

Erste Bank Hungary Zrt.

Annual report 2013

Table of contents

3	Key figures, ratings
4	Letter to customers, partners and shareholders
5	CSR activity
8	Economic environment and banking sector in 2013
9	Reports of divisions
9	I. Retail division
11	II. Corporate division
12	III. Treasury
13	Assessment of the financial and income position
18	Non-consolidated report
18	I. Balance sheet
18	Assets
21	Liabilities
25	II. Profit&Loss account
28	III. Cash-Flow statement
30	Independent Auditor's Report (non-consolidated)
32	Companies included in the consolidation
35	Consolidated report
35	I. Balance sheet
35	Assets
35	Liabilities and equity
36	II. Income statement
38	III. Cash-Flow statement
40	Branch network
43	Corporate sales organisation
44	Supervisory Board, Board of Directors

Key figures, ratings of Erste Bank Hungary

for the annual report of 31st December 2013 on the basis of audited, consolidated annual figures according to IFRS

	consolidated figures, million HUF	
Income statement:	31.12.2012	31.12.2013
Net income	103,780	91,486
Net fee and commission income	27,922	39,110
Net operating result	72,901	70,352
Profit/loss before tax	-394	-21,742
Profit/loss after tax	-6,113	-24,939
Profit/loss for the financial year	-6,113	-24,939
Balance sheet:	31.12.2012	31.12.2013
Total assets	2,788,200	2,266,722
Loans and advances to customers	1,879,497	1,623,462
Customer deposits	1,360,292	1,215,814
Equity	210,585	183,793
Cost/Income ratio	39%	40%
Return on assets (ROA)		
Pre-tax profit/Asset worth	-0.01%	-0.96%
After tax profit/Asset worth	-0.22%	-1.10%
Return on equity (ROE)		
After tax profit/Equity	-2.90%	-13.57%
Number of employees	2,632	2,794
Number of SME offices	21	20
Number of retail branches	143	134

Ratings of Erste Bank Hungary:

Fitch (valid from 18 December 2013):
 Long-Term Foreign Currency IDR: BBB
 Short-Term Foreign Currency IDR: F3
 Viability rating: b-
 Support rating: 2

Moody's (valid from 19 March 2013)*:
 Bank Deposit: B2
 Bank Financial Strength: E (negative outlook)
 Baseline Credit Assessment: caa1

*Revised only by public data in 2013

Dear Customers, Partners, Shareholders



Erste Bank Hungary started down the path to well-founded progress in 2013. With regard to the operating environment in 2013, the Hungarian economy started to grow in the second half of the year also on back of the NBH's Növekedési Hitelprogram [Funding for Growth Scheme], but the profitability of the entire banking sector was still defined by a persistently high banking tax, a newly introduced and subsequently increased financial transaction duty, as well as a low level of loan disbursements.

2013 was a significant year for us as the general renovation of the bank continued. Parts of this process have been visible already as the bank managed to increase its market share both in retail lending and retail savings and even set an all-time record in the scope of new corporate loan disbursements.

At the end of 2013 the bank's share in the retail lending market was 15.5 per cent and it had increased to 10.8 per cent in the scope of savings. We are proud to have achieved second place in the overall ranking for the market of investment notes in 2013 with a 16.8-per cent market share, advancing one spot. Erste Bank Hungary contributed half the growth of Erste Group's investment notes portfolio. The number of credit cards sold in a shrinking market grew threefold in the last months of the year in comparison to the first half of the year, and the number of customers with active

Erste banking relations increased by 8 per cent. Driven by the NBH's Funding for Growth Scheme, our Corporate Division also embarked on a growth path. As part of the loan program HUF 55 billion was disbursed, and our market share in the scope of new retail disbursements doubled in 2013.

Consequently, the first results of the restructuring of the bank have been apparent. It is one of our most prominent objectives to service retail customers with a simplified product range and customer segment-based offers, at the same time directing a strong focus on mass affluent and private banking customers as well as micro businesses. By continuously developing our sales channels (branch network, digital channels) and improving our service quality, we aim to provide all our customers with the highest level of services possible. As part of the renovation, accompanied by a change in corporate image, the bank seeks to offer customers simple, predictable and personalised services to make everyday finances easier.

As it has been emphasised by the financial institution repeatedly, Erste Bank Hungary, being a member of one of the decisive banking groups in the Central and Eastern European region, aims to remain a key player in the Hungarian banking market. We are confident that our new business strategy will help Erste Bank remain one of the most prominent players in the Hungarian banking market by becoming a provider known for its efficient operation and excellent price-to-value-ratio services.



Radován Jelasy
Chairman and Chief Executive Officer

Corporate Social Responsibility

As a significant component of its strategy, Erste Bank Hungary actively participates in resolving issues concerning the society, supports communities as well as interesting and valuable initiatives that it finds remarkable.

Financial education

In order to develop the financial literacy of the Hungarian population in an aligned and efficient way, cooperation between the public scope, businesses and NGOs is of primary importance. Consequently, the bank was delighted to join Pénzügyi Navigátor Program [Financial Navigator Program], created upon an initiative from the National Bank of Hungary with the objective of transferring practical financial knowledge that is relevant to a variety of life situations. Additionally, the nationwide education program Pénzügyi Kisokos [Financial Guide], launched by Erste Bank Hungary in May 2009, continued. As part of the program, branch managers from the bank have visited primary and secondary schools that have applied for the program, giving students lectures about basic finances.

Sponsoring culture

It is one of the most significant commitments for Erste Bank Hungary to be dedicated to high-end culture that conveys values. Accordingly, its sponsorship policy has been developed along three main principles.

In 2008, Erste Bank became a strategic sponsor of Művészetek Palotája [Palace of Arts], a centre for arts recognised and acclaimed both in Hungary and internationally. This partnership carries particular significance for the bank, because the greatest representatives of various art scenes have performed here, meeting all cultural demands.

Erste Bank Hungary has been the Maecenas sponsor of Szépművészeti Múzeum Baráti Kör [Art Lovers Club of the Museum of Fine Arts] since September 2011. The objective of this club of aficionados is to create a group of regular patrons that provide donations to contribute preserving and expanding the excellent collection of the museum, enhance the standards of the services of the museum, and create a dynamic and attractive program of exhibitions.

