



Executive Summary of The Brokerage Market of Hungary

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1. Introduction

The brokerage market of Hungary has developed and expanded by a great volume in the past few years and numerous new businesses appeared to please the needs of the clients with financial services. During these quick and rapid expansions it is crucial for market players to be able to change, evolve and develop to the new demands. My sponsor firm, BrokerChooser, has made the initiative to perform extensive research since they recognize the necessity for accurate and current information in the rapidly changing environment we live in nowadays. I had the honor of participating in this study project, which sought to present a thorough overview of the brokerage market in Hungary, with the help of a data analyst from the company. By giving access to the users for the in depth analysis and research the platform is a unique one. In my opinion after my conducted study people can be better equipped to make informed investment choices and confidently negotiate the complexity of the financial markets. The organization's commitment to provide unbiased analyses and thorough research guarantees that the users have the resources they need to succeed, which is crucial for novice investors. They take into consideration several factors when assessing a brokerage which is shown in the second part of the project.

2. Top players on the market

In the first part of the thesis the top eight brokers in Hungary are the subject of this study's analysis because each has developed a distinct market niche, moreover they heavily influence the market's expansion and development in the country. KBC Equitas has a significant market share, therefore was able to build a strong presence together with a large number of clients. Erste Broker is another significant competitor in the Hungarian brokerage industry focusing on offering services to individual investors. Concorde offers investment services to a variety of customers, such as services for retail and high net worth customers who would like to broaden their horizons in trading. The business also offers products for institutional investors to completely cover the sector. Equilor mainly offers equities, fixed income securities, mutual funds, and other financial instruments to help the clients achieve their dreams. OTP Bank is known to be one of the biggest banks in Hungary, has a subsidiary called OTP Alapkezelő that was assessed in the thesis. UniCredit Bank and CIB Bank both have a backing institution, a bank group, as a parent company to make sure the investors' money is in good hands. Raiffeisen Alapok's parent company, Raiffeisen Bank, is another

example of the largest banks in the country, making the organization the perfect candidate for future investment purposes.

The study focuses on analyzing factors such as Assets Under Management (AUM), that shows the market's share and the organization's impact in the industry. Product offerings show what products can be accessed through the businesses such as stocks, bonds, funds and ETFs. The regulatory environment is taken into consideration, including compliance with the Hungarian Financial Supervisory Authority and other regulatory organizations. Each player's financial history was investigated, furthermore, their connections to the banking sector and prospective benefits in terms of product integration and cross-selling. Each player's stock exchange listing has been taken into account because it provides information about their growth potential and financial stability. My study looks at the requirements for conducting business in Hungary, such as necessary licenses, certifications, taxes, and other costs associated with opening an account. Maintenance costs are regarded as well because they have a big impact on the entire expense of investing. The TBSZ (Long-Term Investment Account) and NYESZ (Pension Investment Account) accounts are also subjects of the study to emphasize their profitability and uniqueness due to the fact that they are distinctive investment options only available on the Hungarian market.

3. Detailed analysis on Erste Broker

This second part of the project mainly consists of the significantly detailed report, the written review about Erste Investment's web trading platform. BrokerChooser provided me a number of guidelines along with a shared Excel file to conduct my research and reveal the main strengths of the site. This study's major goal was to clarify the brokerage platform's price/fee structure, historical context, and product offerings. This portion of the research is vital for the company because they will post my review on their website that will be reachable for any of the future and present investors at the firm. To sum up the major findings, Erste Broker is primarily concentrated on the European Union's German, Hungarian, and Austrian markets. It provides a user-friendly platform with a simple interface and a variety of investment choices that is appropriate for beginning investors. Customers can feel secure knowing that the business is supported by a parent company, Erste Group, which is listed on the Vienna Stock Exchange and has a solid banking history. They offer web and mobile trading platforms for the future investors, securing them with a two-factor login to create a convenient but safe environment. Several stock exchanges can be accessed via NetBroker including Budapest, Vienna, Frankfurt

markets, NASDAQ, and NYSE. By offering over 3100 stocks, 640 ETFs and nearly 800 funds the brokerage is a tempting possibility for the Hungarian speaking clients. They also provide ESG services and ETFs for the sustainably investing clients, however, cryptos, CFDs, options, futures or any other derivatives are not available for trading. Fees associated with the brokerage are moderate compared to its competitors in the Hungarian market, but higher than some international firms. Depending on the market, the commission structure ranges from 0.45% of the asset value with a fix minimum cost. Compared to regional rivals, mutual funds charge an average fee of 1% of the market value. The deposit and withdrawal procedures include bank transfers and a few other types of electronic wallets. Unfortunately, they do not yet support credit or debit cards, which can be a negative fact for users looking for ease and more varied payment methods. Erste Investment does not provide recommendations for asset classes but does give fundamental data for equities in terms of research and education. Appropriate announcements and news are assessed on the main together with a thorough search function. However, the charting tool lacks indicators and candles, and there aren't any tutorial videos, webinars, seminars, or demo accounts accessible to help consumers learn and trade.

Overall, NetBroker offers a user-friendly and accessible experience that can be utilized especially by those who are new to the financial markets. The platform promotes a welcoming environment for users by putting a strong emphasis on simplicity and having an intuitive user interface. It is important to keep in mind that NetBroker does not target the US market or serve US customers.

4. The final deliverable, the published review

In conclusion, the final review was produced by the previously assessed data with the instructions and help of the company-provided admin platform. By granting me the access to edit the page their website was updated and changed with the feedback statistics to produce the user experience that I thought would be most accurate. To assure truthfulness and prevent inaccuracies in the evaluation, the information from the shared Google file was utilized during the process. Additionally, screenshots from the brokerage company's platform were included to add a great and satisfying visual appeal to the report and to be able to meet client demands. Overall, Erste Broker received a 4.0 scoring out of 5.0 by my sponsor company, that makes it a wise choice for Hungarian speaking, long-term investors. The thorough analysis and impartial evaluations offered by BrokerChooser can enable people to make knowledgeable investing decisions as the brokerage market in Hungary keeps evolving and attracts more and more clients.