

Financial Statements

in accordance with Hungarian Accounting Standards

as at 31 December 2014

Budapest, 14 April 2015

number:

Court

Company registration

Budapest Metropolitan

Cg. 01-10-041054

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Balance Sheet

Assets

31.12.2014

Line No.	Description of the item	31.12.2013 (data in HUF million)	31.12.2014 (data in HUF million)
1	Cash and cash equivalents	29,770	34,294
2	Government securities	609,072	229,532
a	for trading purposes	307,870	7,537
b	for investment purposes	300,943	221,931
2/A	Valuation difference of government securities	259	64
3	Receivables from credit institutions	147,125	341,112
a	due on demand	2,924	7,030
b	other receivables from financial services	144,201	334,082
ba	with maturity within one year	85,059	334,082
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	43,393	0
	<i>from other participating interests</i>	0	0
	<i>to the Central Bank of Hungary</i>	24,700	303,300
	<i>from clearing houses</i>	0	0
bb	with maturity over one year	59,142	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	59,028	0
	<i>from other participating interests</i>	0	0
	<i>to the Central Bank of Hungary</i>	0	0
	<i>from clearing houses</i>	0	0
c	from investment services	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
	<i>receivables from clearing houses</i>	0	0
3/A	Valuation difference of receivables from credit institutions	0	0
4	Receivables from customers	1,321,566	1,192,569
a	from financial services	1,321,458	1,192,406
aa	with maturity within one year	113,453	81,991
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	363	26
	<i>from other participating interests</i>	0	0
ab	with maturity over one year	1,208,005	1,110,282
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	3,571	3,004
	<i>from other participating interests</i>	263	246
b	from investment services	108	163
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	9	19
	<i>from other participating interests</i>	0	0
ba	receivables from stock market investment services	0	0
bb	from OTC investment services	97	116
bc	receivables from customers, arising from investment services	9	19
bd	receivables from clearing houses	0	0
be	receivables from other investment services	2	28
4/A	Valuation difference of receivables from customers	0	0

5	Debt securities, including those with fixed interest rates	30,544	10,913
a	debt securities in issue by local governments and other public bodies (excluding government securities)	17,935	3,024
aa	for trading purposes	0	0
ab	for investment purposes	17,935	3,024
b	debt securities in issue by other issuers	12,521	7,814
ba	for trading purposes	2,944	3,122
	<i>Of</i>		
	<i>which: issued by affiliated undertakings</i>	0	0
	<i>issued by other participating interests</i>	0	0
	repurchased own-issue securities	0	0
bb	for investment purposes	9,577	4,692
	<i>Of</i>		
	<i>which: issued by affiliated undertakings</i>	0	0
	<i>issued by other participating interests</i>	0	0
5/A	Valuation difference of debt securities	88	75
6	Shares and other variable-yield securities	0	0
a	shares and interests held for trading purposes	0	0
	<i>Of</i>		
	<i>which: issued by affiliated undertakings</i>	0	0
	<i>issued by other participating interests</i>	0	0
b	variable-yield securities	0	0
ba		0	0
bb		0	0
6/A	Valuation difference of shares and other variable-yield securities	0	0
7	Shares and interests held for investment purposes	864	778
a	shares and interests held for investment purposes	864	778
	<i>Of</i>		
	<i>which: interests in credit institutions</i>	0	0
b	value adjustment of shares and interests held for investment purposes	0	0
	<i>Of</i>		
	<i>which: interests in credit institutions</i>	0	0
7/A	Valuation difference of shares and interests	0	0
8	Shares and interests in affiliated undertakings	48,541	53,150
a	shares and interests held for investment purposes	48,541	53,150
	<i>Of</i>		
	<i>which: interests in credit institutions</i>	3,600	3,600
b	value adjustment of shares and interests held for investment purposes	0	0
	<i>Of</i>		
	<i>which: interests in credit institutions</i>	0	0
9	Intangible assets	12,475	11,600
	Intangible assets	12,475	11,600
	Value adjustment of intangible assets	0	0
10	Property and equipment	9,172	8,682
a	property and equipment held for the purpose of financial and investment services	9,172	8,682
aa	properties	5,032	5,379
ab	plant and machinery, equipment, vehicles	3,508	2,818
ac	investments	632	485
ad	payments made on account	0	0
b	property and equipment not directly held for the purpose of financial and investment services	0	0
ba	properties	0	0
bb	plant and machinery, equipment, vehicles	0	0
bc	investments	0	0
bd	payments made on account	0	0
c	value adjustment of property and equipment	0	0
11	Own shares	0	0
12	Other assets	60,500	35,567
a	inventories	8,129	2,298
b	other receivables	45,397	12,164

<i>Of</i>			
<i>which:</i>	<i>receivables from affiliated undertakings</i>	1,881	2,357
	<i>receivables from other participating interests</i>	0	0
12/A	Valuation difference of other receivables	0	0
12/B	Positive valuation difference of derivative transactions	6,974	21,105
13	Accrued and deferred assets	24,067	20,011
a	accrued income	20,692	16,289
b	accrued expenses	3,375	3,722
c	deferred expenses	0	0
TOTAL ASSETS		2,293,696	1,938,208
<i>Of which:</i>	<i>Current assets</i>	602,975	504,058
	<i>Fixed assets</i>	1,666,654	1,414,139

Date: Budapest, 14 April 2015

.....
 Radován Jelasity
 Chairman-Chief Executive Officer

.....
 Krisztina Kiss
 Financial and Accounting Director

Liabilities

31.12.2014

Line No.	Description of the item	31.12.2013 (data in HUF million)	31.12.2014 (data in HUF million)
1	LIABILITIES TO CREDIT INSTITUTIONS	749,532	237,912
a	due on demand	1,534	1,606
b	liabilities committed for a certain period, arising from financial services	747,998	236,306
ba	with maturity within one year	209,564	9,471
	<i>Of which: from affiliated undertakings</i>	179,115	2,707
	<i>from other participating interests</i>	0	0
	<i>to the Central Bank of Hungary</i>	0	0
	<i>liabilities to clearing houses</i>	0	0
bb	with maturity over one year	538,434	226,835
	<i>Of which: from affiliated undertakings</i>	409,181	108,081
	<i>from other participating interests</i>	0	0
	<i>to the Central Bank of Hungary</i>	51,493	61,000
	<i>liabilities to clearing houses</i>	0	0
c	from investment services	0	0
	<i>Of which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
	<i>liabilities to clearing houses</i>	0	0
1/A	VALUATION DIFFERENCE OF LIABILITIES TO CREDIT INSTITUTIONS	0	0
2	LIABILITIES TO CUSTOMERS	1,203,811	1,227,407
a	savings deposits	2,388	2,378
aa	due on demand	2,388	2,378
ab	with maturity within one year	0	0
ac	with maturity over one year	0	0
b	other liabilities arising from financial services	1,198,461	1,222,403
ba	due on demand	390,396	486,015
	<i>Of which: from affiliated undertakings</i>	33,846	39,888
	<i>from other participating interests</i>	682	735
bb	with maturity within one year	749,750	674,675
	<i>Of which: from affiliated undertakings</i>	6,082	3,026
	<i>from other participating interests</i>	6,656	2,236
bc	with maturity over one year	58,315	61,713
	<i>Of which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
c	from investment services	2,962	2,626
	<i>Of which: from affiliated undertakings</i>	49	16
	<i>from other participating interests</i>	15	618
ca	liabilities arising from stock market investment services	0	0
cb	liabilities arising from OTC investment services	2,962	2,626
cc	liabilities to customers, arising from investment services	0	0
cd	liabilities to clearing houses	0	0
ce	liabilities arising from other investment services	0	0
2/A	VALUATION DIFFERENCE OF LIABILITIES TO CUSTOMERS	0	0
3	LIABILITIES EXISTING AS A RESULT OF DEBT SECURITIES IN ISSUE	9,117	21,205
a	issued bonds	9,117	21,205
aa	with maturity within one year	1,739	0

	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
ab	with maturity over one year	7,378	21,205
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
b	other debt securities issued	0	0
ba	with maturity within one year	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
bb	with maturity over one year	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
c	debt instruments treated as securities in terms of accounting but not qualified as securities according to the Securities Act	0	0
ca	with maturity within one year	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
cb	with maturity over one year	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
4	OTHER LIABILITIES	59,683	29,149
a	with maturity within one year	47,511	7,746
	<i>Of which: from affiliated undertakings</i>	1,455	2,414
	<i>from other participating interests</i>	17	27
b	with maturity over one year	0	0
	<i>Of which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
4A	NEGATIVE VALUATION DIFFERENCE OF DERIVATIVES	12,172	21,403
5	ACCRUED AND DEFERRED LIABILITIES	20,759	14,557
a	deferred income	786	665
b	deferred expenses	19,958	13,877
c	deferred income	15	15
6	SUNDRY PROVISIONS	3,582	91,094
a	provision for pensions and severance payments	199	0
b	risk provision for contingent liabilities and commitments	1,780	732
c	general risk provisions	0	0
d	other provisions	1,603	90,362
7	SUBORDINATED LIABILITIES	66,296	133,634
a	subordinated loan capital	66,296	133,634
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	64,133	129,420
	<i>from other participating interests</i>	0	0
b	other capital contribution of the members in the case of credit institutions operating as cooperatives	0	0
c	other subordinated liabilities	0	0
	<i>Of</i>		
	<i>which: from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
8	SUBSCRIBED CAPITAL	101,000	102,000
	<i>Of</i>		
	<i>which: ownership interests repurchased at nominal value</i>	0	0
9	SUBSCRIBED BUT UNPAID CAPITAL (-)	0	0
10	CAPITAL RESERVE	189,327	283,327
a	difference between the nominal value and the issue price of shares and	189,327	283,327

	interests (premium)		
	b other	0	0
11	GENERAL RESERVE	0	0
12	RETAINED EARNINGS (+-)	(90,813)	(107,481)
13	TIED-UP RESERVE	0	0
14	VALUATION RESERVE	(1,929)	(2,243)
	a Valuation reserve of the value adjustment	0	0
	b Valuation reserve of fair valuation	(1,929)	(2,243)
15	PROFIT OR LOSS FOR THE YEAR ACCORDING TO THE STATEMENT OF FINANCIAL POSITION (+-)	(16,669)	(92,353)
	TOTAL LIABILITIES	2,293,696	1,938,208
	<i>Of</i>		
	<i>which: Short-term maturity liabilities</i>	1,416,276	1,205,920
	<i>Long-term maturity liabilities</i>	672,162	443,387
	<i>Total equity</i>	180,916	183,250

Line No.	Description of the item	31.12.2013 (data in HUF million)	31.12.2014 (data in HUF million)
1	Contingent liabilities	123,639	142,694
2	Liabilities	754,905	1,986,324
	TOTAL CONTINGENT LIABILITIES AND COMMITMENTS	878,544	2,129,018

Line No.	Description of the item	31.12.2013 (data in HUF million)	31.12.2014 (data in HUF million)
1	Contingent claims	3,170,906	2,913,988
2	Future receivables	757,948	1,979,684
	TOTAL CONTINGENT CLAIMS AND FUTURE RECEIVABLES	3,928,854	4,893,672

Date: Budapest, 14 April 2015

.....
Radován Jelasity
Chairman-Chief Executive Officer

.....
Krisztina Kiss
Financial and Accounting Director

Income statement

31.12.2014

Line No.	Description of the item	31.12.2013 (data in HUF million)	31.12.2014 (data in HUF million)
1	INTEREST AND SIMILAR INCOME RECEIVED	159,120	116,695
a	interest income received (due) on debt securities with fixed interest rates	44,698	21,772
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	0	0
	<i>from other participating interests</i>	0	0
b	other interest and similar income received	114,422	94,923
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	6,379	2,242
	<i>from other participating interests</i>	8	7
2	INTEREST PAID AND SIMILAR CHARGES	72,826	37,020
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	26,016	18,004
	<i>to other participating interests</i>	294	98
	INTEREST DIFFERENTIAL (1-2)	86,294	79,675
3	INCOME FROM SECURITIES	2,663	2,033
a	income from shares and interests held for trading (dividends, equity holdings)	0	0
b	income from interests in affiliated undertakings (dividends, equity holdings)	2,500	2,000
c	income from other interests (dividends, equity holdings)	163	33
4	FEE AND COMMISSION INCOME RECEIVED (DUE)	44,052	46,460
a	from the income of other financial services	41,929	44,767
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	4,575	5,741
	<i>from other participating interests</i>	5	0
b	of the income of investment services (excluding the income of trading activities)	2,123	1,693
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	104	0
	<i>from other participating interests</i>	0	0
5	COMMISSIONS AND FEES PAID (PAYABLE)	9,650	8,441
a	of the expenses of other financial services	8,208	7,502
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	18	20
	<i>to other participating interests</i>	0	0
b	of the expenses of investment services (excluding the expenses of trading activities)	1,442	939
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	1,124	639
	<i>to other participating interests</i>	0	0
6	NET PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS (6.A-6.B+6.C-6.D)	(481)	4,081
a	from the income of other financial services	17,470	14,330
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	5,305	6,557
	<i>from other participating interests</i>	0	783
	<i>valuation difference</i>	0	0
b	of the expenses of other financial services	14,852	6,622
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	195	505

	<i>to other participating interests</i>	0	1
	<i>valuation difference</i>	0	0
c	of the income of investment services (the income of trading activities)	51,984	85,065
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	12,387	16,292
	<i>from other participating interests</i>	287	395
	<i>reversal of the impairment loss of securities held for trading</i>	0	0
	<i>valuation difference</i>	10,503	20,330
d	of the expenses of investment services (the expenses of trading activities)	55,083	88,692
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	11,410	6,792
	<i>to other participating interests</i>	371	187
	<i>impairment loss of securities held for trading</i>	0	0
	<i>valuation difference</i>	(1,622)	39,700
7	OTHER INCOME FROM BUSINESS ACTIVITIES	44,174	25,074
a	income of services other than financial or investment services	1,893	1,531
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	208	57
	<i>from other participating interests</i>	26	2
b	other income	42,281	23,543
	<i>Of which:</i>		
	<i>from affiliated undertakings</i>	14,518	7,975
	<i>from other participating interests</i>	0	0
	<i>reversal of the impairment loss of inventories</i>	5,617	4,591
8	GENERAL ADMINISTRATION COSTS	43,257	43,079
a	staff costs	23,568	22,834
	<i>aa wages and salaries</i>	16,822	16,461
	<i>ab other employee benefits</i>	1,433	1,264
	<i>Of which:</i>		
	<i>social insurance costs</i>	162	106
	<i>pension-related costs</i>	142	102
	<i>ac contributions on wages and salaries</i>	5,313	5,109
	<i>Of which:</i>		
	<i>social insurance costs</i>	243	226
	<i>pension-related costs</i>	9	12
b	other administration costs (material costs)	19,689	20,245
9	DEPRECIATION	5,145	5,491
10	OTHER EXPENDITURE RELATING TO BUSINESS ACTIVITIES	95,864	164,129
a	expenses on services other than financial or investment services	1,473	1,276
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	18	5
	<i>to other participating interests</i>	0	0
b	other expenditure	94,391	162,853
	<i>Of which:</i>		
	<i>to affiliated undertakings</i>	3,561	8,491
	<i>to other participating interests</i>	0	0
	<i>impairment loss of inventories</i>	4,390	2,529
11	IMPAIRMENT LOSS ON RECEIVABLES AND RISK PROVISIONING FOR CONTINGENT LIABILITIES AND COMMITMENTS	115,952	85,002
a	impairment loss on receivables	115,321	84,655
b	risk provisioning for contingent liabilities and commitments	631	347
12	REVERSAL OF IMPAIRMENT LOSS ON RECEIVABLES AND THE USE OF RISK PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS	79,430	73,031
a	reversal of impairment loss on receivables	79,171	71,619
b	the use of risk provisions for contingent liabilities and commitments	259	1,412
12/A	DIFFERENCE BETWEEN THE GENERAL RISK PROVISION AND ITS UTILISATION	0	0
13	IMPAIRMENT LOSS ON DEBT SECURITIES HELD FOR	4,492	2,847

	INVESTMENT PURPOSES AND ON SHARES AND EQUITY HOLDINGS IN AFFILIATED UNDERTAKINGS AND IN OTHER PARTICIPATING INTERESTS		
14	REVERSAL OF IMPAIRMENT LOSS ON DEBT SECURITIES HELD FOR INVESTMENT PURPOSES AND ON SHARES AND EQUITY HOLDINGS IN AFFILIATED UNDERTAKINGS AND IN OTHER PARTICIPATING INTERESTS	2,582	91
15	PROFIT/LOSS FROM ORDINARY OPERATING ACTIVITIES	(15,646)	(78,544)
	PROFIT/LOSS FROM FINANCIAL AND INVESTMENT SERVICES (1-2+3+4-5+-6+7.b-8-9-10.b-11+12-13+14) Of which:	(16,066)	(78,799)
	PROFIT/LOSS FROM SERVICES OTHER THAN FINANCIAL AND INVESTMENT SERVICES (7.a-10.a)	420	255
16	EXTRAORDINARY INCOME	200	191
17	EXTRAORDINARY EXPENSES	1,223	14,000
18	EXTRAORDINARY PROFIT/LOSS (16-17)	(1,023)	(13,809)
19	PROFIT/LOSS BEFORE TAXATION (+ (15)+-18)	(16,669)	(92,353)
20	TAX PAYMENT LIABILITY	0	0
21	PROFIT/LOSS FOR THE YEAR (+ (19)-20)	(16,669)	(92,353)
22	APPROPRIATION AND USE OF GENERAL RESERVE (+-)	0	0
23	RETAINED EARNINGS USED FOR DIVIDENDS AND SHARES	0	0
24	APPROVED DIVIDENDS AND SHARES	0	0
	Of which: to affiliated undertakings	0	0
	to other participating interests	0	0
25	PROFIT OR LOSS FOR THE YEAR ACCORDING TO THE STATEMENT OF FINANCIAL POSITION (+ (21)-/+22+23-24)	(16,669)	(92,353)

Date: Budapest, 14 April 2015

.....
Radován Jelasity
Chairman-Chief Executive Officer

.....
Krisztina Kiss
Financial and Accounting Director

Notes

I/1 Short description of ERSTE BANK HUNGARY Zrt.