Erste Group launched the KONTAKT collection in 2004, a unique cache focusing on the Central, Eastern and Southeast European region as well as conceptual works of art from the 1960s and 1970s in addition to contemporary art. It is the objective of the collection to

protect the values and present the works of one of the most significant artistic eras of the recent past for the present generation.

In addition to events with national significance, sponsorship of various regional cultural events (such as theatre performances in rural towns, village days, and festivals in rural areas) are also given importance.

Erste Bank for talent

Erste Bank Hungary joined the Junior Prima Award as co-founder in 2008, awarding young, committed, professionally excelling and non-partisan journalists under 30 years of age in the category 'Hungarian Press'. In cooperation with Liszt Ferenc Zeneművészeti Egyetem [Ferenc Liszt University of Musical Arts] – the Academy of Music, as it is called more popularly – and a closely-related group of aficionados called Zeneakadémia Baráti Köre [Society of Friends of the Academy of Music], the bank developed a new scholarship program in 2011, dubbed "Erste az elsőért" ["Erste for the Best"] to support musical talents. As part of the program, the most talented students of the university have the chance to secure a monthly scholarship to finance their studies with support from the bank, but they are also invited to apply for professional training to be able to participate at master's courses, summer academies and international music camps for youth.

In 2013 Erste Bank sponsored Magyar Sajtófotó Kiállítás [Hungarian Press Photo Exhibition], the largest ensemble of press photography in Hungary, for the second time and, in recognition of young photo reporters' work, pledged to sponsor the special prize for the best young photo reporter under the age of 30.

Charity

The charity activity of Erste Bank is primarily focused to help youth, improve the living standards of our underprivileged fellow human beings, retain healthy lifestyle and prevent diseases.

Hence, Erste Bank Hungary is now a Gold Sponsor of SOS Gyermekfaluk [SOS Children's Villages]. Beyond cash donations, the bank supports the villages by providing other assets (such as furniture, computers) so that children living in the SOS villages shall not be in want of anything. Erste Bank joined the initiative in 2011 that organises a sailboat race in Balatonfüred for the children living in the SOS villages, the Erste Bank-SOS Gyermekfaluk Nagyhajós Vitorlásverseny [Erste Bank-SOS Children's Villages Sailboat Competition].

Nemzetközi Gyermekmentő Szolgálat [International Children's Safety Service] works to ensure health and support for tens of thousands of children each year. Erste Bank has for years provided support for the organisation in securing the conditions required for operation and funding. Supplementing the donations offered by employees, Erste Bank helped to fight flood damages and participated in the reconstruction works in Baja, Mohács and Kalocsa in cooperation with Magyar Vöröskereszt [Hungarian Red Cross]. Similarly to previous years, the amount allocated for Christmas presents was spent on charity in 2013 as well. In cooperation with Salva Vita Alapítvány [Salva Vita Foundation], Erste supported people with mental disabilities to live independently and work. Erste Bank facilitates for Szimbiozis Alapítvány [Symbiosis Foundation] and Nemzetközi Cseperedő Alapítvány [International Growing-up Foundation] to collect donations at a Christmas fair held at the bank's headquarters.

The bank donates redundant but still serviceable office furniture and office devices to NGOs that provide high-standard services for the public good in line with social expectations.

Erste Bank for the underprivileged

More than half a million people live with disabilities in Hungary, but their majority hardly ever meet non-disabled persons, because they face obstacles the minute they leave their homes. Hence, few people with disabilities venture to seek jobs and live a full life. One of the objectives of the bank is to make people living with disabilities more visible and make non-disabled people aware that it is worth regarding people with disabilities as potential co-workers and partners and helping them to live as active members of society. People with changed working abilities are currently employed by the bank.

Additionally, emphasis is given to service the underprivileged customers at a high standard. To ensure that customers confined to wheelchairs be able to manage their banking matters in the most comfortable way possible, the bank has made continuous efforts to altering its branch office network to provide free access.

In collaboration with SINOSZ [National Association for the Deaf and Hearing Impaired], the bank launched a program in the autumn of 2009 to teach banking advisors the sign language developed for the deaf-

mute. There are Erste branches where banking services are provided for deaf-mute customers at high standards and without having to use the services of a sign language interpreter. Additionally, members of SINOSZ may open bank accounts with discount fees at Erste branches.

Good.bee

Good.bee, a company established by ERSTE Foundation and Erste Holding jointly, was launched early 2009. Its responsibility and mission is to help extend banking and financial services to segments that are excluded from the banking sector due to social, economic, geographic or other reasons. The cooperation has been a great success, it has become clear that it plays an outstanding role in supporting the NGO sector.

Corporate volunteering

Employees of the bank participated in the program Közös Lábos [Common Pot] organised by Szimplakert [Simple Garden] as part of AdásNap [Give&Gain Day], an initiative of Hungarian Business Leaders Forum. The meals prepared by them were sold on the basis of honour system and the sum thus realised was offered to Déméter Alapítvány [Déméter Foundation], selected by the bank's employees. The objective of the foundation is to promote the treatment and rehabilitation of children suffering from cancer of the haematopoietic system, in particular patients that have undergone bone marrow transplantation. It was the second time in 2013 that Erste Bank supported the participation of Mosoly Alapítvány [Smile Foundation] at the Ultrabalaton running competition. Volunteers from the bank helped children cured from their illnesses complete the stage between Csopak and Balatonfüred race.

Environment protection

Erste Bank's headquarters comprises Class A office buildings constructed with up-to-date heat insulation technologies and equipped with sophisticated automatically controlled cooling and heating technologies and facility monitoring systems. Selective waste disposal units for paper and plastic refuse as well as containers for batteries have been placed in the office areas.

Erste Bank attaches great emphasis to improve energy efficiency both at headquarters and in the branch network, consciously restructuring its processes toward conscious environmental management and sustainability:

- Recycled papers have been used since 2011, first in central areas, then in account statements sent to customers.
- With developments in the bank's IT systems, many types of pre-printed forms have been discontinued because software now facilitates immediate filling out of contracts and forms.
- In order to reduce paper consumption, the option of cash withdrawal without receipt has been implemented in the ATM network of Erste Bank.
- Waste created in the course of destroying confidential documents is recycled.
- Instead of newspaper subscriptions, online versions available to the employees are preferred.
- Recycled stamp casings are used for stamp replacement, or used stamps are modified to reflect corporate changes by replacing the print pads only.
- Irreparable electronic devices are transferred to a company that ensure professional disassembly of the components and recycling of the materials.
- As part of a strategic project involving the entire organisation, the bank implemented energy rationalisation measures and investments as a result of which the electricity consumption of the bank decreased approximately 9 per cent in 2013.

