



Diákhitel Központ Zártkörűen Működő Részvénytársaság
[Student Loan Centre Private Limited Company by Shares]

**Financial statements prepared in accordance with the
International Financial Reporting Standards
as adopted by the EU
31 December 2015**

This is a translation of the Hungarian Report

Independent auditors' report

To the shareholder of
Diákhotel Központ Zrt.

We have audited the accompanying financial statements of Diákhotel Központ Zrt. which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Diákhotel Központ Zrt. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matters

Diákhotel Központ Zrt. has prepared financial statements as at 31 December 2015 in accordance with the Hungarian Accounting Law, we have issued a separated auditors' report on those financial statements to the shareholder of the Company on 31 March 2016.

(The original Hungarian language version has been signed.)

Ernst & Young Kft.
Budapest, 14 June 2016

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Independent auditor's report

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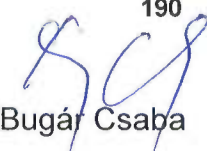
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I. Statement of Comprehensive Income

	Note	2015.12.31	data in M HUF 2014.12.31 restated
Interest income	7	13 867	15 828
Interest expense	7	-8 723	-10 425
Net interest income		5 144	5 403
Insurance premium earned	8	1 047	807
Claims paid	9	-130	-133
Net trading profit	10	-119	-73
Other operating income	11	89	125
Movements in insurance technical reserves	24	-255	2 188
Net operating profit before impairment loss on loans		5 776	8 317
Impairment loss on loans	4.1.2	-3 180	-5 393
Credit loss expense		-13	-315
Operating profit (loss), net		2 583	2 609
Other operating expenses	11	-2 355	-2 587
Pre-tax profit (loss)		228	22
Taxes paid/received	12	-27	-2
Profit (loss) for the year		201	20
Profit (loss) for the year (attributable to the shareholders)		201	20
Profit (loss) for the year		201	20
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Measurement difference due to fair valuation of available for sale financial assets		-12	47
Taxes received/paid from other comprehensive income items		1	-5
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Other comprehensive income for the period including deferred tax		190	62
Comprehensive profit (loss) for the year		190	62
Comprehensive profit (loss) for the year (attributable to the shareholders)		190	62

Budapest, 14th June 2016


 Bugár Csaba
 CEO

II. Statement of Financial Position

		2014.12.31		Data in M HUF
	Notes	2015.12.31	restated	2014.01.01
Assets				
Cash and cash equivalents	14	559	19 814	13 094
Student loans	15	244 121	245 991	246 434
Insurance premium receivable	15	2 355	2 530	2 544
Current income tax assets		0	3	10
Other receivables	16	195	198	127
Other assets	17	59	3	1
Properties, plant and equipment	18	196	233	212
Intangible assets	19	257	269	303
Total assets:		247 742	269 041	262 725
Liabilities				
Amounts payable to banks	21	158 464	153 710	153 832
Other liabilities	22	549	622	578
Bonds issued	23	74 417	100 865	96 941
Insurance technical reserves	24	2 669	2 414	4 602
Deferred tax liability	20	938	915	450
Total liabilities:		237 037	258 526	256 403
Equity				
Issued capital and capital reserve	25	2 500	2 500	2 500
Retained earnings	25	-5 958	-6 159	-6 179
Other reserves	25	14 163	14 174	10 001
Total equity:		10 705	10 515	6 322
Equity attributable to the shareholders		10 705	10 515	6 322
Total equity and liabilities:		247 742	269 041	262 725