Legal form:	Private Limited Company (Zártkörűen Működő Részvénytársaság)
Date of foundation:	16 December 1986
Date of registration:	12 April 1988 (last registration of changes: on 1 September 2014, the registration of the capital increase implemented on 26 August 2014)
Registered office:	1138 Budapest, Népfürdő u. 24-26.
The company's internet address:	http://www.erstebank.hu
Owner:	EGB CEPS Holding GmbH (100%)

ERSTE BANK HUNGARY Zrt. is entitled to perform the following activities as a credit institution:

SCOPE OF ACTIVITIES

Main activity:

64.19'08 Other monetary intermediation

Other activities:

64.92'08 Other credit extension
 64.99'08 Other financial service activities n.e.c.
 66.12'08 Security and commodity contracts brokerage
 66.19'08 Other activities auxiliary to financial services
 66.22'08 Activities of insurance agents and brokers
 Other activities auxiliary to insurance and pension funding
 66.29'08
 68.20'08 Renting and operating of own or leased real estate
 64.91'08 Financial lease
 69. 20'08 Accounting, bookkeeping and auditing activities; tax consultancy

The Bank is a credit institution, which provides the following financial and investment services within the above statistical classification, pursuant to the Credit Institutions Act and the Investment Firms Act:

Financial services:

- (i) collection of deposits and other repayable monetary assets from the public, in excess of shareholders' equity;
- (ii) granting of credits and loans;
- (iii) financial leasing;
- (iv) provision of payment services;
- (v) issue of electronic money and paper-based cash equivalents (for example paper-based traveller's cheques, bills) and provision of related services that are not classified as payment services;
- (vi) undertaking of suretyship and bank guarantees as well as other banking liabilities;
- (vii) trading activity for own account or on commission in currency, foreign exchange (excluding currency conversion activities), bills and cheques;
- (viii) intermediation of financial services (brokerage);
- (ix) custodial services, provision of safe-deposit boxes;

- (x) *loan reference services.*

Ancillary financial services:

- (xi) *Currency conversion activity.*

Investment services:

- (xii) *receiving and transmitting client orders, execution of orders on behalf of clients (points (a) and (b) of Section 5(1) of the Investment Firms Act);*
- (xiii) *trading on own account relating to financial instruments (point (c) of Section 5(1) of the Investment Firms Act);*
- (xiv) *investment advice (point (e) of Section 5(1) of the Investment Firms Act);*
- (xv) *placement of financial instruments without any commitment for the purchase of assets (financial instruments) (point (g) of Section 5(1) of the Investment Firms Act).*

Ancillary investment services:

- (xvi) *safekeeping and administration of financial instruments, including the management of related client accounts (point (a) of Section 5(2) of the Investment Firms Act);*
- (xvii) *safe custody services, including the management of related securities accounts, and keeping records of printed securities and the management of the related client accounts (point (b) of Section 5(2) of the Investment Firms Act);*
- (xviii) *granting credits and loans to investors (point (c) of 5(2) of the Investment Firms Act);*
- (xix) *advice to companies on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of companies (point (d) of 5(2) of the Investment Firms Act);*
- (xx) *investment analysis and financial analysis (point (f) of 5(2) of the Investment Firms Act);*
- (xxi) *services related to underwriting guarantees (point (g) of 5(2) of the Investment Firms Act);*
- (xxii) *investment services and ancillary activities related to the underlying instruments of the derivatives mentioned in points (e)-(g), (j) and (k) of Section 6 of the Investment Firms Act ((point (h) of 5(2) of the Investment Firms Act).*

Other for-profit activities performed in addition to the financial services, ancillary financial and investment services and ancillary investment services:

- (i) *activities aimed at the utilisation of collaterals or securities acquired by the Bank with a view to reducing or avoiding losses from financial services (point (i) of Section 4(3) of the Credit Institutions Act).*

Other not for-profit activities:

- (i) *accounting services and representation before the tax authority, which can only be performed by the Bank for the benefit of its subsidiaries and affiliated undertakings belonging to the Hungarian Erste Group, on a not for-profit basis, in order to promote the prudent operation of its subsidiaries and affiliated undertakings as well as their compliance with the requirements for risk assumption and capital adequacy and their fulfilment of accounting liabilities.*

Pursuant to Section 155(2) of Act C of 2000 on Accounting, auditing is compulsory for the Bank.
The Bank's auditor is Ernst & Young Kft. (1132 Budapest, Váci út 20.)
Registration number with the Chamber of Hungarian Auditors: 001165

Appointed auditor: Gergely Szabó (mother's maiden name: Zsuzsanna Kiss, 1202 Budapest, Mézes u. 35, membership number with the chamber: 005676)

The Board of Directors of ERSTE Bank Hungary Zrt.

31 December 2014

Radován Jelasity	Chairman,
Bernhard Spalt	internal member
László Szabolcs Harmati	internal member
László Pelle	internal member
Frederik Silzer	external member
dr. János Rudnay	external member

The Supervisory Board of ERSTE Bank Hungary Zrt.

31 December 2014

Manfred Wimmer	Chairman
Friedrich Rödler	member
Gernot Mittendorfer	member
Krisztina Zsiga	member
Magdolna Nagy	employee
Márta Balogh	member

I/2 ERSTE Bank Hungary Zrt.'s accounting policy

The Bank's accounting policy is a collection of the reporting and bookkeeping provisions of the Accounting Act, as well as the Government Decree issued for the implementation of such Act regarding credit institutions and the accounting and valuation rules applied by the company. The combined application of these rules creates the bases of the operation of the management information system and of the regulatory compliance of the compilation of the financial statements and the report.

ERSTE Bank Hungary Zrt. enforces the accounting principles specified in the Act and the Government Decree both in its accounting system and during the preparation of the annual report.

ERSTE Bank Hungary Zrt. took into account the provisions of the following laws when establishing its accounting policy used for the preparation of its report for the year 2014 and the related accounting system:

- Act C of 2000 on Accounting (hereinafter: the Accounting Act), as amended
- Government Decree 250/2000. (XII. 24) on the specifics of the annual reporting and accounting liabilities of credit institutions, as amended
- Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax, as amended
- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: the Credit Institutions Act), as amended
- other laws applicable to the Bank and the Bank's internal regulations issued for the purpose of the enforcement of such laws.

ERSTE Bank Hungary Zrt. keeps its books by applying a business management approach, according to the rules of the double-entry method, and it compiles its annual report in accordance with the provisions of the Government Decree applicable to credit institutions. The Bank prepares its income statement in accordance with the relevant requirements, in a vertical layout.

The accounting date of the financial statements for 2014: 31 December 2014

Date of preparation of the balance sheet: 7 January 2015

Measurement methods used in the financial statements

The measurement of assets and liabilities

The Bank measures current assets and fixed assets at cost or production cost (with the exception of currency and foreign exchange holdings) and recognises them at such costs in the statement of financial position.

In accordance with the content requirements of Section 87(1) of the Credit Institutions Act and the provisions of Government Decree 250/2000. (XII. 24) (Annex 7), the Bank classified its outstanding claims, investments and undertaken contingent liabilities and commitments required for the assessment of individual risks and the establishment of the impairment losses and provisions serving as a collateral for such risks individually.

When performing such classification, the Bank classified all parts of outstanding claims, investments and undertaken liabilities in relation to which there is a risk of losses.

When classifying investments, first of all the losses expected to arise from such investments were estimated.

When classifying outstanding claims, the Bank examined the defaults in principal repayment and interest payment arising in connection with the repayment of the outstanding claim, jointly with the changes in the debtor's financial situation, stability and income-generating ability, as well as any deterioration in the value, liquidity and availability of securities accepted as collateral.

Based on the impairment loss established during classification as well as on the size of the provision, the Bank classified outstanding claims, investments and undertaken liabilities into the following categories: pass, special mention, sub-standard, doubtful and loss.

The Bank daily revalues its currency (foreign exchange) stock and its receivables and liabilities denominated in a foreign currency and exclusively related to its credit institution activity into a HUF amount based on the exchange rate published by the Central Bank of Hungary.

The Bank recognises liabilities at carrying amount (with the exception of the above-mentioned currencies).

Fair value measurement

The assets and liabilities subject to fair value measurement are included in the statement of financial position with the amount for which an asset can be exchanged (sold or purchased) or a liability can be settled between the parties expressing their intention to conclude a transaction, within the framework of a deal concluded at arm's length.

In accordance with the provisions of the Accounting Act, the Bank classified the financial instruments that are not part of any hedges into the following categories:

- Financial instruments for trading: financial instruments acquired for the purpose of generating profit from short-term price and rate fluctuations.
- Originated loans and other receivables: financial assets created by the Bank through making financial instruments, goods or services available, which involve fixed or ascertainable payments, unless the Bank created them for the purpose of short-term sales. Originated loans and other receivables primarily consist of credits and loans provided to banks and customers.
- Financial instruments held to maturity: financial assets which the Bank intends to and is able to retain until maturity. The Bank classifies securities held to maturity into this category.
- Assets available for sale: financial instruments that are not classified as financial assets held for trading, credits or loans originated by the Bank or financial instruments held to maturity.

In the case of securities available for sale and held for trading, when establishing the fair value taken into account during fair value measurement, the prices are unreliable due to the vulnerable liquidity that can be observed on the market, therefore the Bank performs the measurement based on a yield curve. The market price "calculated" based on the yield curves is calculated by the Kondor system.

Bonds issued by local governments or municipal companies have been an exception from the general rule of measuring securities available for sale at market price since 2011. For such bonds, in 2011, the Bank introduced a model similar to the rating-based impairment loss used during the valuation of the loan portfolio.

The fair value measurement methodology used for derivatives and the valuation principles were developed in a manner approved by the Bank's management.

The point of fair value measurement is that the assets and liabilities subject to fair value measurement are included in the statement of financial position with the amount for which an asset can be exchanged (sold or purchased) or a liability can be settled between well-informed parties expressing their intention to conclude a transaction, within the framework of a deal concluded at arm's length. In the case of securities held for trading, the valuation difference is recognised directly in the profit/loss and in the case of securities available for sale, it is recognised in the shareholders' equity (valuation reserve).

The fair value hedges concluded by the Bank are market value type (fair value) and cash flow type hedges. Hedges must be marked as hedges when concluding the transaction and they must be recorded as such. In the records kept of hedges, the open position existing due to the hedge(s) as well as its expected interest and exchange rate losses must be assigned to the hedge. The hedge efficiency must be ensured at the time of the conclusion of the hedge and also during its entire maturity term. Reviews must be performed at the measurement dates (monthly), and their results must be recorded in the hedge document. If the nature of a deal concluded with a hedging purpose changes during its maturity term, its result must be recognised according to the general rules applicable to forward deals.

Impairment loss and sundry provisions

The Bank recognises the portfolio of the following recognised impairment losses among the assets (according to the provisions of the Credit Institutions Act and the government decree on credit institutions) in the statement of financial position:

- impairment loss recognised on receivables,
- impairment loss recognised on securities,
- impairment loss recognised on inventories,
- impairment loss recognised on fixed financial assets.

The following sundry provisions created according to the requirements of the Credit Institutions Act and the Accounting Act are recognised in liabilities:

- provision for pensions and severance payments,
- risk provision for contingent liabilities and commitments,
- other provisions for expected, significant and periodically recurring future costs.

The Bank continuously monitors the legal affairs by which it is directly or indirectly affected. The Bank creates a provision for potentially arising liabilities, taking into account the chances of their occurrence. In cases for which the Bank has not created any provision, the potential claim against the Bank is not substantiated or it has no significant effect on the financial and income situation of the Bank.

Availing itself of the option ensured by the government decree on credit institutions, the Bank decided not to create a general risk provision.

Making interest pending

According to the requirements of the government decree on credit institutions, we accounted for the income from interest, interest-type commissions and other financial services and made them pending. There are expired interest and commission receivables among the receivables that were due pro rata for the financial year, were payable and paid by the time of the preparation of the balance sheet, and there are overdue receivables which were paid late but not later than the date of preparation of the balance sheet.

Income statement

The income statement contains detailed information on the Bank's profit or loss for the year according to the statement of financial position, the main factors influencing the profit/loss generated, and the components and trends in the profit or loss for the year.

The principles specified by the Accounting Act were also enforced during the preparation of the income statement; the profit/loss is the difference between the income and expenses for the financial year, realised for certain by the statement of financial position date or the preparation of the statement of financial position and arising by the statement of financial position date or becoming known to the Bank by the date of preparation of the statement of financial position.

Depreciation of assets

Based on the Corporate Income Tax Act and the Accounting Act, the Bank recognises depreciation and depreciation allowances according to the following:

- based on individual consideration, it accounted for the carrying amount of property and equipment below an individual acquisition value of HUF 100,000 in one sum as depreciation at the time of their putting into use,
- it accounted for depreciation every month; on property and equipment acquired during the month, a pro rata depreciation was recognised from the date of commissioning,
- it used the straight line depreciation method determined based on gross values for accounting for depreciation,
- for recognising the annual depreciation of property and equipment, it acted in accordance with the requirements of the Accounting Act, taking into account the time of use,
- the following rates were used for the write-down of intangible assets:
 - tenancy right 10%, software 10% (or depending on the time of use)
 - capitalised value of formation/reorganisation 20%
- it recognises concessions, licences and similar rights relating to property and equipment among tangible assets in the books,

it specified a residual value in the case of motor vehicles and own investments; it is a residual value expected at the end of the service life and is 20% of the gross value.

Accounting closing and stocktaking

The Bank prepares a general ledger statement every month, including the designation of the accounts in the general ledger, their currencies and the closing balance in the original currency and in HUF.

When preparing the annual financial statements, the Bank performs the closing activities prescribed by the laws. The Bank makes a stock-list for the year-end closing of the books and the preparation of the annual financial statements, which contains its assets and liabilities (their quantities and values) existing on the statement of financial position date, in an itemised form and a verifiable manner.

Stocktaking is done of property and equipment and intangible assets every three years, and annually of inventories.

Notes

The note contains all numerical data and explanatory texts that are necessary for owners, investors and creditors to judge the Bank's financial situation and operating profit/loss.

The Notes also include the cash flow statement with the content required by the government decree on credit institutions (Annex 3 "A").

I/3 Legislative changes with an effect on the Bank's financial and income situation in 2014

Legislative changes relating to consumer loan agreements

Act XXXVIII of 2014 on the Settlement of certain issues concerning the Uniformity Decision of the Supreme Court related to consumer loan agreements provided by financial institutions was promulgated on 18 July 2014 (the "Curia Act").

On 24 September 2014 the Parliament adopted Act XL of 2014 on the rules of settlement described in Act XXXVIII of 2014 on the Settlement of certain issues concerning the Uniformity Decision of the Supreme Court related to consumer loan agreements provided by financial institutions, and on certain other provisions (the "Settlement Act"), pursuant to which financial institutions are required to settle accounts with their clients regarding their overpayments arising due to the nullity of the exchange rate spread and the unilateral amendments of their contracts.

The Settlement Act clarified the provisions of the Curia Act. The scope of the Settlement Act covers all active consumer agreements, including credit cards, overdraft facilities as well as contracts falling within the scope of early repayment and the NAMA programme. However, the Settlement Act does not apply to state-subsidised HUF housing loans. The amount payable to consumers may be reduced by the amount of all discounts provided by the Bank to its clients.

Pursuant to the Settlement Act, the Bank determined the amount of overpayments payable to consumers using the calculation method published by the Central Bank of Hungary. In the case of foreign currency loans consumers are informed between 1 March 2015 and 30 April 2015. In the case of HUF loans affected by the settlement, the Bank must inform the clients concerned between 15 August 2015 and 30 September 2015.

Act LXXVII of 2014 on the Settlement of certain issues concerning the modification of the currency and interest conditions related to consumer loan agreements was also promulgated. This Act provides for the conversion into HUF of debts arising from foreign currency or foreign-currency-based consumer mortgage contracts on 1 February 2015 (the "Conversion Act").

The Bank hedged its theoretical open position arising in connection with the Settlement Act and the Conversion Act with spot and derivative transactions concluded with the Central Bank of Hungary.

The accounting treatment of the legislative changes relating to consumer loan agreements in the annual report for 2014

a) Settlement Act

The Bank allocated a provision of HUF 89,254 million in its financial statements for 2014 in relation to its repayment liability arising as a result of the nullity of the application of the interest rate spread.

The Bank also estimated the amount of the probable liability relating to the presumptive unfairness of the provisions applicable to the unilateral amendments of contracts, based on which a provision was also allocated and recorded.

In the case of the above provisions, the provisions regarding the active mortgage-backed loans involved in the conversion were recognised in the financial statements at the conversion rates (CHF: 256.47, EUR: 308.97, JPY: 2.163). In the case of loans not involved in the conversion – typically foreign-currency-based – consumer loans the Bank recognised the provisions allocated in foreign currency in the financial statements at the rate of the Central Bank of Hungary valid on the balance sheet date.

The Bank recognised the provisions allocated based on the Settlement Act among the other provisions allocated for other, contingent and expected liabilities in its financial statements.

b) Conversion Act

Pursuant to the Conversion Act, in the case of mortgage-backed loans involved in the conversion, the loans recorded in foreign currencies, the related impairment, the accrued interest and the allocated provisions are recognised at the conversion rate in the financial statements of 31 December 2014.

Act on fair banking

Act LXXVIII of 2014 amending Act CLXII of 2009 on loans provided to consumers, better known as the "Fair" Banking System Act was also promulgated. The purpose of this Act is to make changes to the interest rates of consumer loan agreements transparent, thereby making them traceable at the same time. The provisions of this law must be applied from 1 February 2015.

This law also affects the new provisions applicable to the amendment of loan agreements, the rules on consumers' right to terminate their loan agreements free of charge, the special provisions on foreign-currency-based loans and the rules of converting to the new contract terms. In connection with unilateral amendments of contracts the Act provides that only loan interest rates, interest surcharges, costs and fees may be amended unilaterally to the disadvantage of consumers. No other condition may be amended unilaterally to the disadvantage of consumers.

Recovery Fund

In accordance with the EU rules, the safety net of financial stability was expanded by the creation of the Recovery Fund, which is to be financed by credit institutions and investment firms.

The main task of the Recovery Fund is to pay the costs arising in the recovery stage of institutional crisis management and to finance the application of recovery tools.

The Recovery Fund will rely on the payments of market operators (credit institutions and investment firms), reaching the expected level, which is at least 1 per cent of insured deposits (not exceeding EUR 100 thousand) in every EU Member State, during a ten-year transitional period.

Financial institutions were required to pay a joining fee to the Recovery Fund in autumn 2014. The joining fee and the proportional annual fee for 2014 are recognised as other costs.

The Advertising Tax Act

The Advertising Tax Act was promulgated in Hungary on 18 July 2014. In addition to companies earning revenues by disclosing advertisements, the scope of the Act also covers companies that perform advertising activities for their own purposes. The amount of advertising tax paid by the Bank was recognised as other expenditure.

I/4 The assessment of the Bank's financial and income situation

Balance sheet composition

The Bank's balance sheet total was HUF 1,938 billion at the end of 2014, 15.5% lower than the balance sheet total at the end of the previous year. The amount of total equity is HUF 183,250 million.

Items on the asset side

Regarding the distribution of placements between customers and credit institutions, in 2014 the structure of the Bank's asset portfolio changed significantly. The rate of placements to credit institutions increased to 17.6% from 6.4% last year in proportion to the decreased balance sheet total. The proportion of receivables from customers continued to increase, thus, at the end of the year, it amounted to 61.6% of the Bank's asset portfolio in contrast to 57.6% in the previous year. Overall, the amount of placements increased: the Bank's portfolio of receivables showed an increase of HUF 194 billion and the portfolios of customer loans showed a decrease of HUF 129 billion. There was a significant decrease in the portfolio of government securities, which decreased by HUF 379.6 billion.