The bank's headquarter houses bicycle storage for 180 bikes and locker rooms equipped with water facilities for employees, promoting a healthy and environment-friendly way of commute. Erste Bank regularly participates in the campaign "Bringázz a munkába" ["Ride to Work"].

The economic environment and the banking sector in 2013

Following an economic decline in 2012, Hungary's GDP increased by 1.1 per cent in 2013 owing to the country's economic performance which outstripped preliminary forecasts in the third and fourth quarters. Economic growth also returned to Hungary's key trade partners, accelerating the growth of industrial exports, which was based on automotive industry primarily. As a result, exports increased by an annual rate of 5.3 per cent. Contribution of domestic demand components to economic expansion also improved. Although the actual consumption of households stagnated in annual comparison, community consumption increased by 4.3 per cent, while gross asset accumulation expanded 5.9 per cent after a downslide in previous years.

Consumer inflation declined at a considerable rate in 2013, mostly driven by the government's utility bill reduction measures, a slight increase in food and oil prices, as well as absence of demand-driven inflation pressure. Average annual inflation was a mere 1.7 per cent last year, and the annual growth rate of consumer prices decelerated to 0.4 per cent.

In 2013 the position of Hungary's public finance was balanced overall as multiple adjustment measures had been announced in the course of the year. Revenues continued to rely on sector-specific special taxes at a great extent, and the financial transaction duty imposed on the banking sector was also increased in 2013. Fiscal deficit amounted to a mere 2.4 per cent of GDP in 2013, again below the 3-per cent Maastricht criterion. Due to a low budget deficit, the EU's excessive deficit procedure against Hungary was lifted in June 2013. The country's external balance position also improved last year. Current account surplus amounted to 3 per cent of GDP, but an intensive inflow of EU funds also improved the national economy's net balance position against other countries.

The exchange rate of the forint reflected a slow and gradual depreciation as the interest spread in favour of the forint declined gradually on back of prime rate reductions. Overall, the external market sentiment was favourable as a supportive policy of major central banks had been maintained by safeguarding a low interest rate level and in many cases stimulating liquidity, thus increasing investors' risk appetite, which contributed to the forint's relative stability for the major part of the year. Although the US Fed in December announced plans to gradually reduce its third asset repurchase program, the "tapering" launched this January has not generated adverse market reactions to date.

Last year the key rate in Hungary declined gradually further. Standing at 5.75 per cent at the beginning of the year, the prime rate decreased to 3 per cent by the end of the year. In addition to the gradual reduction of the prime rate, the launch of the central bank's Növekedési Hitelprogram [Funding for Growth Scheme] was a significant step to ease Hungary's monetary policy. Owing to a low inflation and a supporting external environment, the monetary easing has continued this year: at the end of May the key rate in Hungary stood at 2.40 per cent.

Reports of divisions

I. Retail Division

One of Erste Bank Retail Division's objectives in 2013 was to retain its positions in the lending market in spite of changes in the economic and legal environment and increase the volume of newly disbursed retail mortgages and consumer loans. Additionally, a significant objective was to increase the number of customers having their salaries transferred to an Erste Bank account and therefore considering Erste as their primary bank, and also to retain the portfolio of funds accumulated in recent years. Overhaul of electronic banking services was also an important milestone in 2013.

Accounts and deposits of retail and micro businesses divisions

It is Erste Bank's key objective to become the primary bank for customers. To that end, upgraded services and products were launched in 2013 as well to provide solutions to all financial demands of our customers. A continuous wave of prime rate cuts by the National Bank of Hungary did not help deposit acquisition, therefore the bank shifted the focus to retain the portfolio of maturing deposits and offer competitive and alternative investment products from the bank's array. As a result, a significant percentage of maturing term deposits were transferred into products marketed by Erste Befektetési Zrt. [Erste Investments Hungary], but the designs marketed by Erste Lakástakarék [Erste Building Society] and Erste Biztosító [Erste Insurance] were also popular. In 2013 Erste started to simplify its current account products and develop a new product structure. As a result, the Erste EgySzámlla [Erste OneAccount] product package was introduced for retail customers in January 2014.

At the end of 2013 the account range for micro businesses with annual sales below HUF 200 million was upgraded with the launch of Erste Válogatás Plusz Számlacsomag [Erste Selection Plus Account Package] in order to make bank selection easier and provide them with tailored solutions.

Loans for retail customers and micro businesses

In the area of lending, Erste Bank's main objective in 2013 was to increase the order of magnitude in the volume of new disbursements. For that purpose the bank restructured its mortgage lending processes and reduced lead times. Expanding sales channels external to the branch network was another strategic step as the bank established a new basis of cooperation with intermediaries. Adjusting to the NBH's monetary easing policy on the financing side as well, Erste Bank also reduced lending rates. As a result, a market share over 6 per cent had been achieved by the end of the year in terms of new disbursements. In line with recent amendments in legislation, new disbursements were denominated exclusively in forints.

The retail loan book decreased slightly in 2013 in spite of a growth in the volume of new disbursements provided by the bank. Changes in the portfolio were driven by exchange rate volatility, new disbursements and a decline in the principal of existing portfolios. The bank's revenue potential was greatly hampered by the fact that the real estate market and the housing loan market both declined further in 2013, as a result of which the bank has been facing an increasing challenge in offsetting the natural erosion of the portfolio.

In the scope of consumer loans, Erste Bank focused on new customer acquisition and servicing the demands of existing customers in 2013 as well. The volume of disbursements of "Most Személyi Kölcsön" [Consumer Loan Now] increased considerably, accounting for more than 50 per cent of the total loan book in 2013. The demand for retail current account overdrafts and Lombard loans did not undergo major changes compared to the previous year. In 2013 Contact Center joined the branch network in the in the sales activity of "Most Személyi Kölcsön".