 Budapest, 14th June 2016



Bugár Csaba
CEO

III. Statement of Changes in Equity

Item	Notes	Issued Capital	Capital reserve	Retained losses	Other reserves		Total
					Other capital contribution	Valuation reserve	
Opening at 01 Jan 2014 restated		300	2 200	-6 179	10 033	-32	6 322
Other capital contribution	21	0	0	0	4 590	0	4 590
Deferred tax for other capital contribution	20	0	0	0	-459	0	-459
Fair value recognised in equity	14 ; 20	0	0	0	0	42	42
Loss for the year		0	0	20	0	0	20
Closing at 31 Dec 2014 restated		300	2 200	-6 159	14 164	10	10 515
Other capital contribution	21	0	0	0	0	0	0
Deferred tax for other capital contribution	20	0	0	0	0	0	0
Fair value recognised in equity	14 ; 20	0	0	0	0	-11	-11
Loss for the year		0	0	201	0	0	201
Closing at 31 Dec 2015		300	2 200	-5 958	14 164	-1	10 705

Data in M HUF

 Budapest, 14th June 2016



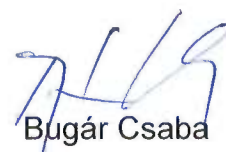
 Bugár Csaba
 CEO

IV. Cash flow statement

Cash flow statement

	Notes	Data in M HUF	
		2015.12.31	2014.12.31 restated
Operating cash flows			
Pre-tax profit (loss)		228	22
Adjustments			
Amortisation of intangible assets/depreciation of tangible assets	11	179	156
Gains/losses on the disposal of tangible/intangible assets	11	0	29
Impairment loss on financial assets	4.1.2	3 180	5 393
Damages paid	9,11	143	448
Interest income, net	7	-5 144	-5 403
Movements in insurance technical reserves	24	255	-2 188
Corporate tax received	12	-27	-2
Student loans disbursed		-16 534	-16 778
Student loans repaid		20 007	17 898
Interest received		8 980	9 362
Interest paid		-10 708	-11 370
Net trading result		119	73
Movements in insurance premium receivable		142	-38
Movements in other assets		2	-65
Movements in other liabilities		-50	508
Operating cash flows, net		544	-1 977
Investing cash-flows			
Tangible assets acquisitions		-98	-99
Tangible assets disposals		2	0
Intangible asset acquisitions		-90	-74
Investing cash flows, net		-186	-173
Financing cash flows			
Proceeds of bonds issued		21 230	26 764
Repayment of bonds issued		-44 841	-21 528
Amounts borrowed from banks		14 535	58 050
Repayment of amounts borrowed from banks		-10 754	-58 611
Shareholders contribution		0	4 590
Financing cash flows, net		-19 830	9 265
Net changes in cash and cash equivalents		-19 244	7 137
Cash and cash equivalents as of 1 January	14	19 814	13 094
Change in fair value of cash equivalents		-11	42
Deferred tax on equity contribution		0	-459
Cash and cash equivalents at 31 December	14	559	19 814

 Budapest, 14th June 2016


 Bugár Csaba
 CEO

V. Notes to the financial statements

1. Brief introduction of the company

Diákhitel Központ Zrt. (hereafter: "Company" or "Student Loan Centre") is a company limited by shares and registered in Hungary at 1027 Budapest, Kacsá utca 15-23.

The shares of Diákhitel Központ Zrt. are held by the Hungarian government.

The shareholder rights over the Company -are exercised by the Hungarian Development Bank (MFB) from 17 June 2010 based on Act LII of 2010 on the amendment of acts required for the responsible management of state-owned assets and on the stipulation of certain legal provisions.

On 20 October 2014 MFB in its capacity as Owner of the company founded the Board of Directors by approving the modified Deed of Foundation. The Board of Directors is the governing body of the entity, the business activities and the operative execution of the organisation is conducted by the Chief Executive Officer. The operation of Diákhitel Központ Zrt is overseen by the Supervisory Board which also carries out the tasks of the Audit Committee.

Diákhitel Központ Zrt. operates the student loan system as well as disbursing and recording student loans. The funds required for the loan disbursements are provided with the help of the Government Debt Management Agency (ÁKK) in accordance with Government Decree 1/2012 (I. 20.) on the student loan system (hereinafter referred to as: "Government Decree"). The Student Loan Centre entered into a contract with ÁKK Zrt. for the latter to transact on the money and capital market and participate in securing the funds guaranteed by the government.