2014 saw a further boom in the property market and consequently in the mortgage market as well. The Bank's resources were partly tied down by the preparation for the settlement with foreign currency and HUF mortgage borrowers and conversion into HUF, in line with the laws enacted by Parliament.

The Bank's share in the retail lending market showed a rising trend throughout the year, as regards housing mortgage loans as well as home equity loans.

The gross amount of retail loans (including the self-employed) was HUF 1,012 billion. The proportion of HUF loans and FX loans was 27%-73%. At the end of the year, 57.9% of long-term maturity retail loans were housing loans (HUF 586 billion) and 39% were consumer loans (HUF 394 billion).

Changes in the distribution of retail loans by product group in 2014:

Households, retail customers (million HUF)	31.12.2013	31.12.2014	change
housing loans	603,763	586,070	-2.93%
consumer loans	424,401	394,398	-7.07%
other loans	32,705	32,009	-2.13%
Total	1,060,869	1,012,477	-4.56%

The (net) loans to business organisations (including local governments, not profit-oriented organisations, financial undertakings and the central budget) decreased to HUF 358 billion by the end of the year, which was HUF 57 billion lower than the portfolio at the end of 2013.

The restructured loans made up HUF 474 billion within the entire portfolio (of this receivables from companies: HUF 65 billion, receivables from retail customers – including the bailout schemes and the collective account schemes: HUF 409 billion), and their carrying amount was HUF 384 billion.

Main asset categories, 2013-2014

(In million HUF)	31.12.2013	31.12.2014	Change %		Proportion %	
			2014/2013	31.12.2013	31.12.2014	
Cash and cash equivalents	29,770	34,294	15.2%	1.3%	1.8%	
Government securities	609,072	229,532	-62.3%	26.6%	11.8%	
Receivables from credit institutions	147,125	341,112	131.9%	6.4%	17.6%	
Receivables from customers	1,321,566	1,192,569	-9.8%	57.6%	61.5%	
Other assets	186,163	140,701	-24.4%	8.1%	7.3%	
TOTAL ASSETS	2,293,696	1,938,208	-15.5%	100%	100%	

Items on the liabilities side

There was a change in the structure of liabilities in 2014 compared to the end of 2013. Proportions shifted towards retail and corporate deposits. Liabilities consist of the following: retail and corporate deposits 63.3% (52.5% in 2013), funds from credit institutions, the central bank and money market funds 12.3% (32.7% in 2013), deferred accounts 14.9% (7% in 2013) and own funds 9.5% (7.9% in 2013).

The Bank recognised HUF 133.634 million subordinated loan capital in its liabilities.

Deposits in 2014					
Deposits (million HUF)	31.12.2013	31.03.2014	30.06.2014	30.09.2014	31.12.2014
Central government	13,032	24,190	5,931	16,278	11,560
Local governments	31,647	34,036	25,883	37,654	31,688
Other financial enterprises	162,874	170,618	192,898	203,385	238,627
Money market funds	85,640	80,038	75,643	94,357	123,328
Companies engaged in activities auxiliary to financial services	4,751	5,059	2,359	3,785	2,628
Insurers and pension funds	14,461	8,227	6,967	5,946	12,165
Auxiliary undertakings	12,426	7,418	13,943	14,929	16,544
Non-financial enterprises	279,424	266,014	259,780	269,729	288,706
Households, retail customers	479,947	441,534	425,717	411,348	432,477
Households, self-employed	8,176	8,335	8,821	8,996	9,534
Households non-profit	26,955	35,829	33,808	32,701	36,033
Foreign countries	81,515	22,267	21,308	20,783	21,491
Total	1,200,848	1,103,565	1,073,058	1,119,891	1,224,781

As regards customer deposits, the portfolio increased slightly, by HUF 24 billion, and in parallel with this their share within the balance sheet total increased to 63% from 52% in 2013. The Bank has a 6.3% market share regarding retail deposits, which corresponds to a 64 bps decrease over the past year. The main reason for this is an unfavourable interest rate environment, as a result of which the structure of retail savings has changed, with customers favouring investment funds and other alternative forms of investment. It can be altogether said, however, that the combined portfolio of deposits and investment funds has not decreased in the case of retail customers.

Distribution of retail deposits by product in 2014					
Retail deposits (million HUF)	31.12.2013	31.03.2014	30.06.2014	30.09.2014	31.12.2014
Due on demand	159,658	160,493	170,825	173,082	202,675
Fixed-term deposit - on account	319,443	280,218	254,074	237,452	228,992
Fixed-term deposit - in an instrument	846	823	818	814	810
Total	479,947	441,534	425,717	411,348	432,477

The Bank's treasury activity focuses on the Hungarian currency and on trading on the related derivatives market, however it carries out the dominant part of this activity not on its own behalf but on behalf of Erste Group Bank.

As regards its activities performed on its own behalf, the Bank concludes own-account hedges and deals for the purpose of serving customers, primarily on the Hungarian money and foreign exchange markets.

The Bank's FX financing continues to heavily rely on the parent bank's financing within the Erste Group.

The Bank did not repurchase any of its own shares or concluded any other transaction with its own shares.

Main liability categories, 2013-2014

(In million HUF)	31.12.2013	31.12.2014	Change % 2014/2013	Proportion %	Proportion %
				31.12.2013	31.12.2014
Liabilities to credit institutions	749,532	237,912	-68.3%	32.7%	12.3 %
Liabilities to customers	1,203,811	1,227,407	2%	52.5 %	63.3 %
Total equity	180,916	183,250	1.3%	7.9%	9.5%
Other liabilities, sundry provisions	159,437	289,639	81.7%	7.0%	14.9%
TOTAL LIABILITIES	2,293,696	1,938,208	-15.5%	100%	100%

Income statement

The Bank's operating revenues increased by 0.8%, while its operating expenses increased by 0.3% in 2014.

There was a considerable decrease in the net interest profit compared to the previous year. (2013: HUF 79.7 billion; 2012: HUF 86.3 billion) There was a HUF 42.4 billion decrease on the revenue side, accompanied by a HUF 35.8 billion decrease in expenses.

Other interest and similar income fell by HUF 19.5 billion. The decrease of both the revenue and the expenditure sides were basically determined by the continued decrease of interest rates, which had a greater reducing effect on interest paid on deposits than on the interest rates of loans.

The central bank prime rate was 5.75% at the end of 2013 and 2.1% at the end of 2014.

At the end of 2014, the Bank received HUF 2 billion in dividends from its subsidiary Erste Befektetési Zrt. (This amount was HUF 2.5 billion in 2013.)

Administrative costs were by 0.4% lower this year than in the same period of the previous year, which means that practically they remained unchanged. Within this category, staff costs decreased by 3.1%, which was compensated by the 2.8% increase of the other administrative costs.

The Bank's headcount did not significantly change in 2014, and the projects supporting the Bank's development and improvement continued, adjusted to market circumstances and to the Bank's long-term strategy. At the end of 2014, the Bank had 2,579.1 employees (projected to 8-hour employment), disregarding trainees.

The average age of our employees is 37 years, and the average length of their employment is 6.5 years.

During 2014, the Bank provided an opportunity for 161 trainees within the framework of a trainee programme to get an inside view of the Bank's operation and to acquire work experience. 11% of those participating in the Bank's trainee programme were recruited as employees of the Bank.

Depreciation increased by 6.7% (HUF 346 million) compared to the previous year, as a result of higher capital expenditures.

Net income from operating activities deteriorated by HUF 87.4 billion as compared with the last quarter of 2013, which is almost entirely explained by the provisions allocated due to the measures aimed at helping foreign currency mortgage borrowers. Loss from the sale of receivables (HUF 7.9 billion), shown among other profit/loss had a further negative effect, which was slightly compensated by the decrease in expenditures (HUF 1.9 billion) due to the lower level of debt/equity swaps. Taxes accounted against expenditures decreased by HUF 2.8 billion in the period under review, within which financial transaction duty decreased by HUF 2.5 billion, building tax decreased by HUF 132 million, and local tax payment liability decreased by HUF 206 million.

Operating revenues and expenses in 2013-2014

(In million HUF)	2013	2014	Change %
			2014/2013
Net interest income	86,294	79,675	-7.7%
Commission income	34,402	38,019	10.5%
Dividend income	2,663	2,033	-23.7%
Profit/loss from financial transactions	(481)	4,081	948.4%
Operating revenues	122,878	123,808	0.8%
Administration costs	43,257	43,079	-0.4%
<i>Staff costs</i>	23,568	22,834	-3.1%
<i>Other costs</i>	19,689	20,245	2.8%
Depreciation	5,145	5,491	6.7%
Operating expenses	48,402	48,570	0.3%
Other profit or loss	(51,690)	(139,055)	169%
Impairment loss + provision	(120,444)	(87,849)	-27.1%
Reversals of impairment loss + provision	82,012	73,122	-10.8%
Extraordinary profit/loss	(1,023)	(13,809)	1,249.9%
Profit/loss before taxation	(16,669)	(92,353)	-454%
Profit/loss for the year	(16,669)	(92,353)	-454%
Profit or loss for the year according to the statement of financial position	(16,669)	(92,353)	-454%

Capital

In 2014, the Bank's Shareholder decided to increase the Bank's capital by privately issued new shares, by HUF 1,000,000,000, that is, by one billion forints, from HUF 101,000,000,000 (one hundred and one billion forints) to HUF 102,000,000,000 (one hundred and two billion forints). The Bank issued 1,000,000,000, that is, one billion, dematerialised registered ordinary shares with a nominal value of HUF 1, and with rights specified in the Articles of Association.

The issue price of the HUF 1,000,000,000 nominal value was HUF 95,000,000,000. The Budapest Metropolitan Court acting as the Court of Registration registered the capital increase in the register of companies by its order dated 1 September 2014.

Main features of the issued shares:

- type of share: registered ordinary share
- share issue: dematerialised method
- share class: the same as that of the shares issued at the time of the company's foundation
- number of shares: 1,000,000,000
- series of shares: the same as that of the shares issued at the time of the company's foundation
- nominal value of shares: HUF 1/share, total nominal value: HUF 1,000,000,000
- issue price of shares: HUF 95/share, total issue price: HUF 95,000,000,000.

Main profitability indices

Rate of return on assets (ROA)	31.12.2013	31.12.2014
Profit/loss before tax / Asset value	(0.73)	(4.76)
Profit/loss for the year / Asset value	(0.73)	(4.76)
<hr/>		
Rate of return on total equity (ROE)	31.12.2013	31.12.2014
Profit/loss for the year / Total equity	(9.21)	(50.4)

Impairment loss, provision

At the end of the fourth quarter of 2014, 42.9% of the gross balance sheet items to be classified were pass, 25.6% special-mention, 9.2% were sub-standard, 12.7% were doubtful and 9.6% were loss. There were no significant shift in the proportions compared to the previous year: the pass items decreased by 3.3%, special-mention increased by 2%, and sub-standard increased by 2.8%. Doubtful items decreased by 0.4% and loss items increased by 2.9%.

The year-end closing balance of sundry provisions was HUF 91.1 billion. Within this, the portfolio of contingent liabilities and commitments was HUF 0.7 billion. The other provision was HUF 90.3 billion, which was allocated almost entirely due to the measures aimed at helping foreign currency mortgage borrowers.

I/5 Compliance with the rules for certain risky activities

Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and Directive (EU) No 575/2013 on prudential requirements for credit institutions and investment firms regulate the limit values of certain risky activities of credit institutions and their secure operation. Compliance with this Act can be summarised as follows, based on the data on 31 December 2014:

For each activities regarded as risky, the Act determines the limit values as a proportion of the Bank's own funds. The Bank's own funds that can be taken into account for covering the risks of the year 2014 and as the basis of restrictions were HUF 277,782 million (there was no limit overrun in the period in question).

Compliance with the limits prescribed by the Credit Institutions Act:

Section 106 § (1)-(3) The Bank did not grant any loan classified as internal credit; it only granted employer's loan - in its capacity as employer - to its employees, approved in accordance with the internal policy, and retail loans, in addition to the overdraft facility held for executive officers closely linked to the credit institution, and it only granted loans to companies under the controlling influence of the management body of the credit institution on the bases of the decision of the management body exercising management powers made with a more than two-thirds majority.

Section 83 (1)-(2) The Bank accumulated no general reserve in 2014.

Section 79 § (1)-(2) The Bank's solvency ratio exceeded the minimum value specified in the Act throughout the year. At the end of the year, based on the numerical data of the statement of financial position, also taking into account the adjustment factors (169.04% SREP plus capital requirement), the solvency ratio increased from 10.98% in 2013 to 11.92%.

CRR Article 395 The Bank did not incur any exposure calculated taking into account the effect of the credit risk mitigation in excess of 25% of its eligible capital or EUR 150 million, whichever the higher, to a client or group of connected clients.

CRR Article 89 (1) The Bank had no qualifying shares in any undertaking - with the exception of those mentioned in subsections a) and b) of Article 89 (1) of the CRR - exceeding 15% of its eligible capital.

CRR Article 89 (2) The Bank's qualifying interests in any undertakings other than those exempted did not exceed 60% of its eligible capital.

Section 101 § The total amount of the Bank's real estate investment portfolio, excluding real estate not used exclusively for banking purposes, did not exceed 5% of its own funds. These properties were acquired by the Bank in order to avoid credit losses.

Section 102 § (1) Total net amount of the Bank's (direct and indirect) investment portfolio did not exceed one hundred percent of its own funds.

Section 84 § (1) To compensate for any and all identifiable and classifiable risks that may arise in connection with its activities, the Bank created the required risk provision and recognised the impairment loss.

Section 84 § (1) At the end of 2014 the Bank had no general risk provision.

When determining the limits, the Bank took into account also the capital requirements of the trading book.

The Bank fulfilled the mandatory central bank reserve liability within the regulatory scope of the central bank.

II/1 Foreign currency assets within total assets, expressed in HUF

Data in million HUF

Description	Statement of financial position line	Data in million HUF	
		31.12.2013	31.12.2014
Cash and cash equivalents	1	1,974	1,690
Government securities	2	0	0
Receivables from credit institutions	3	48,497	19,876
Receivables from customers	4	901,449	789,261
Debt securities	5	26,054	10,693
Shares and other variable-yield securities	6	0	0
Shares and interests held for investment purposes	7	0	0
Shares and interests in affiliated undertakings	8	0	0
Other receivables	12b,12/A,12/B	38,405	1,705
Accrued and deferred assets	13	4,455	3,155
Total		1,020,834	826,380

II/2 Foreign currency liabilities within total liabilities, expressed in HUF

Data in million HUF

Description	Statement of financial position line	Data in million HUF	
		31.12.2013	31.12.2014
Liabilities to credit institutions	1	619,754	139,624
Liabilities to customers	2	372,398	286,711
Other liabilities	4	3,187	1,351
Accrued and deferred liabilities	5	5,005	2,043
Sundry provisions	6	44	26
Subordinated liabilities	7	64,133	129,420
Total		1,064,521	559,175

II/3 Receivables from credit institutions and customers by remaining maturity (excluding receivables on demand) 31.12.2014

Data in million HUF

Description	Maturity					Impairment loss	Deferred interest provision	Total
	3 months	3 months - 1 year	1 - 5 years	Over 5 years				
3.b) Other receivables from credit institutions from financial services	326,521	7,561	0	0	0	0	0	334,082
4.a) Receivables from customers arising from financial services	228,064	44,132	204,272	922,569	-251,586	-1,796		1,145,758

II/4 Liabilities to credit institutions and customers by remaining maturity (excluding demand deposit items) 31.12.2014

Data in million HUF

Description	Maturity				Total
	3 months	3 months - 1 year	1 - 5 years	Over 5 years	
1.b) Liabilities to credit institutions, committed for a certain period, arising from financial services	128,026	3,952	91,326	13,093	236,306
2.ab) Customers' savings deposits with a maturity of up to one year	0	0	0	0	0
2.ac) Customers' savings deposits with a maturity over one year	0	0	0	0	0
2.bb) Other liabilities to customers, with maturity within one year, arising from financial services	167,513	507,162	0	0	674,675
2.bc) Other liabilities to customers, with maturity over one year, arising from financial services	1,749	19,651	40,209	104	61,713
7) Subordinated liabilities (subordinated loan capital)	0	0	474	133,161	133,634

II/5 Receivables from the parent company and the subsidiaries 31.12.2014

Data in million HUF

Statement of financial position lines	Description	Maturity			Total
		due on demand	within one year	over one year	
3)	Receivables from credit institutions	7,163	334,082	0	341,245
of which	- from the parent company	0	0	0	0
	- from subsidiaries	0	0	0	0
4)	Receivables from customers	46,648	35,343	1,110,445	1,192,436
of which	- from the parent company	0	19	0	19
	- from subsidiaries	26	0	3,005	3,031
12b)	Other receivables	0	12,164	0	12,164
of which	- from the parent company	0	1,518	0	1,518
	- from subsidiaries	0	839	0	839
13)	Accrued and deferred assets	0	20,011	0	20,011
of which	- from the parent company	0	629	0	629
	- from subsidiaries	0	2,349	0	2,349

II/6 Liabilities to the parent company and the subsidiaries 31.12.2014

Data in million HUF

Statement of financial position lines	Description	Maturity			Total
		due on demand	within one year	over one year	
1)	Liabilities to credit institutions	1,606	9,471	226,835	237,912
of which	- from the parent company	461	321	105,690	106,471
	- from subsidiaries	0	2,386	2,392	4,778
2)	Liabilities to customers	488,393	674,675	64,339	1,227,407
of which	- from the parent company	0	0	0	0
	- from subsidiaries	39,887	3,026	16	42,930
3)	Liabilities existing as a result of debt securities in issue	0	0	21,205	21,205
of which	- from the parent company	0	0	0	0
	- from subsidiaries	0	0	0	0
4)	Other liabilities	0	29,149	0	29,149
of which	- from the parent company	0	262	0	262
	- from subsidiaries	0	2,152	0	2,152
5)	Accrued and deferred liabilities	0	14,557	0	14,557
of which	- from the parent company	0	967	0	967
	- from subsidiaries	0	99	0	99
7)	Subordinated liabilities	0	0	133,634	133,634
of which	- from the parent company	0	0	129,420	129,420
	- from subsidiaries	0	0	0	0

II/7 Shares and interests held for investment purposes

Data in million HUF

Interests for investment purposes 31.12.2014				
Description	In affiliated undertakings (subsidiaries)	In affiliated associates	In other non-affiliated undertakings	Total
Opening balance	48,541	0	864	49,405
Growth (+)	6,578	0	0	6,578
Decrease (-)*	0	0	89	89
Reclassification (+, -)	0	0	0	0
Closing balance	55,119	0	778	55,894
Impairment loss	1,969	0	0	1,969
Reversal of impairment loss*	0	0	3	3
Carrying amount	53,150	0	778	53,928
Statement of financial position line	8.a)		7.a)	