Government loan programs – such as Széchenyi Kártya Program [Széchenyi Card Program], Magyar Fejlesztési Bank Hitelprogramok [Hungarian Development Bank Loan Programs] – were also available to micro businesses with annual sales below HUF 200 million. These programs were implemented and actively offered to customers by Erste Bank as well, and the NBH's Növekedési Hitelprogram [Funding for Growth Scheme] was also introduced. In Phase One of the loan facility customers of the bank were seeking liquidity loans primarily, apart from a temporary increase in the demand for investment loans. This

made the role of Széchenyi Kártya Folyószámlahitel [Széchenyi Card Current Account Overdraft] and the bank's own loan facilities available for maturities of less than 12 months particularly important. Promotion of Széchenyi Kártya loans was supported by Erste Bank with a nationwide loan campaign and special offers to ensure information about the loan products offered by the bank to be dispensed to as many micro businesses as possible.

Sales channels

A comprehensive overhaul program was launched in the bank's branch network in 2013 as part of which 15 branches were modernised and a new branch network image was introduced. On back of the refurbishment, a customer space model was created to ensure a more discreet servicing of customers.

After a branch network rationalisation project implemented in the course of the year, Erste Bank operated 134 branches on 31 December 2013.

Alternative sales channels

Due to changes in the strategy of Magyar Posta [Hungarian Post] the intermediary cooperation between Erste Bank and the postal service provider was no longer possible. Therefore Erste Bank terminated the strategic cooperation on 30 September 2013. The most significant change for customers holding Posta-branded banking products is that sales of new products and the related services have no longer been provided at postal points since 2 April 2014, but the full range of services of the bank is still available in the Erste branch network.

Electronic channels

In 2013 upgrade and intensive development of the bank's electronic channels was launched. As the first step in the development process, a redesigned NetBank for retail customers was introduced in May 2013, offering not only an upgraded user interface but also including added services besides the well-known functions. As a result of the developments, the online banking services now offer customers the chance to apply for debit cards, manage card limits, and query pending and future transactions as well.

An additional upshot of the NetBank overhaul was the implementation of a sales-support module that allows Erste Bank to display targeted and personalised product offers for customers.

Use of electronic channels increased dynamically in 2013. The number of Erste TeleBank customers counted over 800,000 and Erste NetBank boasted over 450,000 users at the end of 2013.

II. Corporate Business

Impacts of the economic crisis continued to persist in 2013 as well, greatly defining the financial activities of companies operating in Hungary and creating a similar scenario as in the previous year. Unadjusted for the exchange rate effect, the loan book of non-financial small and medium enterprises declined further, matching the prevailing trend of previous years, although the NBH's Funding for Growth Scheme provided some relief. Unfortunately, investment activities remained very low in the SME sector, and even the loan expansion experienced in the third quarter of the year was all gone by the fourth quarter. On the supply side, growth was hampered by stricter lending conditions and the impacts of the banking tax, while it was spurred by loans with preferential customer rates launched by domestic and international refinancing entities. Excluding the exchange rate effect, the portfolio of corporate deposits increased slightly. Competition for deposits among banks was fierce throughout the year, manifested mostly in pricing.

Small and Medium Enterprises division

I. Customer care, customer acquisition

The division servicing small and medium enterprises focused on sales primarily and targets defined in newly initiated accounts were met. In the course of the year, over 400 new customers initiated bank accounts with the SME division.

Erste Bank continued to support customers as consulting partner bank, facilitating for them to access all services of the bank in an efficient one-stop system.

II. Financing

The loan portfolio of the division developed similarly to the lending market for non-financial enterprises in terms of both development and composition of the portfolio. Within the loan book, forint-based financing and short-term loans increased. As of the third quarter, however, the portfolio was dominated by products linked to the Funding for Growth Scheme.

As part of the National Bank of Hungary's Funding for Growth Scheme, Erste Bank disbursed HUF 55 billion new loans in 2013.

With regard to the quality of the corporate portfolio, the trend that had begun in 2012 continued in 2013, triggering a decline in the ratio of non-performing loans.

III. Deposits

Due to high deposit acquisition activities, the total of Erste Bank's SME deposit portfolio increased in excess of the market growth, as a result of which Erste Bank achieved a much more favourable loan-to-deposit ratio by the end of the year than the average of the corporate banking market.

In 2013 the unit servicing financial enterprises was outsourced to a dedicated unit within the organisation, contributing to the growth of deposits acquired in this customer scope.

IV. Other services

The leasing and factoring affiliates integrated into the bank in 2012 continued to service the demands of this business area at a high standard, offering an expanding range of products in 2013 again.

Municipal division

Regulations pertaining to the municipal sector had been rearranged considerably in 2012 therefore no new financing transactions were signed with municipalities in 2013. Following the debt consolidation of county-level municipalities, the process continued with the central government assuming the debts of towns with population over 5,000.

In 2013 the NPL portfolio managed by Erste Bank's municipal division – comprising transactions managed by this business division but not directly linked to municipalities – developed in line with the previous year.

Fine payment discipline of these loans was preserved even when the debt consolidation had concluded and risks developed due to changes in regulations and market conditions in previous years decreased considerably.

Large Corporates division

Despite an economic environment full of challenges, the Large Corporates division managed to meet the defined targets owing to international transactions originated in a close cooperation maintained within Erste Group on the one hand, and to the successful conclusion of high-volume syndicated loan transactions on the other hand. The division was involved as leading organiser in these transactions. The sale of deposit products also reflected considerable achievements.

Owing to a prudent risk approach, the quality of the large corporates portfolio remained significantly above the market average in 2013 as well.

Project and Real Estate Financing division

Real estate financing continued to operate against a backdrop of extremely harsh market conditions in 2013 as well.

III. Treasury (Group Capital Markets)

The key objectives of Erste Bank's Treasury division include, in addition to the business activities of trade and sales, the implementation of operative liquidity management and risk management, which ensure the continuity and security of the commercial banking activities of the financial institution. Treasury is also responsible for the implementation of the bank's long-term financing plans in cooperation with the Assets and Liabilities Management Division (ALM). The division has conducted trading activities in spot and derivative products in forex, financial and equity markets on behalf of Erste Group Bank AG since 2008 as part of the Group Capital Markets division (GCM).

Due to trading and sales activities, Treasury is a significant player in the Hungarian forex and financial markets. It managed to hold on to previous market positions in 2013, remaining a major player in the Hungarian interbank forex and financial market. The division met all major financial objectives, achieving revenue figures that were in line with targets overall.