According to section 53 of act C of 2014 on the Budget of the Republic of Hungary for 2015, "The State of Hungary shall undertake a guarantee in respect of payment obligations of Diákhitel Központ Zrt., which have been incurred on account of loans drawn and bonds issued in and outside Hungary in order to finance the student loan scheme."

The unconditional government guarantee for the funds raised by the Company is secured for 2014 based on section 53 of act C of 2014 on the budget of Hungary for 2015.

The Company has no interests in subsidiaries, associates or jointly-managed companies.

The Company has prepared separate financial statements on 31 March 2016 for the balance sheet date 31 December 2015, in accordance with the Hungarian Accounting Law, which has been disclosed according to the C. Law on Accounting 2000.

2. Basis of preparation

2.1. Statement of compliance with standards

The Company prepared the attached financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. The new IFRS standards and interpretations –which were not yet used during the preparation of the financial statements of 2015- are shown in note 3.20.

The publication of these financial statements was approved by the Board of Directors on 14 June 2016.

2.2. Basis of measurement

Measurements in the financial statements are based on amortised cost, apart from available-for-sale financial assets, which were measured at fair value in accordance with IAS 39.

2.3. Functional and presentation currency

The functional currency of Diákhitel Központ Zrt. is the Hungarian forint (HUF). The Company is not required by legislation to prepare financial statements in accordance with IFRS. In the previous periods, the financial statements were prepared for the international financial markets and therefore the Company chose the euro (EUR) as its presentation currency. In 2015, the Company changed its accounting policies so that the Company returned to the HUF as its presentation currency. The figures in the financial statements are presented in HUF millions. The Company decided to changes its presentation currency as, according to the amendment of the Hungarian accounting law (act C of 2000) in 2015, it will be mandatory for the Company to prepare IFRS financial statements for reporting periods starting in 2017 instead of Hungarian statutory financial statements.

2.4. Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make professional judgements, estimates and assumptions that affect the accounting policies applied as well as the reported amounts of assets and liabilities and revenues and expenses in the financial statements. These estimates and related assumptions are based on past experience and on various other factors which are believed to be reasonable under the circumstances, and the results of which form the basis for estimating the fair values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Amendments to accounting estimates are recognised in the period the estimate was amended if the amendment only affects the given year, or in the period of the amendment and in subsequent periods if the amendment affects both the current and subsequent years.

The Company used estimates with respect to the following:

- **Going concern**

Management assessed the Company's ability to continue operating as a going concern and concluded that the Company has the necessary resources to continue its operations in the foreseeable future. Management is not aware of any material uncertainty that would cast significant doubt on the validity of the going concern basis. For the purposes of its going concern assessment the Company took into consideration the unconditional government guarantee for the funds raised.

- ***Fair valuation of financial assets and liabilities***

If the fair value of financial assets and liabilities is identified on a basis other than an active arm's length price (market price?), a measurement model needs to be applied. The fair value measurement of financial instruments is set out in note 6 to the financial statements in detail.

- ***Impairment loss of assets***

The impairment of assets is presented in note 3.13 in detail.

- ***Technical reserves***

The estimates applied by the Company with regard to the actuarial model are detailed in note 4.1.3 to the financial statements.

- ***Deferred tax assets***

The Company presents deferred tax assets to the extent to which it is probable that enough taxable income will be available in the future to offset the deferred tax assets. Deferred tax assets are revised by the Company at the end of each reporting period and are reduced according to the probability realising related tax benefits. The accounting treatment of deferred tax is presented in note 3.8 in detail.

2.5. Reclassifications and errors

The Company publishes a set of modified financial statements for the year 2014.

The reason for the modification was the change in Diákhitel Központ Zrt's presentation currency. For the sake of comparability, the figures for 2014 are disclosed in HUF millions and the figures for 01 January 2014 are presented in HUF millions as well. The effect of the change of the presentation currency on the Equity is disclosed in note 25.