II/8 The portfolio of intangible assets

Data in million HUF

Description	Concession s, licences and similar rights	Goodwill	Trade- marks, patents and similar assets	Capitalised value of formation/re organisation	Advances and prepayment s on intangible assets	Total
1 Gross value on 01.01.2014	21,318	0	5,897	0	0	27,215
2 Growth (+)	2,284	0	319	0	0	2,603
3 Decrease (-)	338	0	68	0	0	406
4 Transfer (+, -)	0	0	0	0	0	0
5 Gross value on 31.12.2014 (1+2-3±4)	23,264	0	6,148	0	0	29,412
6 Accumulated depreciation on 01.01.2014	9,678	0	5,062	0	0	14,740
7 Increase of depreciation (+)	2,994	0	484	0	0	3,478
of which depreciation of the reviewed period	2,994	0	484	0	0	3,478
of which extraordinary depreciation in the reviewed period	0	0	0	0	0	0
8 Decrease of depreciation (-)	338	0	68	0	0	406
9 Change of depreciation due to transfer (+, -)	0	0	0	0	0	0
10 Accumulated depreciation on 31.12.2014 (6+7-8±9)	12,334	0	5,478	0	0	17,812
11 Net value on 31.12.2014 (5-10)	10,930	0	670	0	0	11,600
Statement of financial position line						9)

II/9 The portfolio of property and equipment and investments held for the purpose of financial and investment services (including concessions, licences and similar rights)

Data in million HUF

Description	Properties	Plant and machinery, vehicles	Investments	Payments made on account	Total
1 Gross value on 01.01.2013	7,886	15,787	632	0	24,305
2 Growth (+)	1,121	1,146	232	0	2,499
3 Decrease (-)	564	1,217	379	0	2,160
4 Transfer (+, -)	0	0	0	0	0
5 Gross value on 31.12.2014 (1+2-3±4)	8,443	15,716	485	0	24,644
6 Accumulated depreciation on 01.01.2014	2,854	12,279	0	0	15,133
7 Increase of depreciation (+)	554	1,595	0	0	2,149
of which depreciation of the reviewed period	554	1,595	0	0	2,149
of which extraordinary depreciation in the reviewed period	0	0	0	0	0
8 Decrease of depreciation (-)	344	976	0	0	1,320
9 Change of depreciation due to transfer (+, -)	0	0	0	0	0
12 Accumulated depreciation on 31.12.2014 (6+7-8±9)	3,064	12,898	0	0	15,962
13 Net value on 31.12.2014 (5-12)	5,379	2,818	485	0	8,682
Statement of financial position line	10.aa)	10.ab)	10.ac)	10.ad)	10.a)

The table also contains the data of concessions, licences and similar rights relating to real properties.

II/10 The portfolio of rights relating to properties held for the purpose of financial and investment services, shown by type (using table II/9)

Data in million HUF

Description	Tenancy right	Easement	Right of use	Other rights	Total
1 Gross value on 01.01.2014	359	0	0	0	359
2 Growth (+)	0	0	0	0	0
3 Decrease (-)	0	0	0	0	0
4 Transfer (+, -)	0	0	0	0	0
5 Gross value on 31.12.2014 (1+2-3±4)	359	0	0	0	359
6 Accumulated depreciation on 01.01.2014	293	0	0	0	293
7 Increase of depreciation (+)	23	0	0	0	23
of which depreciation of the reviewed period	23	0	0	0	23
8 Decrease of depreciation (-)	0	0	0	0	0
9 Change of depreciation due to transfer (+, -)	0	0	0	0	0
10 Accumulated depreciation on 31.12.2014 (6+7-8±9)	316	0	0	0	316
11 Net value on 31.12.2014 (5-10)	43	0	0	0	43

II/11 The portfolio of property and equipment and investments held not directly for financial and investment services

In 2014 the Bank had no property and equipment or investments not directly held for financial and investment services.

II/12 The portfolio of rights relating to properties held not directly for the purpose of financial and investment services, shown by type

In 2014 the Bank had no rights relating to properties not directly held for financial and investment services.

II/13 The portfolio of assets reported as inventories, per type 31.12.2014

Data in million HUF			
Description	Carrying amount	Impairment loss	Book value
Purchased inventories	160	0	160
a Raw materials and consumables	153	0	153
b Goods	0	0	0
c Performance of subcontractors	0	0	0
d Other materials	7	0	7
e Advances and prepayments for inventories	0	0	0
Inventories received in exchange for receivables	4,505	2,367	2,138
a Properties	4,441	2,328	2,113
b Machinery and equipment, fixtures and fittings	0	0	0
c Vehicles	0	0	0
d Other assets	64	39	25
Total inventories	4,665	2,367	2,298
Statement of financial position line			12.a)

II/14 Legal title and amount of contingent liabilities and commitments

Data in million HUF

Contingent liabilities	31.12.2013	31.12.2013 of which: related	31.12.2014	31.12.2014 of which: related
	- undertaken guarantees and suretyship	30,466	0	31,345
- unused credit line	86,306	6,451	94,481	6,011
- lawsuits	5,569	0	13,401	0
- return guarantee	0	0	0	0
- physical settlement passive repos	0	0	7,865	7,865
- liabilities arising from forward deal in securities	0	0	0	0
- import letters of credit	286	0	858	0
- export letters of credit	434	0	1,996	0
- other contingent liabilities	578	0	613	0
Total	123,639	6,451	150,559	13,886

Liabilities	31.12.2013	31.12.2013 of which: related	31.12.2014	31.12.2014 of which: related
	- futures	55	0	45
- forward	0	0	0	0
- spot	5,735	5,735	8,657	8,657
- margin	4,771	0	714	156
- FRA	0	0	0	0
- swap	266,028	191,800	1,117,320	772,064
- option	114,089	47,376	78,164	45,892
- interest rate swap (IRS)	364,226	230,696	773,559	379,045
Total	754,904	475,607	1,978,459	1,205,814

II/15 Not yet due futures contracts and forward deals concluded on the interbank market and their impact on the profit

Data in million HUF

Stock exchange deals	Contract amount (measured at the rate of the Central Bank of Hungary)		Expenditure taken into account		Income taken into account	
	In 2013	In 2014	In 2013	In 2014	In 2013	In 2014
	- liabilities arising from foreign exchange futures	62	13	184	65	10
Total	62	13	184	65	10	19

Deals concluded in the interbank market	Contract amount (measured at the rate of the Central Bank of Hungary)		Income taken into account		Expenditure taken into account	
	In 2013	In 2014	In 2013	In 2014	In 2013	In 2014
	- spot	0	0	3	2	10
- margin	(4,445)	6,991	438	8,511	4,037	553
- options	0	0	1,486	1,340	1,555	1,252
- FRA	0	0	0	0	0	0
- swap	2,389	(5,884)	2,167	3,229	446	9,108
- forward	0	0	0	0	0	0
- IRS	6,507	1,540	2,696	7,958	6,114	10,448
Total	4,451	2,648	6,790	21,040	12,162	21,384

II/16 Legal title of contingent claims and future receivables and the collaterals received

	Data in million HUF	
	31.12.2013	31.12.2014
Collaterals received		
- Cash collateral	26,147	48,090
- Bank guarantees and joint and several suretyship	34,141	969
- Guarantees from the central budget	2,784	2,242
- Guarantees from other public or state-owned bodies	22,947	11,345
- Securities – shares	2,077	219
- Securities – other securities	2,758	40,790
- Assignment of sales revenue	65	55
- Assignment of other receivables	97,778	59,471
- Lien registered on goods in stock	46,170	48,430
- Mortgages	1,764,216	1,509,320
- Other	1,171,823	1,197,358
- Suretyship	437,952	315,456
- Movable	51,535	242,816
- Comfort letter	304,629	0
- Not confirmed pledge	31,783	594,761
- Confirmed pledge	25,482	13,085
- Floating charge	240,901	8,528
- Other	79,541	18,410
Total collaterals and securities	3,170,906	2,913,988
Collaterals and securities (up to the value of the receivable)	878,431	769,923
Future receivables	31.12.2013	31.12.2014
- physical settlement active repos	0	0
- futures	117	58
- forward	0	0
- spot	5,728	8,636
- margin	326	7,705
- FRA	0	0
- swap	268,417	1,111,436
- option	114,090	78,164
- interest rate swap	354,217	753,116
- IRS	15,053	20,569
Total	757,948	1,979,684

II/17 Statement of interest and commission claims made pending

Data in million HUF

Description	Closing balance of claims made contingent	
	31.12.2013	31.12.2014
Deal interest, default interest, interest-type commissions	55,551	68,966
Financial service fees	117	109
Total	55,668	69,075

II/18 Claims that were made contingent in previous years and were received in the financial year reviewed

Data in million HUF

Description	Amount of received contingent claims	
	In 2013	In 2014
Deal interest, default interest, interest-type commissions	7,246	10,147
Financial service fees	13	25
Total	7,259	10,172

II/19 The portfolio of sundry provisions per type 31.12.2014

Data in million HUF

	Opening balance	Reclassification	Growth in the year	Reclassification as impairment *	Decrease in the year	Impact of exchange rate changes	Closing balance
For contingent liabilities and commitments	818	-42	324	0	409	18	709
For litigations	961	42	23	0	1,003	0	23
For expected losses	0	0	0	0	0	0	0
For severance payments and pensions	199	0	0	0	199	0	0
General risk provisions	0	0	0	0	0	0	0
Other provisions	1,603	0	87,435	10,469	1,648	2,971	100,831
Total	3,582	0	87,782	10,469	3,259	2,989	101,563
*Provision created for deferred interest of housing loans with deferred payment**	1,689	0	27	0	55	135	1,796
Total	5,271	0	87,810	10,469	3,314	3,123	103,359

* Difference between the fixed rate and the rate of the Central Bank of Hungary in FX settlement, recognised in the receivables from customers line

** Recognised in the receivables from customers line

HUF 10,469 of the above portfolio of HUF 103,359 of provisions and a reserve of HUF 1,796 million relating to the settlement with customers were recognised under assets in the statement of financial position of the Bank as items reducing customer receivables. The remaining portfolio of HUF 91,094 was recognised under liabilities.

II/20 Changes of the portfolio of impairment losses by asset class 31.12.2014

Data in million HUF

	Openin g balanc e	Reclassifi cation	Impairment loss due to classificatio n	Reversed from the impairment for the year under review due to classificatio n/write-offs	Net increase	Reversed from the impairment for the previous years due to classification/ write-offs	Decrease due to sales	Exchange rate changes	Closing balance
Receivables from credit institutions	244	-178	0	0	0	0	0	0	66
Receivables from customers	257,998	178	137,828	53,461	84,366	71,096	33,368	13,341	251,420
Other receivables	825	0	662	373	288	524	0	15	605
Securities and interests	9,848	0	4,344	1,497	2,847	91	0	264	12,868
Inventories	4,429	0	3,151	622	2,529	0	4,591	0	2,367
Total	273,344	0	145,984	55,953	90,031	71,710	37,958	13,619	267,326

II/21 Detailed statement of accruals and prepaid expenditure

Data in million HUF

Description	Statement of financial position line	31.12.2013	31.12.2014
Accrued income	13a	20,692	16,289
- interest on placements		4,856	4,190
- interest on securities		10,805	7,628
- exchange rate margin of securities for investment purposes		321	4
- pro rata profit/loss of derivatives		753	800
- other income from commissions and fees		1,457	1,661
- rent		0	0
- other income		2,500	2,007
Accrued expenses	13b	3,375	3,722
- operating costs		765	659
- other accrued costs		2,600	3,045
- accrued losses relating to derivatives		10	19
Deferred expenses	13c	0	
Total	13	24,067	20,011

II/22 Detailed statement of accrued and deferred liabilities

Data in million HUF

Description	Statement of financial position line	31.12.2013	31.12.2014
Deferred income	5a	786	665
- deferred income of derivatives		186	65
- deferred interest income		600	600
Deferred expenses	5b	19,958	13,877
- interest on deposits		12,483	5,839
- interest on subordinated loan capital		82	86
- interest on issued bonds		498	480
- exchange rate margin of securities for investment purposes		936	1,806
- deferred profit/loss of derivatives		77	211
- positive deferred fair value of swap deals		0	0
- operating costs		5,788	5,411
- other deferred expenditure		94	44
Deferred income	5c	15	15
- other deferred income		15	15
Total	5	20,759	

II/23 Changes in total equity

Data in million HUF

The items of total equity	31.12.2013	Growth (+)	Decrease (-)	Adjustments of the previous years (±)	31.12.2014
Subscribed capital	101,000	1,000	0	0	102,000
Subscribed but unpaid capital	0	0	0	0	0
Capital reserve	189,327	94,000	0	0	283,327
- premium	189,327	94,000	0	0	0
- other	0	0	0	0	0
General reserve	0	0	0	0	0
Retained earnings	(90,813)	0	16,669	0	(107,481)
transfer of the profit or loss for the previous year according to the statement of financial position	(146,405)	0	16,669	0	(163,074)
Valuation reserve	(1,929)	0	314	0	(2,243)
valuation reserve of fair valuation	(1,929)	0	314	0	(2,243)
Profit or loss for the year according to the statement of financial position	(16,669)	16,669	92,353	0	(92,353)
Total	180,916	113,880	111,548	0	183,250

II/24 Other detailed statements relating to the items of the statement of financial position

- The net value of the total large exposures according to Article 395 (1) of the CRR, undertaken by the Bank, was HUF 655,046 million on the statement of financial position date (of this HUF 524,661 million to the Central Bank of Hungary and the Government Debt Management Agency); the value adjusted by exceptions was HUF 56,847 million.
- To cover its open liquidity and interest rate risk positions existing in the various currencies, the Bank concludes IRS (Interest Rate Swap) and CIRS (Cross Currency Interest Rate Swap) deals.
The cross currency interest rate swap deals (CIRS) are used for financing the CHF and the EUR loan portfolios; their typical term is between 2 and 5 years. At the end of 2014, taking into account the deals concluded with the Central Bank of Hungary relating to the conversion of FX loans, the Bank had 18 CIRS transactions, with a total nominal value of approximately HUF 460 billion.
At the end of the year the Bank had 11 IRS deals, with a total nominal value of approximately HUF 200 billion, for financing the interest-rate risk in the Banking Book.
- At the end of 2014 the Bank had no subordinated receivables among its assets, but there were subordinated liabilities among liabilities to the amount of approximately HUF 133,635 million. Within this:
subordinated liabilities – securities amounted to HUF 4,215 million → (A)
subordinated and financial liabilities – loans were HUF 129,420 million → (B)

The HUF 1,300 million of subordinated liabilities arising from the “subordinated loan capital” bonds issued within the framework of the bank consolidation were repaid during 2014.

A)

The Bank's subordinated liabilities include subordinated loan capital bonds of a total value of HUF 4,215 million, issued by the Bank under the names of “Erste Guarantee Bond” (“Erste Garancia Kötvény”), “Erste Guarantee 2” (“Erste Garancia 2”) subordinated loan capital bonds and “ERSTE Subordinated Loan Capital Bond” (“ERSTE Alárendelt Kölcsöntőke Kötvény”).

- The bond issued on 1 December 2008 was subscribed by Erste Sparkassen Biztosító Zrt in the amount of HUF 389.3 million. The nominal value of the bonds is HUF 10,000. The date of maturity of the bonds is 1 December 2020.
- The other subordinated loan capital bond issued on 30 April 2009 was subscribed by ERSTE Vienna Insurance Group Zrt. (formerly known as: Erste Sparkassen Biztosító Zrt.) in the amount of HUF 473.7 million. The nominal value of the bonds is HUF 10,000. The date of maturity of the bonds is 30 April 2019.

The ERSTE Subordinated Loan Capital Bond issued on 28 March 2014 was also subscribed by ERSTE Vienna Insurance Group Zrt. in the amount of HUF 3,352 million. The maturity date of the bond is 28 March 2024.

B)

In addition to the above, in 2014, Erste Group Bank AG. made available to us subordinated loan capital in the amount of EUR 195 million (approx. HUF 61,403.55 million), in addition to extending the maturity of the existing subordinated loan capital of EUR 216 million (approx. HUF 68,016.24 million). As a result of this, the maturity of the entire subordinated loan capital portfolio is 2021.

- There are no assets encumbered by a mortgage and related rights among the intangible assets and property and equipment owned by the Bank.
- On the statement of financial position date, the Bank had no real sale and repurchase liabilities, within the framework of which it received assets from the counterparty with a repurchase obligation.

- The Bank is a member of the National Deposit Insurance Fund and the Investor Protection Fund; the amounts of the contributions paid in 2014 according to the applicable rules:

•	Contribution paid to the National Deposit Insurance Fund	HUF 902 million
•	Contribution paid to the Investor Protection Fund	HUF 4 million

- In its books among own securities, the Bank showed at nominal value securities in value of HUF 242,449 million. The value of third-party securities was HUF 1,241,108.

- The Bank's own securities denominated in HUF, excluding business shares, on 31 December 2014:

	Data in million HUF
Portfolio of own securities denominated in HUF	
At nominal value (dematerialised)	224,319
At nominal value (physical)	0
At book value	229,753
of this securities maturing within one year	69,796
Securities in the custody of KELER Rt	168,989
Stored with a third party (dematerialised)	55,330
In own custody (physical)	0
Portfolio of securities denominated in HUF, owned by third parties	
Portfolio of securities owned by third parties	1,023,865
of this in the custody of KELER	826,654
of this in own custody	194,235
of this stored with a third party	2,976

HUF 207,536 million of the securities denominated in HUF and owned by third parties is printed.