Despite an increasingly adverse business environment, sales income remained steady, exceeding targets. The ratio of trading activities carried out as part of the local

and GCM division and also that of the revenues from sales activities remained balanced in 2013.

A financial result that was in line with targets was achieved by retaining business efficiency: Treasury's return on equity remained outstanding, and the cost/income ratio was also kept at the targeted level.

Augmenting sales activity is a key component in the local business strategy of the division, built on a close cooperation with Corporate division of the bank primarily. Servicing medium and large corporate customers of the bank continued to be in the focus of Treasury's sales activities, at the same time remaining active in the market of local institutions as well as the retail market via the Private Banking arm of the bank. The sales activity of Treasury focuses on providing financial and investment products adjusted to customer demands as well as consulting services extended in connection with the products on offer.

In 2013 products related to forex markets accounted for 76 per cent of sales revenues, the rest of Treasury's income was divided pro rata among interest derivatives and investment products as well as commodities.

Assessment of the bank's financial and income position

Composition of the balance sheet

As of the end of 2013 Erste Bank's total assets reached HUF 2,294 billion, down 16.9 per cent from the previous year. Shareholders' equity amounted to HUF 180,916 million.

Items on the assets side

In 2012 the structure of the bank's asset portfolio changed regarding the distribution of loans to customers and credit institutions, but this change was not as pronounced as the shift in 2012. Compared to declining total assets, disbursements to credit institutions dropped to 6.4 per cent from 7.5 per cent in 2012. The ratio of receivables from customers increased, accounting for 57.6 per cent of the bank's assets after 54.4 per cent the previous year. Overall, the volume of disbursed loans declined, as loans to credit institutions and customers decreased by HUF 62.1 billion and HUF 182.1 billion, respectively.

On back of the NBH's Funding for Growth Scheme, the Corporate Division embarked on a growth path. As part of the program, HUF 55 billion of loans were disbursed. In the scope of new retail loans Erste Bank doubled its share in 2013. The bank's contribution to the retail lending market was 15.5 per cent at the end of 2013 after 14.1 per cent in 2012. In the market of retail savings, Erste Bank's weight increased to 10.8 per cent from 8.12 per cent.

Gross retail loan volume (including private entrepreneurs) amounted to HUF 1,061 billion. The ratio of forint and forex loans was 28 to 72 per cent. The total of short-term retail receivables stagnated in 2013, amounting to HUF 27 billion at the end of the year, comprised mostly of current account overdrafts.

At the end of the year, housing loans (HUF 604 billion) accounted for 56.9 per cent of long-term retail loans with consumer loans (HUF 424 billion) taking up 40 per cent. Forex loans amounted to 72.64 per cent of housing loans and 76.97 per cent of consumer loans with no significant changes in their scope in comparison to the previous year.

Changes in the distribution of retail loans by product type in 2013:

Households (HUF million)	31.12. 2012	31.12. 2013	Change
Housing loans	630,368	603,763	(4.22)%
Consumer loans	370,905	424,401	14.42%
Other loans	33,709	32,705	(2.98)%
Total	1,034,982	1,060,869	2.50%

The Hungarian real estate market and, consequently, the mortgage market reflected an upswing in 2013. Erste Bank's resources continued to be tied up in solutions designed to support forex loans as announced by the government and prescribed in a law.

Due to a previously implemented tightening of risk requirements, the bank's share in the retail lending market started from a low basis. In line with new principles formulated in the bank's lending strategy, several decisive steps were taken in order to bolster mortgage lending, ultimately resulting in an increased market share for the bank by the end of 2013.

Net loan book of economic entities (including municipalities, non-profit organisations, financial enterprises, central budget) shrank to HUF 415 billion (gross HUF 517 billion) by the end of the year, down HUF 195 billion from the end of 2012.

The portfolio of restructured loans was HUF 440 billion against the total (out of which receivables from corporations: HUF 63 billion, receivables from retail customers: HUF 373 billion including forex debt rescue and puffer account designs); the net book value was HUF 279 billion.

Development of major asset classes, 2012-2013

(in HUF million)	31.12.2012	31.12.2013	Change %		Share %	
			2013/2012	31.12.2012	31.12.2013	
Cash and balances	53,367	29,770	(44.2)%	1.9%	1.3%	
Government securities	807,752	609,072	(24.6)%	29.2%	26.6%	
Loans to credit institutions	209,255	147,125	(29.7)%	7.6%	6.4%	
Loans to customers	1,503,619	1,321,566	(12.1)%	54.4%	57.6%	
Other assets	187,630	186,163	(0.8)%	6.8%	8.1%	
ASSETS TOTAL	2,761,623	2,293,696	(16.9)%	100.0%	100.0%	

Items on the liabilities side

Compared to the end of 2012 changes were apparent in 2013 in the structure of liabilities. The weight shifted toward deposits held by retail customers and entrepreneurs. This latter class accounted for 52.5 per cent of liabilities (after 45 per cent in 2012), while liabilities from credit institutions, central banks and money market funds amounted to 32.6 per cent

(after 45 per cent in 2012), with deferred accounts and own funds accounting for 7 per cent and 7.9 per cent, respectively (4 per cent and 6 per cent, respectively, in 2012).

Erste Bank's liabilities include subordinated loan capital of HUF 66,296 million.

Development of deposits in 2013

Deposits (M Ft)	31.12.2012.	31.12.2013
Central government	21,488	13,032
Municipalities	21,670	31,647
Other financial enterprises	107,985	162,874
Money market funds	60,176	85,640
Enterprises engaged in supplementary financial	3,999	4,751
Insurance companies and pension funds	7,848	14,461
Subsidiary enterprises	361	12,426
Non-financial enterprises	287,327	279,424
Households, retail customers	633,660	479,947
Households, private entrepreneurs	6,613	8,176
Households, NGOs	22,639	26,955
International	161,883	81,515
TOTAL according to HAS	1,335,649	1,200,848

Even against a backdrop of the declining interest rates, the bank endeavoured to retain the portfolio of term deposits and acquire new savings. To that end, campaigns for term deposits and even new deposit products were launched.

The role of regular savings grew more significant, prompting the bank to start selling Erste Előrelátó Megtakarítási Betétszámla [Erste Foresight Savings Deposit Account] again. For the purpose of acquiring new customers, a new campaign was launched in July 2013, awarding customers who had their salaries transferred to an account held with Erste Bank.

