclude that there is material uncertainty, in our independent audit report, we must draw attention to related announcements in the annual report or of the announcements are unsuitable in this respect, we must qualify our opinion. Our conclusions are based on the audit evidence gained until the date of our independent audit report. However, future events or developments may cause the Company not to be able to continue business.
- We evaluate the overall presentation, structure and contents of the annual report, including the announcements in the notes to the financial statement, and we also evaluate whether the transactions and events presented in the annual report are realistic.

Amongst other things, we communicate to the persons commissioned with governance the scope and the schedule of the audit, the significant conclusions of the audit, including any significant deficiencies of the Company's internal control identified during the audit. █

Budapest, 27 April, 2017



Equilor is a full-fledged member of the Budapest, Prague and Warsaw Stock Exchanges

Equilor Investment Ltd.

H-1037 Budapest, Montevideo St. 2/C

Phone: +36 1 430 3980 Fax: +36 1 430 3981

www.equilor.hu



EQUILOR

EXPERT IN INVESTMENT
SINCE 1990