The Bank's own securities denominated in foreign currencies, excluding business shares, on 31 December 2014:

	Data in million HUF
Portfolio of own securities denominated in foreign currencies	
At nominal value	18,130
At book value	10,692
Of securities, in the custody of KELER Rt	14,946
Stored with a third party (Erste Wien)	3,184

The Bank's securities denominated in foreign currencies and owned by third parties, on 31 December 2014 (expressed in HUF):

	Data in million HUF
Customer securities in custody	
At nominal value (dematerialised)	215,761
At nominal value (physical)	1,482

III/1 Detailed statement of recognised costs by cost type and of the costs of services used

Data in million HUF

Recognised costs	2013	2014
Description		
Costs of raw materials	905	862
Value of contracted services	17,701	18,231
The value of other services	1,083	1,152
Wages and salaries	16,822	16,461
Staff costs	1,433	1,264
Contributions on wages and salaries	5,313	5,109
Depreciation	5,145	5,491
Total: Er: 8), 9)	48,402	48,570

Contracted services	2013	2014
Description		
Property rent	4,812	4,617
Hardware/Software rent	181	211
Lease payments	0	0
Other rent	22	25
IT services	3,460	4,186
Advertising, promotion	1,855	1,941
Education	254	214
Telecommunications, data transmission and postal charges	2,134	2,053
Service fees related to the production of bank account statements	303	273
Membership fee	93	45
Audits, reviews, expert services	136	135
Travel and transportation	175	185
Experts' fees	1,349	1,151
Cash and valuables transportation, property protection	1,075	945
Management fee	77	47
Expenses related to operation	1,741	2,173
Other	35	32
Total	17,701	18,231

III/2 Detailed statement of the income and expenses of services other than financial or investment services

Data in million HUF

Income	2013	2014
Description		
Income from mediated services	1,400	1,145
Other	493	386
Total: Er: 7a)	1,893	1,531

Expenses	2013	2014
Description		
Expenses of mediated services	1,473	1,275
Other	0	1
Total: Er: 10a)	1,473	1,276

III/3 Detailed statement of the income and expenses of other financial services

Data in million HUF

Income	2013	2014
Description		
Commissions and fees relating to the management of client accounts	14,683	16,501
Foreign exchange commissions	2,569	2,474
Exchange rate gain on foreign exchange trade	12,160	6,451
Bank card commissions	13,349	12,258
Fees and commissions related to lending	1,823	1,765
Guarantee fees	230	288
Lease commissions	3	1
Pension fund commissions	1	1
Mortgage bank commissions	4	5
Exchange gain on fixed assets	5,308	6,282
Insurance and other brokerage commissions	9,158	11,369
Other	37	38
Exchange gain on revaluation	3	1,597
Income from Széchenyi Card fees	73	68
Total: Er: 4a), 6a)	59,399	59,097

Expenses	2013	2014
Description		
Commissions relating to account management	525	505
Foreign exchange commissions	1	1
Other commission-type banking charges	41	74
Costs of card production	419	513
Guarantee fees	13	4
Commissions relating to bank cards	1,797	1,792
Exchange rate loss on foreign exchange trade	8,840	4,369
Expenses related to lending	1,365	1,261
Brokerage commissions and charges payable to the post	2,751	1,527
Exchange rate loss on fixed assets	2,257	1,583
Other	1,394	2,494
Exchange rate loss on valuation	3,657	0
Total: Er: 5a), 6b)	23,060	14,124

III/4 Income and expenses of investment services

	Data in million HUF	
Income	2013	2014
Description		
Commercial activity	123	476
Income from account management	1,033	1,448
Exchange rate gain on futures/forward deals	38,721	61,637
Fair valuation income of derivatives	10,290	20,900
Exchange rate gain on the fair valuation of securities held for trading	462	0
Income from option fees and premiums	2,388	2,051
Other activities	1,090	246
Total: Er: 4b, 6c)	54,107	86,758
Expenses	2013	2014
Description		
Commercial activity	68	16
Commission agent activities	378	316
Exchange rate loss on issued bonds	18	10
Custodian, safekeeping and portfolio management activities	210	208
Exchange rate loss on futures/forward deals	54,489	46,981
Fair valuation expenses of derivatives	(1,543)	39,646
Exchange rate loss on the fair valuation of securities held for trading	0	260
Expenses of option prices and premiums	2,050	1,778
Other activities	855	415
Total: Er: 5b, 6d)	56,525	89,631

III/5 Recognised items of extraordinary expenses and extraordinary income

	Data in million HUF	
Extraordinary expenses	2013	2014
Corporate income tax expense with regard to the previous years	257	0
Write-down of cancelled receivables	961	14,000
Value of assets transferred without consideration	5	0
Total: Er: 17)	1,223	14,000
Extraordinary income	2013	2014
Corporate income tax income with regard to the previous years	7	1
Value of assets received without consideration	1	191
Income due to discontinued interests	191	0
Total: Er: 16)	200	191

III/6 Recognised items of other operating income and expenses

	Data in million HUF	
	2013	2014
Other income		
Income relating to the sale of fixed assets	25,303	11,300
Income from selling own receivables and write-offs	8,132	4,240
Reversal of the impairment loss of inventories	5,617	4,591
Use and release of provisions	985	1,902
Other income	2,243	1,511
Total: Er: 7b)	42,281	23,543

	Data in million HUF	
	2013	2014
Other expenditure		
Expenditure relating to the sale of fixed assets and inventories	30,387	14,025
Expenditure relating to selling own receivables and write-offs	17,355	21,260
Impairment loss of inventories	4,390	2,529
Expenditure of allocating provisions	747	87,463
Taxes, duties and contributions	35,334	33,393
Other expenditure	6,178	4,183
Total: Er: 10b)	94,391	162,853

IV/1 Erste Bank Hungary Zrt.'s interests ensuring a direct majority and a qualifying holding 31.12.2014

Direct majority interest in undertakings

Company name	The Bank's ownership ratio in %	Subscribed capital on 31.12.2013, HUF million	Subscribed capital on 31.12.2014, HUF million	Total equity on 31.12.2013, HUF million	Total equity on 31.12.2014, HUF million	Registered office of the company	The company's internet address
Erste Befektetési Zrt.	100.00	2,000	2,000	8,204	8,269	1138 Budapest, Népfürdő u. 24-26.	http://www.erstebroker.hu
Erste Lakástakarék Zrt.	100.00	2,005	2,005	2,472	2,079	1138 Budapest, Népfürdő u. 24-26.	http://www.erstebank.hu/hu/lakastakarekpenzta.html
Erste Ingatlan Kft.	100.00	210	210	41,846	39,838	1138 Budapest, Népfürdő u. 24-26.	http://www.ersteingatlan.hu/
Erste Lakáslízing Zrt.	100.00	52	53	105	94	1138 Budapest, Népfürdő u. 24-26.	none
Erste Leasing Bérlet Kft.*	100.00	4	4	141	145	1138 Budapest, Népfürdő u. 24-26.	http://www.ersteleasing.hu
Collat-real Kft.	100.00	0	3	0	6,423	1138 Budapest, Népfürdő u. 24-26.	none

*Erste Leasing Bérlet Kft.: At the request of the Company the Budapest Metropolitan Court as Court of Registration issued an order on the commencement of the dissolution procedure of the Company and the registration of the same in the register of companies. Date of commencement of the dissolution procedure: 1 January 2015

Date of issue of the order on the commencement of the dissolution procedure: 12 January 2015

Indirect majority interest in undertakings

Company name	The Bank's ownership ratio in %	Subscribed capital on 31.12.2013, HUF million	Subscribed capital on 31.12.2014, HUF million	Total equity on 31.12.2013, HUF million	Total equity on 31.12.2014, HUF million	Registered office of the company	The company's internet address
Portfólió Szolgáltató Kft.**	100.00	230	230	303	233	1138 Budapest, Népfürdő u. 24-26.	none
Sió Ingatlan Invest Kft.	100.00	13	13	3,859	3,706	1138 Budapest, Népfürdő u. 24-26.	none
Erste IN_FORG Kft.	100.00	5	5	405	401	1138 Budapest, Népfürdő u. 24-26.	none

**The dissolution procedure of Portfólió Szolgáltató Kft. was closed on 30 June 2014, and with regard to the termination of the company, the court ordered the company's deletion from the register of companies with effect from 21 January 2015.

IV/2 The valuation differences of valuation at fair value

Data in million HUF

Derivatives	Positive fair value		Negative fair value		Future cash flow	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014
- futures	184	65	10	19	62	13
- forward	0	0	0	0	0	0
- spot	3	2	10	23	0	0
- margin	438	8,511	4,037	553	(4,445)	6,991
- FRA	0	0	0	0	0	0
- swap	2,167	3,229	446	9,108	2,389	(5,884)
- option	1,486	1,340	1,555	1,252	0	0
- IRS	2,696	7,958	6,114	10,448	6,507	1,540
Total	6,974	21,105	12,172	21,403	4,513	2,661

Data in million HUF

Securities for trading purposes	Carrying amount		Fair value		Valuation difference		Recognition of valuation	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014
Government bonds	349	0	361	0	12	0	Profit/loss	Profit/loss
Discounted treasury bills	93,224	7,537	93,468	7,543	243	6	Profit/loss	Profit/loss
Central-bank bond	214,297	0	214,291	0	(6)	0	Profit/loss	Profit/loss
Total government securities:	307,870	7,537	308,119	7,543	249	6		
Debt securities	2,944	3,122	3,032	3,197	88	75	Profit/loss	Profit/loss
Grand total:	310,814	10,659	311,151	10,740	338	81		

Data in million HUF

Securities available for sale	Carrying amount		Fair value		Valuation difference		Recognition of valuation	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014
Investment unit	0	0	0	0	0	0	-	-
Government bonds	53	33	62	40	10	7	Valuation reserve	Valuation reserve
Discounted treasury bills	0	19,658	0	19,708	0	50	Valuation reserve	Valuation reserve
Central-bank bond	69,911	0	69,911	0	0	0	Valuation reserve	Valuation reserve
Other bonds	21,054	7,716	27,484	7,716	0	0	Valuation reserve	Valuation reserve
Total	91,018	27,407	97,457	27,463	10	57		

IV/3 The shareholder having a qualifying holding in Erste Bank Hungary Zrt. 31.12.2014

Name of the shareholder	Registered office of the shareholder	The ratio of its votes in %
EGB CEPS Holding GmbH	A-1010 Wien, Graben 21	100.00

As a result of the merger implemented on 31 August 2014, the Bank's shareholder will be Erste Group Bank AG. The economic transfer of the shares took place in accordance with the merger agreement. The Austrian supervisory authorities are expected to approve the transaction in the first quarter of 2015.

IV/4 The number and nominal value of the Bank's shares by type

Description	Nominal value (HUF/share)		Pieces		Value (in million HUF)	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014
Registered shares	1	1	101,000,000,000	102,000,000,000	101,000	102,000

The Bank's share capital is HUF 102,000,000,000 (one hundred and two billion forints), consisting exclusively of cash contributions, that is, 102,000,000,000 (one hundred and two billion) registered ordinary shares with a nominal value of HUF 1 (one forint) each. The Bank's share capital has been fully paid up.

IV/5 The average annual statistical headcount and the costs of wages and salaries of employees by group 31.12.2014

Employees by groups	Average statistical headcount (2013)	Average statistical headcount (2014)	Wages and salaries (HUF million) (2013)	Wages and salaries (HUF million) (2014)
Full-time				
- white-collar	2,611	2,589	16,263	16,089
- blue-collar	0	0	0	0
Total	2,611	2,589	16,263	16,089
Part-time				
- white-collar	48	61	166	227
- blue-collar	0	0	0	0
Total	48	61	166	227
Pensioners				
- white-collar	3	0	4	0
- blue-collar	0	0	0	0
Total	3	0	4	0
Grand total	2,662	2,650	16,433	16,316

Other wages and salaries for employees not on the payroll: HUF 145 million.

IV/6 Other employee benefits

Data in million HUF	31.12.2013	31.12.2014
Sick pay	125	150
Use of own cars, travel allowances	48	55
Entertainment costs	31	29
Cafeteria vouchers, certificates, season tickets	433	362
Cafeteria benefits - Housing supports	110	73
In-kind benefits	11	1
Pension fund contributions	139	96
Payments into health insurance funds	207	143
Daily allowances	45	45
Education, catering	27	26
Other unspecified benefits	257	284
Total other employee benefits (8ab)	1,433	1,264

IV/7 The remuneration of the members of the Board of Directors and the Supervisory Board regarding the financial year

Description	Data in million HUF	
	Headcount	Remuneration
Board of Directors	5	491
Supervisory Board	3	31
Total	8	522

The above amounts include wages and salaries related to employment relationships, with the exception of severance payments.

IV/8 The amount of loans disbursed to the members of the Board of Directors, the management and the members of the Supervisory Board 31.12.2014

Description	Data in million HUF		
	Contractual amount	Outstanding debt	Conditions of the loan
Total amount of loans granted	14	3	According to the general terms and conditions of the loans provided to employees.
Total	14	3	

IV/9 Cash flow statement

Data in million HUF

Line No.	Description	2013	2014
1	Interest income	159,120	116,694
2	+ Income from other financial services (excluding the reversal of the impairment loss of securities and the positive valuation difference of receivables)	44,052	59,097
3	+ Other income (excluding the use of provisions and the reversal of surplus provisions, the reversal of the impairment loss of inventories and the reversal of extraordinary write-offs)	35,848	21,640
4	+ Income from investment services (excluding the reversal of the impairment loss of securities and the positive valuation difference)	62,296	66,428
5	+ Income of services other than financial or investment services	1,893	1,531
6	+ Dividend income	2,663	2,033
7	+ Extraordinary income	200	191
8	- Interest expenses	72,826	-37,020
9	- Expenses of other financial services (excluding the impairment loss of securities and the negative valuation difference of receivables)	29,184	-505
10	- Other expenses (excluding the accumulation of provisions, impairment loss of inventories and unplanned write-offs)	89,248	-107,696
11	- Expenses of investment services (excluding the impairment loss of securities and the negative valuation difference)	57,626	-71,426
12	- Expenses on services other than financial or investment services	1,473	-1,276
13	- General administration costs	43,257	-43,079
14	- Extraordinary expenses (excluding the amount of the corporate income tax liabilities for the year under review)	1,223	-14,000
15	- Corporate income tax liabilities for the year under review	0	0
16	- Dividend payment liabilities	0	0
17	Operating cash flow (lines 01-16)	11,236	-7,387
18	± Changes in liabilities (+ if increased, - if decreased)	-464,634	-392,362
19	± Changes in receivables (- if increased, + if decreased)	177,186	-24,888
20	± Changes in inventories (- if increased, + if decreased)	9,726	7,893
21	± Changes in securities reported in current assets (- if increased, + if decreased)	248,996	398,895
22	± Changes in securities reported among fixed assets (- if increased, + if decreased)	-31,643	-10,355
23	± Changes in investments (including advances) (- if increased, + if decreased)	492	147
24	± Changes in intangible assets (- if increased, + if decreased)	42	875
25	± Changes in property and equipment (excluding investments and payments made on account) (- if increased, + if decreased)	-5,289	-5,148
26	± Changes in accrued and deferred assets (- if increased, + if decreased)	4,154	4,056
27	± Changes in accrued and deferred liabilities (+ if increased, - if decreased)	-12,863	-6,202
28	+ Capital increase	39,000	39,000
29	+ cash and cash equivalents received permanently based on a legal provision	0	0
30	- Cash and cash equivalents transferred permanently based on a legal provision	0	0
31	effect of the previous years on the retained earnings	0	0
32	effect of the previous years on the general reserve	0	0
33	- Nominal value of withdrawn own shares	0	0
34	Net cash flow (lines 17-33)	-23,597	4,524
35	- changes in cash (HUF and foreign currency in cash, checks)	126	2,677
36	- changes in the portfolio of deposit money (HUF and FX current accounts and short-term maturity deposit accounts with the Central Bank of Hungary, and HUF deposit accounts managed by another credit institution based on specific laws)	-23,723	1,847

IV/10 Adjustment items taken into account when establishing the amount of corporate income tax

		Data in million HUF	
7	Items decreasing the tax base	31.12.2013	31.12.2014
7 (1) a	Accrued loss		
7 (1) b	Use of provisions	963	2,805
7 (1) c	Environmental provision		
7 (1) cs	Extraordinary depreciation reversed during the tax year	206	332
7 (1) d	Depreciation according to the Tax Act (+SZNy value at the time of derecognition)	4,493	4,945
7 (1) dz	The exchange rate gain on the sale of the reported participation in the tax year and the impairment loss reversed regarding the reported interest in the tax year		
7 (1) dzs	Exchange rate gains and exchange rate losses accounted for during the year-end revaluation of financial fixed assets and long-term maturity liabilities		
7 (1) e	50% of the profit/loss of capital market operations		
7 (1) f	Development reserve		
7 (1) g	Received dividends	2,663	2,033
7 (1) gy	Withdrawal of interests		
7 (1) h	Beneficiary exchanges of interest		
7 (1) i	Training of industrial apprentices		
7 (1) j	Allowance for the employment of skilled workers and unemployed persons		
7 (1) k	50% of the interest rate differential received from an affiliated party		
7 (1) l	Works of art		
7 (1) ly	Grants and allowances received without any obligation of repayment		
7 (1) m	Repurchased own shares, redemption of business shares		
7 (1) n	Uncollectable receivables		
7 (1) ny	Income relating to the trading of greenhouse gas emission units		
7 (1) o	Condominium income		
7 (1) p	Conversion difference		
7 (1) r	Cancelled fines		
7 (1) s	50% of royalties received		
7 (1) u	Impact of tax audit and self-audit	7	836
7 (1) w	Value of interests in small and medium-sized enterprises		
7 (1) x	100% of local business tax		
7 (1) z	Confirmed donations		
18 (1) a)	Other		
	Total	8,332	10,951

		Data in million HUF	
8	Items increasing the tax base	31.12.2013	31.12.2014
8 (1) a	Expenses recognised as a result of a provision (for expected liabilities, future costs)	641	87,474
8 (1) d	Costs not related to the company's business activity (Annex 3 of the Corporate Tax Act) (e.g.: services, deficit, wastage, bribery in excess of 200 thousand)	178	333
8 (1) b	Depreciation (planned, extraordinary, derecognition)	5,145	6,700
8 (1) m/b	The part of expenses which was recognised as a result of the exchange rate loss or impairment loss recognised in relation to the reported interest in the tax year or as a result of the derecognition of the participation under any title and which is in excess of the income		
8 (1) dzs	Exchange rate gains and exchange rate losses on financial fixed assets and long-term maturity liabilities	1,588	1,974
8 (1) j	The part of the interest on the liability falling to the liability exceeding three times the total equity		
8 (1) r	Derecognition of interests in the event of transformation		
8 (1) t	Beneficiary exchanges of interest		
8 (1) m	Expenses relating to the interest in a controlled foreign company		
8 (1) k	50% of the interest rate differential paid to affiliated parties		
8 (1) n	Supports granted (e.g. donations), benefits, monetary assets transferred permanently and assets transferred without consideration, liabilities assumed, services provided free of charge		
8 (1) h	Cancelled receivables		
8 (1) gy	Impairment loss accounted for receivables	338	54
8 (1) o	Conversion difference		
8 (1) e	Fines, tax penalties	1,788	106
8 (1) p	Impact of tax audit and self-audit	257	0
8 (1) s	Non-payment of long-term donations		
8 (1) u	Tax base increase related to the allowance of small and medium-sized enterprises		
8 (1) v	Retrenchment at taxpayers qualified as micro-enterprises		
18 (1) b)	Other (e.g. the amendment of transfer prices)	36	39
	Other	0	44
	Total	9,971	96,724

		Data in million HUF	
Tax calculation		31.12.2013	31.12.2014
Total tax base adjustments		1,639	85,774
Corporate income tax base (pursuant to the general rules)		-15,030	-6,579
Tax base according to the minimum income (profit)		7,992	7,263
Amount of corporate income tax		0	0
Corporate income tax (10%/16%)			
Tax exemption (Section 20(1))			
Tax allowances (Sections 21-23)			
Tax paid abroad that can be set off			
Payable corporate income tax		0	0

IV/11 Data of the persons entitled to represent Erste Bank Hungary Zrt. and obliged to sign the annual report 31.12.2014

Name	Address
Radován Jelasity	1026 Budapest, Balogh Ádám utca 35
Krisztina Kiss	1192 Budapest, Rozgonyi köz 6/2

The name and registered office of the company that compiles consolidated financial statements of the international Erste Group:

Erste Group Bank AG, Austria, Vienna, 1010 Graben 21

The financial statements can be inspected at the above company's registered office.