In the course of 2013 the bank was working on creating a simpler and more transparent product range of retail accounts and deposits.

The scope of account products sold to micro businesses was adjusted to meet customer demands. New account packages were introduced for start-ups and also for existing, income-generating companies. A new account package designed for social organisations ensured progressive sight interest rates in addition to a favourable account management fee.

Retail deposits (HUF million)	31.12.2012	31.12.2013
Sight	132,625	159,658
Term deposit in account	500,189	319,443
Term deposit in certificates	846	846
Total	633,660	479,947

Treasury activities of Erste Bank are focused on trading at the local forex market and the related derivatives market, but the decisive majority of these trading activities are executed on behalf of Erste Group Bank. In terms of transactions carried out on its own behalf, the bank concludes deals for servicing customers as well as to provide hedging transactions, primarily on the domestic money and FX markets.

Funding of the bank continued to heavily rely on financing provided by the parent bank within Erste Group.

The bank did not repurchase any of its treasury shares, nor did it perform transactions with its treasury shares.

Development of main liabilities 2012-2013

(HUF million)	31.12.2012	31.12.2013	Change. %	Share %	Share %
			2013/2012	31.12.2012	31.12.2013
Deposits by credit institutions	1,085,134	749,532	(30.9)%	39.3%	32.7%
Deposits by customers	1,336,810	1,203,811	(9.9)%	48.4%	52.5%
Equity	160,415	180,916	12.8%	5.8%	7.9%
Other liabilities and provisions	179,264	159,437	(11.1)%	6.5%	6.9%
LIABILITIES TOTAL	2,761,623	2,293,696	(16.9)%	100.0%	100.0%

Profit and Loss Statement

In 2013, Erste Bank's operating income and operating costs increased by 5.5 per cent and 1.3 per cent, respectively.

Net interest income reflected a considerable growth in comparison to the previous year (HUF 86.3 billion in 2013 versus HUF 65.4 billion in 2012). A HUF 4.8 billion decline in revenues was registered against a HUF 25.7 billion reduction in expenses.

In the scope of other interest and interest-type income, a HUF 16.5 billion downturn was registered. The decline in both the revenues and the expenditures was basically driven by a continuous and significant reduction of interest rates, which had bigger erosion affect on deposit rates than on lending rates.

At the end of 2013 Erste Bank received HUF 2.5 billion dividend from Erste Befektetési Zrt. and HUF 40 million from Giro Zrt. (the corresponding figures in 2012 were HUF 2.6 billion and HUF 137 million, respectively).

Administrative costs decreased 0.1 per cent last year in comparison to the same period in the previous year, actually stagnating. Within this scope, personnel costs increased by 6 per cent, offset by a 6.6-per cent decline in other administrative costs.

Adjusting to market conditions and the bank's long-term strategy, the divisions Collection and Workout were reinforced further, which required higher headcount in these areas, similarly to the case in 2012. Also, staff and functions supporting the bank's operation at some of the areas were insourced in order to improve efficiency, also impacting the development of headcount. At the time of the integration of the affiliates on 1 January 2013, a total of 231 employees were transferred to the workforce of the bank (active and legal status).

Consequently, 2,611 people were employed by Erste Bank at the end of 2013 (projected at 8-hour job contracts) after 2,295 in 2012, representing an increase of 316.

Depreciation grew 15.1 per cent in comparison to the previous year, mainly on back of a higher volume of property rights of software.

Main factors to impact the results of other business operations: the exchange rate loss stemming from the early repayment scheme had been HUF 31.8 billion in 2012, but it no longer had any impact in 2013. A HUF 1.7 billion fine had an adverse effect on earnings. GVH [Hungarian Competition Authority] fined 11 leading

banks in Hungary, among them Erste Bank. A new burden was imposed in 2013 in the form of financial transaction duty, amounting to HUF 14.07 billion to be paid by payment service providers, credit institutions with currency change licence, as well as intermediaries licensed to intermediated currency change services operating headquarters or branches in Hungary. An increase in the banking tax also had an additional adverse impact of HUF 14.08 billion in 2013 (after HUF 12.1 billion in 2012).

Development of operating income and operating costs, 2012-2013

(HUF million)	2012	2013	Change % 2013/2012
Net interest income	65,397	86,294	32.0%
Commission income	24,932	34,402	38.0%
Dividends received	2,755	2,663	(3.3)%
Results from financial transactions	23,428	(481)	(102.1)%
Operating income	116,512	122,878	5.5%
General administrative expenses	43,315	43,257	(0.1)%
<i>Personnel costs</i>	<i>22,228</i>	<i>23,568</i>	6.0%
<i>Other costs</i>	<i>21,087</i>	<i>19,689</i>	(6.6)%
Depreciation	4,469	5,145	15.1%
Operating income	47,784	48,402	1.3%
Other income	(80,032)	(51,690)	(35.4)%
Depreciation + provisions	(109,898)	(120,444)	9.6%
Depreciation + provisions reversal	114,309	82,012	(28.3)%
Extraordinary result	(4,170)	(1,023)	(75.5)%
Pre-tax profit	(11,063)	(16,669)	50.7%
After-tax profit	(11,063)	(16,669)	50.7%
Retained earnings	(11,063)	(16,669)	50.7%

Impairment, provisions

At the end of the year provisions amounted to HUF 3.6 billion. Within this scope, the portfolio of pending future obligations was HUF 1.8 billion. Other provisions had been made to the amount of HUF 1.6 billion mainly in connection with the rationalisation process launched in 2011. The total of provisions allocated to severance pay and pensions was HUF 0.2 billion.