IV/12 Events after the balance sheet date

The dissolution procedure of Portfolió Kft. was closed on 21 January 2015, and the company was deleted from the register of companies.

Based on the decision of its owner, the dissolution procedure of Erste Leasing Bérlet Szolgáltató Kft. was commenced on 1 January 2015. The company will not perform any activities in 2015.

On 15 January 2015 the Swiss National Bank decided to remove the cap on the Swiss franc's euro exchange rate of 1.2 with immediate effect. As a result of the provisions of the Conversion Act, this decision had no significant effect on the financial situation of Erste Bank.

On 24 February 2015 the Central Bank of Hungary suspended the activity of the Buda-Cash brokerage house. The Central Bank of Hungary took control of the related 4 savings banks (DRB, ÉRB, DDRB, BRB). The activity of the Questor Brokerage House was also suspended due to a bankruptcy procedure in March 2015.

Erste Bank took the necessary steps in due time to deal with its exposures relating to the suspended brokerage firms, as a result of which the above events had no significant effect on the Bank's financial situation.

Date: Budapest, 14 April 2015

.....
Radován Jelasity
Chairman-Chief Executive Officer

.....
Krisztina Kiss
Financial and Accounting Director

Business Report

for

the Financial Statement of Erste Bank Hungary Zrt.
Concerning Year 2014

Budapest, 14 April 2015

The Financial Statement and Business Report for 2014 of ERSTE Bank Hungary Zrt. contains primarily a summary of its banking activities, supplemented with the information that affected the Bank's operation for the purposes of the evaluation of its business operation.

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BUSINESS ENVIRONMENT, OBJECTIVES AND STRATEGY OF THE COMPANY

Based on data adjusted for seasonal and calendar effects, the performance of Hungarian economy grew by 3.4 per cent in the first three quarters of 2014, exceeding the 1.6 per cent increase in the previous year. Growth in Q3 means an increase of 3.1 per cent in performance as compared with the same period of the previous year, which is due primarily to the contribution of the processing, automobile, building construction and agricultural sectors. As regards year 2014 as a whole, based on preliminary calculations the performance of the economy grew by 3.2 per cent.

By October 2014, the total foreign trade export volume of the country grew by 6.8 per cent, and in terms of trade with European Union partner countries by 8.6 per cent, as compared with the same period of year 2013. As regards internal consumption, year 2014 brought a positive turn: retail consumption as well as fixed capital formation, starting from a low base, show a slowly growing trend, and based on forecasts an increase of 2 and 10 per cent, respectively, could be seen. Unemployment rate is moving on a decreasing path and has been steadily below 10 per cent since the second half of 2013: in the period between September and November 2014 unemployment fell to 7.2 per cent, mostly as a result of the government's public works programmes.

In December 2014 consumer prices fell by 0.9 as compared with the same period of the previous year; oscillating around zero in the first half of 2014, inflation rate turned into the negative range in the second half of the year. Consumer prices fell by 0.2 per cent on average in 2014, mainly as a consequence of the decrease in food and fuel prices, and the significant decrease in household energy prices in the wake of government measures.

During the year, the 5-year CDS spread of the country fell further from previous year's 260 bps, oscillating in the 150 to 190 bps range until October 2014. The interest rate cutting cycle that started in August 2012 ended in 2014, when on 23 July the central bank decreased the benchmark rate to 2.1 per cent, which is not expected to change in the short or medium term according to official communications.

In 2015, due to foreign policy and economic risks, as well as the slowdown of internal consumption, a lower (about 2 per cent) growth in performance is expected as compared with the previous year. Government investment projects financed from EU funds are expected to phase out in the second half of the year, on the boundary of two EU budget cycles, as a result of which the growth of investment activity is expected to slow down and retail consumption is expected to grow by 1 to 1.5 per cent in 2015.

The typical trend of the previous years, the decrease of retail loan and deposit portfolios throughout the banking sector continued in 2014 as well. As regards lending, in the first half of the year the amortisation of the existing portfolio still exceeded the level of new placements, as a consequence of which the portfolio further decreased. The pace of this decrease, however, significantly slowed down in the second half of the year as a result of the growth in the new placement of HUF loans. In 2015, new consumer lending will also be influenced by the MNB directive, effective as of 1 January, that maximises the size of income-proportional repayment instalments and loan-to-value ratio, and only and exclusively permits certified, legitimate net income to be taken into account upon the calculation of the ratios. In corporate lending, new placements were encouraged by the subsidised programmes developed primarily for the small and medium-sized enterprise segment (Funding for Growth Scheme, Exim loans) in 2014 as well. On the liability side, as a result of the squeezing out effect of the low interest rate environment and alternative investment opportunities the retail deposit portfolio of the sector shrank further, at a slowing down pace though, while due to the savings of the corporate and other segments the total deposit portfolio slightly increased.

After a rather moderate positive result in the previous year, the Hungarian banking sector is expected to close year 2014 with a loss. Apart from an unfavourable economic environment, the profitability of the banking sector is also significantly influenced by the regulatory and legislative environment, whose direct effect can be felt in the taxes levied and other measures imposed on the banking sector. The bank tax introduced in the previous years will burden the budget of the sector in the same measure in 2015 as well, and financial transaction duty and free cash withdrawal are also going to remain in effect with slight adjustments. In 2014 the National Bank of Hungary obligated 140 institutions to refund amounts collected as a result of unilateral fee amendments connected to transaction duty, and to pay in a total fine of about HUF 2 billion. In the scope of the system of institutions for a uniform crisis management created as the second pillar of the European bank union, as the implementation of the EU directive in the second half of the year the Recovery Fund was set up; the payments made to the Fund have appeared in the budget of financial institutions in 2014 already.

The new government decisions made in connection with retail foreign currency lending, which apart from a direct impact on profit & loss also entail a loss of future operating incomes, also constitute a significant burden for the banking sector. Following the full early repayment campaign in 2011 and the introduction of the exchange rate ceiling in 2012, in 2014 the series of measures aimed at helping foreign currency mortgage borrowers continued. The Settlement Act of 2014 obligates banks to repay in the case of HUF and foreign-currency-based (disbursed and repaid in HUF) and foreign currency (disbursed and repaid in foreign currency) consumer credit, loan and leasing agreements concluded between 01/05/2004 and 26/07/2014 the amount of any exchange rate spread applied and of any unilateral interest rate increases. Based on the estimations of the National Bank of Hungary, this will have a gross effect of HUF 784 billion, and a direct P&L effect of HUF 608 billion on the

banking sector. The concerned financial institutions had a chance to prove in legal proceedings that their interest rate increases were legitimate; in the case of foreign currency loan agreements the legal proceedings took place in the second half of 2014, whereas the lawsuits affecting HUF loans and settlement with the consumers in the case of both credit types will take place in 2015. In November 2014 the Parliament took decision on the conversion into HUF of foreign-currency-based and foreign currency real estate leasing and mortgage loans as well. The Conversion Act provides for the details of conversion into HUF of foreign-currency-based and foreign currency mortgage loan and real estate leasing agreements that were active or has been terminated on the date of conversion into HUF (01/02/2015). The Act on Fair Banking System, whose primary purpose is to regulate Hungarian lending practice and render it transparent, enters in force as of February 2015. Among government measures, the National Asset Management Company set up in 2011 in the scope of the Home Protection Action Plan in order to help foreign currency mortgage borrowers should also be mentioned. The company purchased more than 9,000 real estates during the year, completing about 14,000 sales transactions altogether by 31 December 2014, which means that it may be expected to fulfil its target concerning the purchase of 25,000 real estates.

The Funding for Growth Scheme, announced in 2013 by the National Bank of Hungary in order to boost the investments of the SME sector, continued in 2014 as well. In phase one of the Scheme, lasting from June to August 2013, HUF 701 billion, and in phase two, lasting from October 2013 to December 2014, from an increased limit amount of HUF 1,000 billion, additional loans totalling HUF 472 billion were placed. Originally intended to last until end-2014, the Scheme was prolonged by the MNB until 31 December 2015.

Apart from the regulatory environment, year 2014 saw significant changes as regards the market players as well. Two major players of the banking sector are going to be in public ownership: the Hungarian State purchased MKB Bank, and as regards the sale of Budapest Bank, reconciliatory negotiations are still going on. Besides, one bank and five other credit institutions went bankrupt; a new integration of savings cooperatives, the Integration Unit of Cooperative Banks came into being; and Takarékbank, Hungarian Post Company, MFB and FHB entered into a strategic agreement.

The strategic goal of Erste Bank Hungary Zrt. is to continue its operation as an important player of the Hungarian banking market, with the support of a well-balanced corporate business, a reinforced risk management, efficient operations and a continuously improving service quality, focusing on retail customers who regard EBH as the number one financial institution. Keeping its position as a leading retail lending institution, the bank wishes to become market leader in the private banking and credit card business lines, as well as in terms of electronic channels and innovative solutions, and furthermore lays great emphasis on retaining its solid share in the market of savings. In order to keep its market position, the bank offers custom-made financial services through its simplified and segmentation-based product portfolio, and wishes to expand its existing customer base with the improvement of service quality and innovative banking solutions. Apart from its core banking activities, EBH plays an important role in the market of products having a significant growth potential such as investment and building society services.

The corporate business line still offers all-inclusive banking services for all segments, anticipating the biggest growth in the midmarket segment, where the goal is the development of transaction services and the maintenance of nation-wide presence. In line with the market trends, corporate lending takes place primarily via subsidised structures, and apart from credit products the bank offers a wide range of transaction services and other solutions to its corporate customers.

CHANGE IN THE BANK'S FORM OF OPERATION

The Bank's form of operation did not change during the business year of 2014. The change in the corporate form of the Bank to private limited company (Zrt.) was registered by the Court of Registration as of 3 January 2011. Austrian EGB Ceps Holding GmbH is the 100% shareholder of Erste Bank Hungary. The full name of the Bank is Erste Bank Hungary Zártkörűen Működő Részvénytársaság.

OTHER CHANGES

During the year, Erste Bank Hungary Zrt. sold its 9% minority shares held in Erste Group Immorent Lízing Zrt. and in Erste Group Immorent Kft., and its minority share of 8.33% held in GIRO Zrt., as well as started the voluntary dissolution of its subsidiary Portfolió Szolgáltató Kft. (in which the Bank has an indirect interest of 100%). In Q1 2014, Erste Bank Hungary Zrt. founded an indirectly owned subsidiary by the name of Collat-real Kft., whose main activity is the sale and purchase of real estates for its own account.

PRODUCT RANGE, COOPERATION AGREEMENTS, STRATEGIC ALLIANCES

2014 saw a further boom in the property market and consequently in the mortgage market as well. The Bank's resources were partly tied down by the preparation for the settlement with foreign currency and HUF mortgage borrowers and conversion into HUF, in line with the laws enacted by Parliament.

The Bank's share in the retail lending market showed a rising trend throughout the year, as regards housing mortgage loans as well as home equity loans.

The boom in the lending market was further enhanced by interest-subsidised housing loans. In view for serving the needs of customers in the widest range possible, as well as seeing the key role of home-making interest-subsidised housing loans, in April 2014 the Bank introduced an interest-subsidised housing loan product having a 5-year interest period in the interest-subsidised period, and subsequently 6-month interest periods. Besides, customers may apply for the earlier home-making loan product as well (that has 5-year interest periods throughout its entire tenor), which apart from the purchase of used apartments may also be taken in order to buy new apartments, or to finance the construction, enlargement or modernisation of apartments. In this period of the year, the Bank supported the introduction of the product with a media campaign.

In Q2 2014 the Bank launched its product "market interest rate housing loan with preliminary evaluation" for the purchase of new and used apartments, providing an opportunity for its customers to file their loan requests already before the apartment has been chosen and the sales contract concluded, and get an offer from the Bank on the basis of their certified incomes and creditworthiness. Due to their preliminary evaluation certificates, customers are able to exactly assess the loan amount they are entitled to, and may start searching for an apartment accordingly.

Continuing the transformation of the pricing concept already launched in the previous year, in the first half of 2014 the Bank introduced a new discount package by the name of Extra Benefit to finance its affluent customers.

In Q3 2014, the Bank took several new steps in order to boost lending. It introduced the opportunity to apply for non-repayable state subsidies for the construction and purchase of new apartments, and in cooperation with the enHome business line of Hungarian electricity company ELMŰ it provides discount financing opportunities to carry out modernisation jobs mainly based on renewable energy sources. Available only to enHome customers, the Erste Green Loan product family offers an opportunity to apply for state subsidy, subject to the fulfilment of certain conditions.

In view for increasing its credit portfolio, the Bank is present in the lending market with a continuous DM activity and media campaigns.

In year 2014, the Bank endeavoured to increase its share in the revitalising consumer loan market with an active DM activity based on external and internal databases. The increase of the volume of personal loans was further enhanced in 2014 by on-line campaigns and a microsite. Customer acquisition and bank change was supported by a pre-approved overdraft facility product as well in 2014. In the case of Lombard loans, we changed the product and pricing structure in accordance with the needs of PB and premium customers, increasing sales volume.

At end-January 2014, for our retail customers the Erste OneAccount was introduced, which is supposed to address customers who get their salaries transferred to the Bank, and use their accounts in an active manner. To support the sale of the product, in Q1 2014 a marketing campaign was launched.

In 2014 the Bank endeavoured to maintain its portfolio of term deposits and obtain new portfolios even in a decreasing interest rate environment. To this end, it also introduced special offers for term deposits, as well as new deposit products. "Erste Biztos6" and "Tartós Biztos6" are deposit schemes combined with life insurance, which we sold with a six-month term and with higher than average interest rates.

Simultaneously with OneAccount, Target Deposit Saving Account was introduced to provide flexible, customisable options for customers who have regular savings. In Q2 and Q3 2014, a marketing campaign was announced with a high media profile in order to support the sale of the Target Deposit Saving Account product.

In 2014, the Bank developed a simpler, more transparent range of retail account and deposit products for the customers.

The range of account products sold to micro-enterprises is still adjusted to the needs of customers. For start-up enterprises, the Erste Start-up Account Package, and for already operating customers with an actual account turnover the Selection Plus Account Package is offered. The Selection Plus Account Package offers a wide range of services to customers, and each customer can select the two discounts most appealing to them from the account management and transaction discounts offered in the Announcement. The new account package sold to non-governmental organisations provides tiered interest rate to customers on demand deposits, along with a favourable account management fee.

After 2013, Erste Bank provided loans to its micro-business customers in 2014 as well in the scope of the Funding for Growth Scheme of the National Bank of Hungary. The loan scheme, available at a 2.5% interest rate, represented a significant share within working capital loans and investment loans disbursed last year. The total volume of loans placed in the scope of the Scheme exceeded the amount placed in 2013.

Erste Bank continued the intensive sales of Széchenyi Card Overdraft Facilities and Széchenyi Working Capital Loans in 2014 as well. In view for strengthening our new acquisition ability, the Bank's product terms were reviewed, and new loan disbursements were further supported in the autumn by campaigns and promotions as well, as a result of which the number of new contracts increased.

In addition to the specifically structured loan products, Erste Bank also offered its own financing products to its customers. To mention only the classic products: loans promoting the increase of liquidity, development and investment loans, general purpose loans, bank guarantees.

In 2014, our lending processes were also reviewed in order to further improve customer service quality.

All-inclusive financing service is provided to the companies and municipalities managed under the corporate business line. In the scope of this, the Bank provides HUF and foreign currency loans from its own resources or in the form of refinancing, issues credit cards and bank guarantees, opens letters of credit, and provides leasing financing and factoring services to its partners. We participate in project finance as well as in syndicated loans.

Predominant were among financing products in year 2014 the HUF loans refinanced in the scope of the MNB's Funding for Growth Scheme and the foreign currency loans refinanced in the scope of EXIM Bank's Export Promoting Credit Programme, which enabled the Bank to provide financing in both HUF and foreign currencies to its partners at costs more favourable than in the case of loans disbursed from own funds. We were among the first to extend both refinancing programmes to financial leasing schemes as well.

Another characteristic element of the product structure in year 2014 was the loans provided against the guarantees of Garantiqa Zrt. and the Rural Credit Guarantee Foundation, which enable the Bank to expand the range of our financed customers via risk sharing with institutional guarantors.

MAIN RESOURCES AND RISKS, AND THE RELATED CHANGES AND UNCERTAINTIES

Asset-liability management (interest rate risk management)

The Bank uses a simulation procedure, one of the more advanced methodology solutions, to measure the interest rate risk of its banking book, as that method takes into account both traditionally applied approaches, i.e., the net interest-income simulation (income perspective) and the cash flow assessment, i.e., the economic value simulation (economic perspective). The highest-level strategic decisions on asset-liability management and, more specifically, interest rate risk management, are made by the Asset-Liability Committee (ALCO). In accordance with its responsibilities, the Committee regularly reviews the interest rate risk situation of the Bank and the development of its positions. In addition to monitoring the position, the Committee also has the right to evaluate and rate the Bank's interest rate risk position. Its competence includes the approval and modification of applicable internal regulations, with special regard to the modification of effective limits, assumptions, procedures and methods. Other organisational units involved in interest rate risk management: (1) Asset-Liability Management Directorate (ALM), which prepares decisions and supports the activities of ALCO, (2) Treasury, which performs the operational implementation of the strategic decisions of ALCO and the market transactions of ALM. The Bank's management receives regular reports on the variation of the interest rate risk exposures of the banking book. Those reports enable the management:

- to evaluate the level and trend of the Bank's total interest rate risk exposure;
- to check compliance with the defined risk tolerance levels;
- to identify potentially excessive risks undertaken in excess of the level set forth by the policy;
- to determine if the Bank has enough capital to undertake the respective interest rate risk;
- to make decisions relating to interest rate risks.

Liquidity risk management

The Bank uses a *Survival Period Analysis* based on stress scenarios to measure its shorter-term liquidity risks. The analysis shows for how long the Bank would be able to fulfil its payment obligations in various liquidity stress scenarios, under specific conditions. ALM is responsible for coordinating the maturity structure of on-statement of financial position and off-statement of financial position items by ensuring that the aggregated net cash flows remain positive for the period of time specified as the limit. In addition to the survival period analysis based on stress scenarios, compliance with the liquidity ratios introduced by Hungarian regulators (FX Adequacy Ratio, Deposit and Statement of Financial Position Sheet Coverage Ratios) as well as compliance with the expected levels of the liquidity ratios (LCR, NSFR) introduced by the Basel Committee on Banking Supervision are also taken into account when managing liquidity risks. The Counterparty and Market Risk Management Department regularly monitors and reports to ALCO the current figures of liquidity ratios.

We experienced a gradual decrease in the loan portfolio during the year, primarily as regards loan transactions denominated in foreign currencies. Apart from the decrease of the loan portfolio, the Bank's deposit portfolio slightly increased, mainly due to the deposits made by mutual funds that channelled retail resources to the Bank. The retail segment saw a growth in the portfolio of demand deposits, while the portfolio of time deposits decreased, in parallel with market trends, since besides the low interest rate environment other forms of savings gradually gained more and more ground.

In 2014, the Bank's external financing position was stable. In line with the decrease of the foreign currency loan portfolio and the loan to deposit ratio, the Bank significantly decreased the size of unsecured foreign currency financing taken from the parent bank, while in order to strengthen its capital position it borrowed FX-denominated subordinated loan capital that may be converted into HUF in part. For the purpose of covering the expected losses of settlement with the customers due to unilateral interest rate increases, at the end of Q3 the Bank allocated provisions financed from a capital increase.

The exchange rate to be used for the conversion of retail foreign currency mortgage loans into HUF was fixed on 9 November 2014. Starting from that date, the loans falling within the scope of the law are valued in the Bank's books at this fixed exchange rate, while liability side items are still marked to market from time to time based on the current rates. In order to hedge the foreign exchange rate arising as a consequence, on the same day the MNB announced a tender for a foreign exchange swap combined with a spot transaction, in order to provide for the foreign currency liquidity necessary for the banks to cover their open positions. Erste Bank also participated in the central bank's tender, and covered its EUR/HUF foreign exchange rate, while its remaining EUR/CHF risk is hedged with transactions concluded in the market. Due to its hedging transactions, at the year-end the Bank did not have any open foreign exchange rate positions arising from the conversion of the loans.

Table No. 1 shows the Bank's contractual maturity structure by currency (with modelled amortisation for demand deposits).

Table No. 1 Data in millions of HUF

	No maturity	1 month	1-3 months	3-6 months	6-12 months	> 1 year
HUF	-49 884	-58 704	342 454	-218 640	-91 824	63 691
EUR	1 124	68 611	-187 591	52 237	-40 481	107 275
CHF	0	57 817	-338 365	19 138	13 075	258 082
USD	4 825	-24 991	40 751	1 273	-4 385	-16 767
Other	0	5 074	-3 124	-1 685	-605	-2 446
Total	-43 935	47 807	-145 874	-147 677	-124 220	409 836

Interest rate risk management

The Bank applies two analytical methods to quantify interest rate risk: a) the net interest income method, and b) the simulation of the market value of total equity.

Both types of risk indicators suggested a medium interest rate risk exposure; both the external and the internal limits were met during the year. The increase in the market sensitivity of total equity is a consequence of the risk of the modelled products, which has increased due to the low yield environment.

Sensitivity of the market value of the total equity:

It is expressed as the absolute sum total of the variation of the economic capital value by currency, occurring as a result of a parallel, 200 basis point assumed change in interest rates, in any direction, compared to the capital amount calculated with an unchanged interest rate scenario. The scenario having the most detrimental impact in each currency is used in the aggregation from the scenarios triggering increasing and decreasing interest rates.

Sensitivity of the net interest income, simulated for 12 months:

It is expressed as the absolute sum total of the variation of the 1-year net interest income by currency, occurring as a result of parallel, +100 basis point assumed change in interest rates, compared to the net interest income calculated with an unchanged interest rate scenario.

Table No. 2	2013.12.31	2014.12.31
Sensitivity of the total equity	4.80%	7.02%
Sensitivity of the net interest income, simulated for 12 months	1.20%	3.07%

The repricing table classifies the volumes of assets, liabilities and off-balance sheet items into time bands, in the main currencies, according to the next repricing date. The repricing gap is calculated after the classification, as the difference of the assets and liabilities.

At the end of 2015, the portfolios denominated in HUF had a positive repricing gap (< 5 years). The positive gap of the longer terms (2-5 years) resulted primarily from the longer-term government securities portfolio with a fixed interest rate.

The interest-bearing items, denominated in USD and EUR, are dominated by deals priced within one year, i.e. those statement of financial position components carry generally low repricing risks. In the case of interest-bearing items denominated in CHF we have surplus liabilities, which is the reason for the negative gap. The table below does not include the demand deposit portfolio, whose maturities are modelled.

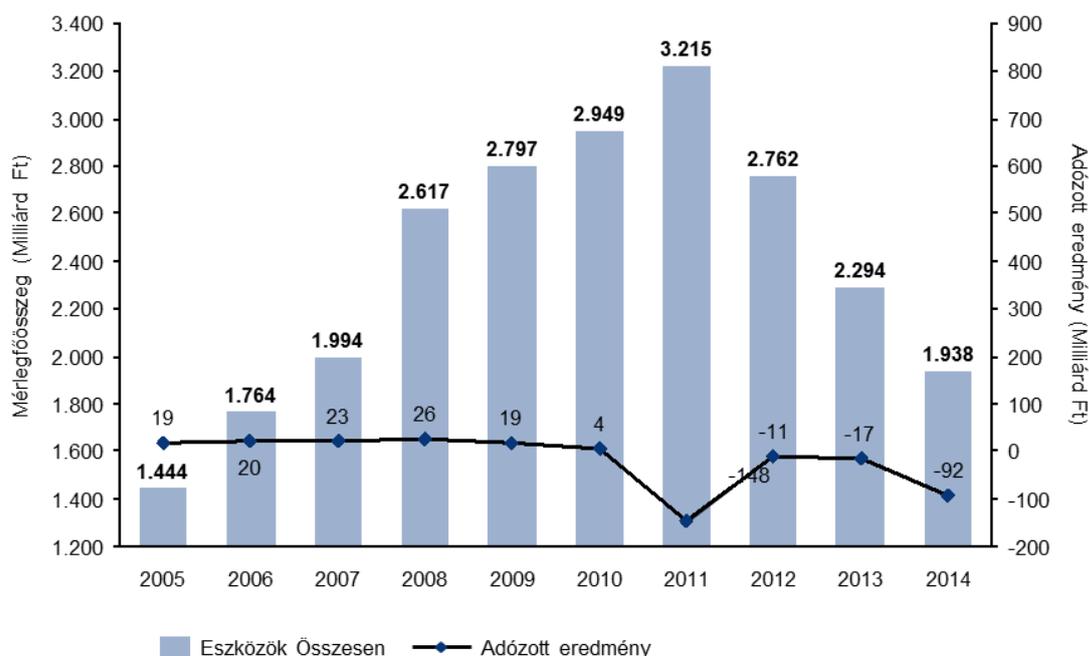
Table No.3	Data in millions of HUF					
	1 year	2 years	3 years	4 years	5 years	>5 years
CHF	(65,311)	0	0	0	0	0
HUF	306,952	72,990	32,360	31,754	27,546	(3,912)
EUR	44,095	1,024	0	3,140	(81)	0
USD	7,654	0	0	0	0	0

*The data of the table do not include the demand deposit portfolio, which is modelled

The Asset-Liability Committee (ALCO) is responsible for managing interest rate and liquidity risks at the highest decision making level.

FINANCIAL DATA

The Bank's business result proved to be worse than expected, due to the external economic events occurring last year. Partly the extremely high tax burdens, and partly the high level of provisions allocated due to the measures intended to help foreign currency mortgage borrowers had a negative effect on the deteriorating result, which had worsened even further as compared to 2013.



*Mérlegfőösszeg (Eszközök összesen): Total Assets; Adózott eredmény: Profit after tax

As of the end of the year, the Bank had HUF 1,938 billion total assets, which was 15.5% down from the figure reported for the end of the previous year. The Bank reported HUF -92.3 billion after tax loss.

The structure of the Bank's asset portfolio shows a significant change at the end of 2014 compared to the preceding years. The portfolio of government securities, including especially government securities held as investments fell by approximately HUF 380 billion and their share within the balance sheet total also decreased.

However, positive change can be seen in the portfolio of receivables from credit institutions and their share within total assets. Mainly placements with the National Bank of Hungary increased by about HUF 279 billion, due to the decision of the MNB to terminate two-week bonds and replace them with two-week deposits. Thus the share of receivables from credit institutions within total assets increased to 18% as compared with the 6% reported for the preceding year.

Changes in the main asset categories, 2013 to 2014:

(data in mn HUF)	2012	2013	2014	Change %		Proportion %		
				2013/ 2012	2014/ 2013	2012	2013	2014
Securities	807,752	609,072	229,476	(25)%	(62)%	29%	27%	12%
Loans to credit institutions	209,255	147,125	341,245	(30)%	132%	8%	6%	18%
Loans to customers	1,503,619	1,321,566	1,192,436	(12)%	(10)%	54%	58%	62%
Cash reserve	53,367	29,770	34,294	(44)%	15%	2%	1%	2%
Other (non interest-bearing) assets	187,630	186,163	140,757	(1)%	(24)%	7%	8%	7%
Total Assets	2,761,623	2,293,696	1,938,208	(17)%	(15)%	100%	100%	100%

The nominal portfolio of receivables from customers continued to decrease in accordance with the trend of the previous years; this trend was influenced by an increasing, but still low lending appetite, and by the high rate of the prepayment of loans and early repayment, in parallel with steps taken by the Bank to reduce the non-performing portfolio. Within the total HUF 129 billion decrease, HUF 31 billion loans were maturing within one year and HUF 98 billion were maturing over one year; altogether retail loans had a share of 62 per cent and corporate loans a share of 38 per cent in the decrease. Apart from the above business impacts, the portfolios were slightly affected by the weakening of the EUR and CHF exchange rates against HUF by 3.9 and 5.3 per cent, respectively.

There were no major changes in the share of cash and cash equivalents and non-interest-bearing assets.

Changes in the main liability categories, 2013 to 2014:

(data in mn HUF)	2012	2013	2014	Change %		Proportion %		
				2013/ 2012	2014/ 2013	2012	2013	2014
Amounts owed to credit institutions	1,085,134	749,532	237,912	(31)%	(68)%	39%	33%	12%
Amounts owed to customers	1,336,810	1,203,811	1,227,407	(10)%	2%	48%	52%	63%
Equity	160,415	180,916	183,251	13%	1%	6%	8%	9%
Other liabilities + subordinated capital	179,264	159,437	289,638	(11)%	82%	6%	7%	15%
Total Liabilities	2,761,623	2,293,696	1,938,208	(17)%	(15)%	100%	100%	100%

Compared to the end of 2013, the ratios of portfolios continued to change within the liability structure, in different measures nominally. Deposits from monetary financial institutions shrank by HUF 512 billion since the preceding year. Long-term deposits from the parent company and short-term loans taken in the interbank market both fell steeply, in parallel with the contraction of customer loans. Overall, the share of liabilities to credit institutions within the balance sheet total fell to 12% from the 33% reported for the preceding year.

As regards customer deposits, the portfolio increased slightly, by HUF 24 billion, and in parallel with this their share within the balance sheet total increased to 63% from 52% in 2013. The Bank has a 6.3% market share regarding retail deposits, which corresponds to a 64 bps decrease over the past year. The main reason for this is an unfavourable interest rate environment, as a result of which the structure of retail savings has changed, with customer favouring investment funds and other alternative forms of investment. It can be altogether said, however, that the combined portfolio of deposits and investment funds has not decreased in the case of retail customers. Another structural change that occurred last year was that within liabilities to customers the significant decrease (HUF 75 billion) of short-term deposits was compensated by an increase of demand deposits by HUF 96 billion.

Looking at the structure of other liabilities one can see that long-term bonds issued increased by HUF 12 billion, and at the same time the Bank set aside provisions of HUF 86 billion for the settlement with foreign currency mortgage borrowers. Other liabilities decreased by HUF 30 billion and accrued expenses and deferred income decreased by HUF 6.2 billion.

Total equity were around the same level as last year (HUF 183 billion), due to the fact that the shareholder increased the Bank's capital by HUF 95 billion in order to compensate for the provisions set aside for the settlement with foreign currency mortgage borrowers.

Changes in the main profit and loss elements, 2013 to 2014:

(data in mn HUF)	2012	2013	2014	Change %		
				2012/2011	2013/2012	2014/2013
Net interest income	65,397	86,294	79,675	(11.9)%	32%	(7.7)%
Fee income	24,932	34,402	38,019	5.2%	38%	10.5%
Dividend	2,755	2,663	2,033	(12.3)%	(3.3)%	(23.7)%
Trading	23,429	(481)	4,081	(16)%	(102.1)%	948.4%
Operating income	116,513	122,878	123,808	(9.6)%	5.5%	0.8%
Operating expenses	47,784	48,402	48,570	(2.4)%	1.3%	0.3%
Operating result	68,729	74,476	75,238	(14.1)%	8.4%	1%
Other operating result	(80,033)	(51,690)	(139,055)	23.8%	(35.4)%	169%
Risk provision for loans and off-balances	4,411	(38,432)	(14,727)	103.1%	(971.3)%	(61.7)%
Extraordinary income	(4,170)	(1,023)	(13,809)	(80.8)%	(75.5)%	1,249.9%
Pre-tax profit	(11,063)	(16,669)	(92,353)	(92.5)%	50.7%	454%
Net profit	(11,063)	(16,669)	(92,353)	(92.5)%	50.7%	454%
Profit after dividend and reserves	(11,063)	(16,669)	(92,353)	(91.8)%	50.7%	454%

The Bank managed to keep its operating incomes and expenses at the previous year's level; however, as a result of the provisions allocated for the settlement with foreign currency mortgage borrowers it realised an after tax loss of HUF 92.3 billion at the end of Q4 2014.

The 1% increase of operating profit was due to positive changes in the commission income and to the profit/loss of financial operations, as well as to the Bank's strict cost management.

Regarding the elements of operating incomes, in 2014 net interest income was 7.7% (HUF 6.6 billion) down from the previous year. The decrease by HUF 42.4 billion of interests received was not fully compensated by the decrease in interests paid by HUF 35.8 billion (-49%). The reason for the aforesaid is mainly the significant reduction of the customer loan portfolio, as well as the low level of the interest rate environment, as a consequence of which a restructuring can be seen regarding the maturity structure of deposits in so far as customers rather prefer demand deposits to time deposits. On the revenue side, mainly the interest income from loans to retail customers and non-financial enterprises fell back as compared with the data of December 2013. The above negative impact was further strengthened by the decrease in interests received on securities.

The commission and fee income of the Bank was HUF 3.6 billion (10.5%) higher than the figure of December 2013. The reason for the growth is primarily the increase in the commissions charged on transactional services (HUF account-keeping fee, monthly closing fee) (HUF 1.8 billion), as well as in those charged on securities trades in the private banking business line (HUF 2.2 billion), which is in line with the process going on over the recent period that has seen an increase in the willingness of retail customers to keep their savings in investment funds. However, the free cash withdrawal option introduced by the government had a negative effect on commission incomes.

The above positive trend is reinforced by a decrease in commissions paid (HUF 1.2 billion), which is made up from commissions paid to the Post Company (HUF 465 million), and brokerage fees paid in connection with loan and leasing transactions (HUF 600 million). The notarial and legal fee expenses of loan transactions as well as the fee expenses connected to IRS deals also fell.

Net income from securities transactions fell by HUF 630 million (23.7%) as compared with end-2013 due to the lower level of the portfolios, which is explained by the measure introduced by the MNB according to which instead of two-week MNB bonds we now place our liquid assets into two-week deposits. In 2014 the Bank received dividend of HUF 2 billion from its subsidiary Erste Befektetési Zrt.

As regards the net income from financial transactions, an increase of HUF 4.5 billion can be seen as compared with the previous year. The main reason for the growth is the exchange rate gain from the revaluation of foreign currency assets, as well as the capital gain realised on securities held for investment purposes.

Operating expenses amounted to HUF 48.6 billion, which is 0.3% more than the amount recognised in the same period of the previous year. Cost cutting measures were effective, and the result of saving decisions can be felt in respect of several cost categories.

Administrative costs were 0.4% (HUF 178 million) lower this year than in the same period of the previous year.

Within this, payments to personnel decreased by HUF 737 million as compared with the previous year, which was mainly added up from wage costs (HUF 361 million), bonuses paid (HUF 480 million) and taxes payable on wage costs (HUF 204 million).

Other administrative costs were HUF 556 million down from end-2013, due to a decrease in rental fees.

IT costs increased by HUF 407 million due to the growth of the hardware costs of the IT infrastructure.

All in all, other costs fell by 3% (HUF 295 million) as compared with year 2013 due to the contraction of building maintenance and repair costs.

Depreciation increased by 6.7% (HUF 346 million) compared to the previous year, as a result of higher capital expenditures.

Cost-income ratio improved from 39.4% (Q4 2013) to 39.2% (Q4 2014), which was the result of the higher operating income.

Net income from operating activities deteriorated by HUF 87.4 billion as compared with the last quarter of 2013, which is almost entirely explained by the provisions allocated due to the measures aimed at helping foreign currency mortgage borrowers. Loss from the sale of receivables (HUF 7.9 billion), shown among other profit/loss had a further negative effect, which was slightly compensated by the decrease in expenditures (HUF 1.9 billion) due to the lower level of debt/equity swaps. Taxes accounted against expenditures decreased by HUF 2.8 billion in the period under review, within which financial transaction duty decreased by HUF 2.5 billion, building tax decreased by HUF 132 million, and local tax payment liability decreased by HUF 206 million.

Impairment losses and risk provisions improved by HUF 24.5 billion in Q4 2014 as compared with the same period of the previous year. Provisions for receivables significantly decreased (HUF 30.6 billion); however, the use of provisions was by HUF 6.5 billion lower than in the previous period.