Non-consolidated report*

I. Balance sheet

Assets

		in HUF million	
		31.12.2012	31.12.2013
1	Cash and balances	53,367	29,77
2	Government securities (issued by the Hungarian State)	807,752	609,072
a	for trading purposes	264,054	307,87
b	for investment purposes	543,692	300,943
2/A Valuation difference of government securities		6	259
3	Loans and advances to credit institutions	209,255	147,125
a	sight	10,353	2,924
b	other loans from financial services	198,902	144,201
ba	with a maturity within one year	116,647	85,059
	of which: from affiliated companies	1,792	43,393
	from other participations	0	0
	from National Bank of Hungary	94,750	24,700
	from clearing house	0	0
bb	with a maturity more than one year	82,255	59,142
	of which: from affiliated companies	80,643	59,028
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
c	from investment services	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
	from clearing house	0	0
3/A Valuation difference of loans to credit institutions			
4	Loans to customers	1,503,619	1,321,566
a	from financial services	1,503,549	1,321,458
aa	with a maturity within one year	172,758	113,453
	of which: from affiliated companies	27,711	363
	from other participations	0	0
ab	with a maturity more than one year	1,330,791	1,208,005
	of which: from affiliated companies	111,337	3,571
	from other participations	290	263

		in HUF million	
		31.12.2012	31.12.2013
b	from investment services	70	108
	of which: from affiliated companies	0	9
	from other participations	0	0
	ba receivables from services on stock exchange	0	0
	bb receivables from services outside of stock exchange	55	97
	bc receivables from customers deriving from investment services	0	9
	bd receivables from clearing houses	0	0
	be receivables from other investments services	15	2
4/A	Valuation difference of loans to customers	0	0
5	Securities representing debt claim, including fixed income securities	80,559	30,544
a	securities issued by local authorities or other state-organizations (government securities are excluded)	64,746	17,935
	aa for trading purposes	0	0
	ab for investment purposes	64,746	17,935
b	securities issued by other issuer	15,933	12,521
	ba for trading purposes	2,888	2,944
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
	repurchased own-issued securities	0	0
	bb for investment purposes	13,045	9,577
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
5/A	Valuation difference of securities representing debt claim	-120	88
6	Shares and other non-fixed income securities	0	0
a	shares, participations for trading purposes	0	0
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
b	variable-income securities	0	0
	ba for trading purposes	0	0
	bb for investment purposes	0	0
6/A	Valuation difference of shares and non-fixed income securities	0	0

in HUF million

	31.12.2012	31.12.2013
7 Shares and participations for investment purposes	864	864
a shares, participations for investment purposes	864	864
of which: participation in credit institutions	0	0
b value adjustments of shares and participations for investment purposes	0	0
of which: participation in credit institutions	0	0
7/A Valuation difference of shares and participations for investment purposes		
8 Shares and participations in affiliated companies	11,586	48,541
a shares, participations for investment purposes	11,586	48,541
of which: shares in credit institutions	3,000	3,600
b value adjustments of shares and participations for investment purposes	0	0
of which: shares in credit institutions	0	0
9 Intangible assets	12,517	12,475
Intangible assets	12,517	12,475
Value adjustments of intangible assets	0	0
10 Tangible assets	9,520	9,172
a tangible assets for financial and investment purposes	9,520	9,172
aa real estates	4,837	5,032
ab technical equipments, machinery, appliances, vehicles	3,559	3,508
ac investments	1,124	632
ad advances paid for investments	0	0
b tangible assets not directly for financial and investment purposes	0	0
ba real estates	0	0
bb technical equipments, machinery, appliances, vehicles	0	0
bc investments	0	0
bd advances paid for investments	0	0
c value adjustments of tangible assets	0	0
11 Own shares	0	0
12 Other assets	44,363	60,500
a inventories	17,020	8,129
b other receivables	14,315	45,397
of which: from affiliated companies	1,979	1,881
from other participations	0	0
12/A Valuation difference of other receivables	0	0
12/B Positive valuation difference of derivative instruments	13,028	6,974

		in HUF million	
		31.12.2012	31.12.2013
13	Deferred expenses and accrued income	28,221	24,067
a	accrued income	27,351	20,692
b	accrued expense	870	3,375
c	deferred expense	0	0
TOTAL ASSETS		2,761,623	2,293,696
	of which: Current assets	664,386	602,975
	Invested assets	2,069,016	1,666,654

Liabilities

		in HUF million	
		31.12.2012	31.12.2013
1	Amounts owed to credit institutions	1,085,134	749,532
a	sight	19,837	1,534
b	liabilities from fixed term financial services	1,065,297	747,998
ba	with a maturity within one year	227,88	209,564
	of which: from affiliated companies	205,075	179,115
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
bb	with a maturity more than one year	837,417	538,434
	of which: from affiliated companies	733,583	409,181
	from other participations	0	0
	from National Bank of Hungary	0	51,493
	from clearing house	0	0
c	from investment services	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
	from clearing house	0	0
	1/A Valuation difference of amounts owed to credit institutions	0	0
2	Amounts owed to customers	1,336,810	1,203,811
a	saving deposits	2,401	2,388
aa	sight	2,401	2,388
ab	with a maturity within one year	0	0
ac	with a maturity more than one year	0	0

in HUF million

		31.12.2012	31.12.2013
b	other liabilities from financial services	1,333,248	1,198,461
ba	sight	308,547	390,395
	of which: from affiliated companies	19,586	33,846
	from other participations	188	682
bb	with a maturity within one year	967,778	749,750
	of which: from affiliated companies	3,073	6,082
	from other participations	4,911	6,656
bc	with a maturity more than one year	56,923	58,315
	of which: from affiliated companies	0	0
	from other participations	0	0
c	from investment services	1,161	2,962
	of which: from affiliated companies	19	49
	from other participations	33	15
ca	liabilities from services on stock exchange	0	0
cb	liabilities from services outside of stock exchange	1,156	2,962
cc	liabilities against customers deriving from investment services	0	0
cd	liabilities against clearing houses	0	0
ce	liabilities from other investments services	5	0
	Z/A Valuation difference of amounts owed to customers	0	0
3	Trading liabilities	500	9,117
a	bonds issued	500	9,117
aa	with a maturity within one year	0	1,739
	of which: from affiliated companies	0	0
	from other participations	0	0
ab	with a maturity more than one year	500	7,378
	of which: from affiliated companies	0	0
	from other participations	0	0
b	securities issued representing other debt claim	0	0
ba	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
bb	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0

		in HUF million	
		31.12.2012	31.12.2013
c	debt instruments treated as securities from an accounting aspect but not classified as securities under the Securities Act	0	0
ca	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
cb	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
4	Other liabilities	76,694	59,683
a	with a maturity within one year	53,374	47,511
	of which: from affiliated companies	621	1,455
	from other participations	10	17
b	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
	4/A Negative valuation difference of derivative instruments	23,320	12,172
5	Accrued expenses and deferred income	33,622	20,759
a	accrual of income	806	786
b	accrual of expenses	32,800	19,958
c	deferred income	16	15
6	Provisions	3,366	3,582
a	provision for pension and severance payments	0	199
b	risk provision for contingent and future liabilities	1,353	1,780
c	general risk provision	0	0
d	other provision	2,013	1,603
7	Subordinated liabilities	65,082	66,296
a	subordinated capital	65,082	66,296
	of which: from affiliated companies	62,919	64,133
	from other participations	0	0
b	other contribution by members of credit institutions operating as cooperatives	0	0
c	other subordinated liabilities	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0