Changes in capital adequacy, 2013 to 2014

BANK ONLY (mHUF)	2013 DEC	2014 MAR	2014 JUN	2014 SEP	2014 DEC
	Basel II	Basel III	Basel III	Basel III	Basel III
Solvency Capital	236 122	232 863	210 770	275 556	277 782
Tier 1 Capital	172 475	162 083	131 802	152 713	150 362
CET1 - Common Equity Tier1	172 475	162 083	131 802	152 713	150 362
Subscribed capital	101 000	101 000	101 000	102 000	102 000
Agio	189 327	189 327	189 327	283 327	283 327
Profit reserve	-90 812	-107 481	-107 481	-107 481	-107 481
Non audited negative YTD net profit	-14 434	-583	-29 110	-101 014	-109 010
Other reserve		334	-1 812	-1 642	-2 244
Other CET1 Capital Components		-881	1 170	1 407	2 078
Deductible items	-12 606	-19 632	-21 293	-23 884	-18 309
- Intangible Assets	-12 606	-12 468	-12 890	-13 033	-11 600
- IRB Shortfall		-7 164	-8 403	-10 851	-6 708
- Other Deductions from CET1 Capital					
AT1 - Additional Tier 1 Capital		0	0	0	0
Tier 2 Capital	63 647	70 780	78 968	122 842	127 420
Subordinated debts	65 256	75 557	84 569	130 077	131 892
Part of the subordinated loan that cannot be taken into account					
IRB Surplus	6 912				
Other Tier 2 Components	-1 929				
Deductible items	-6 593	-4 776	-5 602	-7 234	-4 472
- IRB Shortfall		-4 776	-5 602	-7 234	-4 472
- Other Deductions from Tier2 Capital	-6 593				
Capital requirement	172 102	178 688	171 902	182 885	186 481
Pillar 1 Capital Requirements	104 304	105 707	101 693	108 190	110 318
Credit risk	92 164	90 379	89 632	95 301	98 024
Trading Book and exchange rates	814	288	477	668	637
Operational risk	11 326	15 040	11 584	12 221	11 656
Pillar 2 Capital Requirements	67 798	72 980	70 209	74 694	76 163
Pillar II. Risks					
Stress test					
SREP correction	67 798	72 980	70 209	74 694	76 163
CET1 / TIER 1 capital surplus / shortage compared to P1 Capital requirements	68 171	56 376	30 109	44 523	40 044

At the end of 2014, the Bank's capital adequacy was stable; the solvency ratio (11.92%) was higher than the statutorily required level. (In the table, the most recent non-audited interim negative result is also taken into account.)

According to the data at the end of 2014, regulatory own funds were HUF 41.7 billion higher than at the end of the previous year. One of the main reasons for this is the premium result, which was HUF 94 billion higher, and which became necessary in view for helping foreign currency mortgage borrowers, and the new subordinated loan capital also contributed to the growth of regulatory own funds.

The capital requirement presented in the report shows an increase by HUF 14.4 billion, partly because of a HUF 5.9 billion increase in credit risk triggered by the shrinking of risk-weighted assets; at the same time, the capital requirement under Pillar 2 increased by HUF 8.4 billion in accordance with the requirements of the National Bank of Hungary compared to the previous year. The capital requirement calculated for operational risk did not change significantly either (increased by HUF 330 million) as compared with the preceding year.

QUANTITATIVE AND QUALITATIVE PERFORMANCE INDICATORS AND MARKERS FOR THE PROCESSES

The Bank measures the quality of its internal operation through the performance of its major customer service processes as well. The performance requirements of processes are defined following an assessment of customer needs. We conduct regularly repeated researches: annual customer satisfaction and customer expectations surveys, mystery shopping in branches and research of the willingness of branch advisers to make referrals.

Customer needs and expectations are converted into indicators and measurable parameters. As a primary focus, we build a system of indicators for the business processes conducted in the Bank and apply measurements to establish the performance of the process. Our processes are analysed from the occurrence of the customer needs to the satisfaction of those needs. Main indicators describing process capacities: processing time, number of errors, service levels, for example the measuring of waiting times. Targets are defined for those indicators and the results of the regular measurements are compared to the target values.

If the performance of a process remains below the target, a detailed process analysis is conducted to identify the reasons of non-compliance and development proposals are elaborated. This activity is performed weekly and monthly, involving the areas affected by the process. If necessary, we launch a project for improving the process, where we work out action plans using process improvement methodologies (LEAN, Six Sigma) in order to increase the efficiency of the process. In 2014, process improvement projects were conducted for the following processes within the Erste 2015 strategic programme: processes following the disbursement of mortgage loans, bank account opening process, lending process for micro enterprises, lending process for small and medium-sized enterprises, and the background processes of retail collection; and the review and transformation of the customer forms used in the branch network also started.

EMPLOYMENT POLICY

The Bank's headcount did not significantly change in 2014, and the projects supporting the Bank's development and improvement continued, adjusted to market circumstances and to the Bank's long-term strategy. At the end of 2014, the Bank had 2,579.1 employees (projected to 8-hour employment), disregarding trainees.

The average age of our employees is 37 years, and the average length of their employment is 6.5 years.

During 2014, the Bank provided an opportunity for 161 trainees within the framework of a trainee programme to get an inside view of the Bank's operation and to acquire work experience. 11% of those participating in the Bank's trainee programme were recruited as employees of the Bank.

DESCRIPTION OF BUSINESS PREMISES

The Bank's registered office has been at Népfürdő utca 24-26 since 1 September 2006. The modern office building hosts the organisational units of the Bank's head office and the subsidiaries. The Bank has a nationwide branch network, which is professionally controlled at regional level (Pest, Buda, North-East Hungary, South-East Hungary, South Transdanubia, North Transdanubia). The branches are listed in Annex No. 1.

EDUCATION POLICY

Erste Bank was characterised by an increased training activity in 2014. Our employees spent 4.25 working days on average in various training courses, that primarily served the updation of their professional knowledge, the enhancement of their preparedness, the improvement of the quality of customer service, and the development of their leadership skills.

Similarly to previous years, again the employees who have direct contact with the customers received the most intensive training:

In the retail business line, in view for an even more efficient preparation and integration of new entrants an internal education team was set up, who modernised the entire educational material. In view for the prevention of fraud cases, a signature and document verification training started for the entire branch network. Last year the professional competence of our branch managers was extended with knowledge concerning the micro business segment, while as regards leadership development our managers had an opportunity to learn about leadership techniques that can be used in an accelerated business environment as well. At the Contact Center, a communications and efficient problem solving training series was held.

In the corporate business line, adjusted to the business requirements of the transformational project, the sales and customer service training of corporate account managers continued, and emphasis was laid on the sales management coaching of the regional directors as well.

In the risk management area, in Q1 2014 the introduction of the new Civil Code triggered considerable activity on the training side. In addition, numerous risk managers and account managers participated in courses about the preparation and analysis the loan applications. The people employed in retail collection further refined their telephone conversation techniques.

The continuously changing business environment presents even greater challenges to our executives working in the head office as well: in addition to their tasks connected to daily business, they also have to come up with results in numerous projects using less resources and in a shorter time; therefore, there was an increased activity in respect of the development of leadership skills in 2014 as well. Through our renewed choice of training courses we were able to offer solutions for all levels of management of the Banking Group already: our senior managers participated in group coaching sessions, our middle managers had an opportunity to supplement their leadership toolkit at training, action learning and flash training courses, already experienced managers admitted to Erste Bank received on-boarding coaching, while our colleagues promoted into managerial positions could learn about the basics of leadership operation.

SOCIAL MISSION AND SPONSORSHIP

In our complex world, Erste Bank wishes to be more than just a business enterprise providing financial solutions, as it offers solutions for life situations in fact. In light of this, the Bank shows its commitment to Hungary and its Hungarian customers not only through its banking and investment activities, but through its social engagements as well.

Our corporate social responsibility activity rests on three pillars: the Hungarian activity of Erste Stiftung [Erste Foundation], the Good.bee programme, and the Bank's own CSR programme entitled "+1 Acts".

The ERSTE Foundation in Hungary

As the principal shareholder of the Erste Group, the ERSTE Foundation is committed in Central and Eastern Europe to social development, which commitment is implemented via projects launched or supported in the scope of three programmes (social development, culture, and Europe).

In order to ensure that non-governmental organisations may enlarge their capacities, and become stronger and more sustainable, the ERSTE Foundation NGO Academy was set up with the cooperation of Hungarian organisations. ERSTE Foundation Roma Partnership focuses at the level of communities on initiatives concerning social enterprises, enhancing Roma and non-Roma collaboration, and promoting the fight for the containment of poverty. ERSTE Foundation Social Research Fellowship provides support to Central and Eastern European researchers, scientists and practitioners to conduct studies in the subject of economic and socio-demographic changes. The Foundation encourages solid collaboration between the business and non-profit sectors, thereby promoting the Hungarian "Civil Licit" initiative.

Besides these, as the main sponsor of tranzit.hu, a platform for contemporary arts, ERSTE Foundation also promotes the dissemination of the arts.

Supported by the Foundation, the Academy of Central European Schools provides opportunities to young people living in Hungary and in 14 other Central and Eastern European countries to develop friendships across borders via participating in international school projects aimed at the dissemination of European values.

Good.bee

Good.bee is an initiative of Erste Foundation and the Erste Group to promote financial inclusion. Its main task is to develop innovative solutions to break down the barriers to financial inclusion before individuals and enterprises in Central and Eastern Europe.

In 2014, the credit line provided by EBH to social enterprises amounted to HUF 100 million (EUR 333,000). The significance of the social impact, however, far exceeds the volume of this loan portfolio, which is also indicated by the social investment award adjudicated by the Hungarian Donors Forum; in 2014, for the third time in a row EBH and good.bee were recognised to be the providers of the most innovative support programme of the year, this time for their complex collaboration with the Symbiosis Foundation that has received micro loans since 2012.

+1 Acts

In the scope of the +1 Acts programme, Erste Bank Hungary supports projects responding to the challenges of a changed world. Its NGO partners operate in three significant areas of social challenges: the development of safe internet and data use, the creation of special (and at the same time simple) educational materials designed for disadvantaged people, and the promotion of social integration via special therapy. Besides the financial support provided by the Bank, our colleagues may also participate as volunteers in the programmes, and assist the operation of these NGO-s with their physical labour, professional knowledge, or personal contributions.

Other programmes

Financial education

Financial Guide [Pénzügyi Kisokos] is Erste Bank Hungary's own financial education programme designed for elementary and secondary schools, which is disseminated to the target groups via educational courses as well as the Pénzügyi Kisokos website (which is operated without displaying the Bank's brand name).

Corporate voluntarism

In 2014, Erste Bank Hungary organised numerous voluntary events. One of the most significant of these was the renovation of the community house of the SOS Children's Village at Lajosmizse. In line with the tradition launched last year, the colleagues of Erste Bank participated in the "Shared Pot" programme organised by the Szimpla Kert Farmer's Market, where the courses prepared by our colleagues were sold by the honesty box method. The Bank offered the amount so received to the Tappancs Animal Shelter Foundation, the Symbiosis Foundation, the KÁVA Cultural Workshop, and HabitatPont, a resource centre programme that provides cheap construction material, tool rental and technical advice to some of the poorest communities in Hungary.

Sponsoring: arts and culture

Since 2008, Erste Bank Hungary has been the main sponsor of the Palace of Arts, internationally recognised as a facility accommodating one of the world's most modern concert halls. Besides, in the scope of an initiative started in 2014, with Erste's support Liszt Ferenc Academy of Music organised three concerts with world-famous conductors.

Erste Bank for disadvantaged people

Erste pays special attention to offering high-quality services to disadvantaged customers as well, and makes its best to ensure that handicapped persons can also administer their banking transactions as conveniently as possible.

Accessibility

Erste Bank Hungary continues to provide for the accessibility of its branches so that wheelchair bound customers can administer their banking transactions as conveniently as possible. As a result of the programme launched for this purpose, from its network of 128 branches the Bank has redesigned 72 with a view for accessibility, making it easier to access the entrance door and constructing more ample spaces in the customer area in view for easier manoeuvring. Going forward all branch construction projects will be implemented keeping accessibility in mind.

ENVIRONMENTAL PROTECTION

The head office buildings of Erste Bank are "A" category office buildings, constructed according to the construction requirements of our age and with currently used heat insulation procedures, with modern, automatically controlled, cooling and heating technologies and a building surveillance system.

Selective waste collection was implemented in the offices. Paper and plastic waste and battery and dry battery collection containers were positioned in the buildings.

Any increase in energy efficiency is especially important for Erste Bank both in its head office buildings and in its branch network, as it deliberately transforms its processes towards responsible environmental management and sustainability:

- Since 2011, it has been using recycled paper in its head office units, and then on the account statements of customers.
- By developing its IT systems, a lot of pre-ordered and produced forms were terminated, because by using the programs, contracts and forms can be completed immediately.
- In order to cut paper consumption, Erste Bank introduced cash withdrawal without a certificate in its own ATM system.
- Any materials generated during the destruction of confidential documents will be recycled.
- Instead of subscribing for newspapers, websites available for the employees online have been moved to the forefront of attention.
- During the replacement of stamps, the Bank introduced recycled stamp houses at the company and, for used stamps, it ensures the updating of documents by keeping the stamp housing and replacing only the text pads.
- Electronic devices that can no longer be repaired are transferred to companies who can professionally dismantle them and recycle their materials.

Budapest, 14 April 2015

.....
Jelasiy Radován
Chairman and Chief Executive Officer

.....
Krisztina Kiss
Director of Finance and Accounting

1. Annex No. 1 Branch network of the Bank as of 31 December 2014:

No.	Branch	City/town
1	Ajka Branch	Ajka
2	Baja Branch	Baja
3	Balassagyarmat Branch	Balassagyarmat
4	Békéscsaba, Andrásy út Branch	Békéscsaba
5	Budaörs Branch	Budaörs
6	Pólus Center Branch	Budapest
7	Nyugati tér Branch	Budapest
8	Újpest Branch	Budapest
9	Danubius Ház Branch	Budapest
10	Thököly út Branch	Budapest
11	Árkád Üzletközpont Branch	Budapest
12	Westend Branch	Budapest
13	Kossuth tér Branch	Budapest
14	Europe Tower Branch	Budapest
15	Béke tér Branch	Budapest
16	Váci út 33. Branch	Budapest
17	Teréz körút Branch	Budapest
18	Csepel Branch	Budapest
19	Kálvin tér Branch	Budapest
20	Párisi utca Branch	Budapest
21	Erzsébet körút 8. Branch	Budapest
22	Pesterzsébet Branch	Budapest
23	Kőbánya Branch	Budapest
24	Rákoskeresztúr Branch	Budapest
25	Nagyvárad tér Branch	Budapest
26	Köki Terminál Branch	Budapest
27	Baross tér Branch	Budapest
28	Rákóczi tér Branch	Budapest
29	Deák tér Branch	Budapest
30	Kispest Branch	Budapest
31	József körút Branch	Budapest
32	Királyhágó tér Branch	Budapest
33	Egry József utca Branch	Budapest
34	Mammut II Branch	Budapest
35	Campona Branch	Budapest
36	Krisztina tér Branch	Budapest
37	Flórián tér Branch	Budapest
38	Bartók-Ház Branch	Budapest
39	Margit körút Branch	Budapest
40	Hűvösvölgy Branch	Budapest
41	Fehérvári út 130. Branch	Budapest
42	Eurocenter Branch	Budapest
43	Heltai Jenő tér Branch	Budapest
44	Fehérvári út 28. Branch	Budapest
45	Cegléd Branch	Cegléd
46	Csorna Branch	Csorna
47	Debrecen, University Branch	Debrecen
48	Debrecen, Downtown Branch	Debrecen
49	Debrecen, Piac u. Branch	Debrecen
50	Debrecen, Vár u. Branch	Debrecen
51	Dombóvár Branch	Dombóvár
52	Dorog Branch	Dorog
53	Dunaharaszti Branch	Dunaharaszti
54	Dunakeszi Branch	Dunakeszi
55	Dunaújváros Branch	Dunaújváros
56	Eger Branch	Eger

57	Érd Branch	Érd
58	Esztergom Branch	Esztergom
59	Gödöllő Branch	Gödöllő
60	Gyöngyös Branch	Gyöngyös
61	Győr, Árpád út Branch	Győr
62	Győr Bajcsy-Zs. út Branch	Győr
63	Gyula Branch	Gyula
64	Hajdúböszörmény Branch	Hajdúböszörmény
65	Hajdúnánás Branch	Hajdúnánás
66	Hajdúszoboszló Branch	Hajdúszoboszló
67	Hatvan Branch	Hatvan
68	Hódmezővásárhely Branch	Hódmezővásárhely
69	Jászberény Branch	Jászberény
70	Kalocsa Branch	Kalocsa
71	Kaposvár Branch	Kaposvár
72	Karcag Branch	Karcag
73	Kazincbarcika Branch	Kazincbarcika
74	Kecskemét, Nagykőrösi utca Branch	Kecskemét
75	Kecskemét, Dobó körút Branch	Kecskemét
76	Keszthely Branch	Keszthely
77	Kiskunfélegyháza Branch	Kiskunfélegyháza
78	Kiskunhalas Branch	Kiskunhalas
79	Kisvárdá Branch	Kisvárdá
80	Komárom Branch	Komárom
81	Makó Branch	Makó
82	Mátészalka Branch	Mátészalka
83	Mezőkövesd Branch	Mezőkövesd
84	Miskolc, Városház tér Branch	Miskolc
85	Miskolc, Mindszent tér Branch	Miskolc
86	Miskolc, Bajcsy-Zs. utca Branch	Miskolc
87	Mohács Branch	Mohács
88	Mór Branch	Mór
89	Mosonmagyaróvár Branch	Mosonmagyaróvár
90	Nagykanizsa, Downtown Branch	Nagykanizsa
91	Nyírbátor Branch	Nyírbátor
92	Nyíregyháza, Korzó Branch	Nyíregyháza
93	Nyíregyháza, Luther utca Branch	Nyíregyháza
94	Orosháza Branch	Orosháza
95	Paks Branch	Paks
96	Pápa Branch	Pápa
97	Pécs, Diana tér Branch	Pécs
98	Pécs, Rákóczi út Branch	Pécs
99	Salgótarján Branch	Salgótarján
100	Sárospatak Branch	Sárospatak
101	Sárvár Branch	Sárvár
102	Sátoraljaújhely Branch	Sátoraljaújhely
103	Siófok Branch	Siófok
104	Sopron, Előkapu Branch	Sopron
105	Szarvas Branch	Szarvas
106	Százhalombatta Branch	Százhalombatta
107	Szeged, Széchenyi tér Branch	Szeged
108	Szeged, Kölcsey utca Branch	Szeged
109	Székesfehérvár, Budai út Branch	Székesfehérvár
110	Székesfehérvár, Palotai út Branch	Székesfehérvár
111	Szekszárd Branch	Szekszárd
112	Szentendre Branch	Szentendre
113	Szentes Branch	Szentes
114	Szentgotthárd Branch	Szentgotthárd

115	Szigetszentmiklós Branch	Szigetszentmiklós
116	Szolnok, Baross utca Branch	Szolnok
117	Szombathely, Mártírok tér Branch	Szombathely
118	Tapolca Branch	Tapolca
119	Tata Branch	Tata
120	Tatabánya Branch	Tatabánya
121	Tiszaújváros Branch	Tiszaújváros
122	Törökszentmiklós Branch	Törökszentmiklós
123	Vác Branch	Vác
124	Várpalota Branch	Várpalota
125	Veszprém Branch	Veszprém
126	Záhony Branch	Záhony
127	Zalaegerszeg, Ispotálykőz Branch	Zalaegerszeg
128	Zirc Branch	Zirc