	in HUF million	
	31.12.2012	31.12.2013
8 Subscribed capital	100,000	101,000
of which: nominal value of repurchased ownership shares	0	0
9 Subscribed but yet unpaid capital	0	0
10 Capital reserve	151,327	189,327
a agio	151,327	189,327
b other	0	0
11 General reserve	0	0
12 Profit reserve (Retained earnings)	-79,750	-90,813
13 Fixed reserve	0	0
14 Valuation reserve	-99	-1,929
a Reserve for value adjustment on fixed assets and inventories	0	0
b Reserve for valuation at fair value	-99	-1,929
15 Balance-sheet profit	-11,063	-16,669
TOTAL LIABILITIES	2,761,623	2,293,696
of which: Short-term liabilities	1,604,298	1,418,015
Long-term liabilities	959,922	670,423
Shareholders' equity	160,415	180,916

OFF BALANCE ITEMS

	in HUF million	
	31.12.2012	31.12.2013
1 Contingent liabilities	189,851	123,639
2 Future liabilities	689,615	754,905
Total contingent and future liabilities	879,466	878,544
	31.12.2012	31.12.2013
1 Contingent receivables	2,259,395	3,170,906
2 Future receivables	684,267	757,948
Total contingent and future receivables	2,943,662	3,928,854

II. Profit and Loss Account

		in HUF million	
		31.12.2012	31.12.2013
1	Interest and other interest-type revenues earned	163,950	159,120
a	fixed-income securities representing debt-claim	33,023	44,698
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
b	other interest and interest-type revenues	130,927	114,422
	of which:		
	from affiliated companies	13,829	6,379
	from other participations	15	8
2	Interest paid and other interest-type expenses	98,553	72,826
	of which:		
	from affiliated companies	36,999	26,016
	from other participations	208	294
	Net interest income	65,397	86,294
3	Revenues from securities	2,755	2,663
a	revenues from shares and participations held for trading purposes (dividend, participations)	0	0
b	revenues from affiliated companies (dividend, participation)	2,600	2,500
c	revenues from other participations (dividend, participations)	155	163
4	Fees and commissions earned	32,520	44,052
a	revenues from other financial services	31,650	41,929
	of which:		
	from affiliated companies	3,612	4,575
	from other participations	85	5
b	revenues from investment services (excluding trading activity)	870	2,123
	of which:		
	from affiliated companies	200	104
	from other participations	0	0
5	Fees and commissions paid (due)	7,588	9,650
a	expenses of other financial services	7	8
	of which:		
	from affiliated companies	15	18
	from other participations	0	0
b	expenses of investment services (excluding trading activities)	457	1,442
	of which:		
	from affiliated companies	205	1,124
	from other participations	0	0
6	Net trading result	23,428	-481
a	revenues from other financial services	32,590	17,470
	of which:		
	from affiliated companies	13,471	5,305
	from other participations	0	0
	valuation difference of other financial services	0	0

in HUF million

		31.12.2012	31.12.2013
b	expenses of other financial services	12,977	14,852
	of which:		
	from affiliated companies	9,365	195
	from other participations	0	0
	valuation difference of other financial services	109	0
c	revenues of investment services (trading activities)	87,488	51,984
	of which:		
	from affiliated companies	10,746	12,387
	from other participations	58	287
	reversal of impairment on securities held for trading	0	0
	valuation difference of investment services	24,902	10,503
d	expenses of investment services (trading activities)	83,673	55,083
	of which:		
	from affiliated companies	16,251	11,410
	from other participations	182	371
	impairment of securities held for trading	0	0
	valuation difference of investment services	6,234	-1,622
7	Other revenues from business activity	18,171	44,174
a	revenues from non financial and investment activities	2,011	1,893
	of which:		
	from affiliated companies	462	208
	from other participations	27	26
b	other revenues	16,160	42,281
	of which:		
	from affiliated companies	495	14,518
	from other participations	0	0
	reversal of impairment of inventories	0	5,617
8	General administrative expenses	43,315	43,257
a	personnel expenses	22,228	23,568
aa	wages	15,472	16,822
ab	other personal expenses	1,695	1,433
	of which:		
	social insurance	210	162
	pensions	203	142
ac	wage contributions	5,061	5,313
	of which:		
	social insurance	299	243
	pensions	12	9
b	other administrative expenses (material-type)	21,087	19,689

in HUF million

	31.12.2012	31.12.2013
9 Depreciation	4,469	5,145
10 Other expenses from business activity	98,203	95,864
a expenses of non financial and investment services	1,418	1,473
of which: from affiliated companies	37	18
from other participations	0	0
b other expenses	96,785	94,391
of which: from affiliated companies	194	3,561
from other participations	0	0
impairment of inventories	3,820	4,390
11 Impairment of receivables and risk provisions for contingent and future liabilities	100,294	115,952
a impairment of receivables	99,973	115,321
b risk provisions for contingent and future liabilities	321	631
12 Reversal of impairment of receivables and use of risk provision for contingent and future liabilities	111,069	79,430
a reversal of impairment of receivables	109,876	79,171
b use of risk provision for contingent and future liabilities	1,193	259
12/A Change in general risk provision	0	0
13 Impairment of securities representing debt-claim, held for investments purposes and for shares in affiliated companies and other participations	9,604	4,492
14 Reversal of impairment of securities representing debt-claim, held for investments purposes and for shares in affiliated companies and other participations	3,240	2,582
15 Ordinary result of business activities	-6,893	-15,646
of which: Result of financial and investment services	-7,486	-16,066
Result of non financial and investment services	593	420
16 Extraordinary income	1	200
17 Extraordinary expense	4,171	1,223
18 Extraordinary profit	-4,170	-1,023
19 Pretax profit	-11,063	-16,669
20 Tax on income	0	0
21 Profit/loss after taxes	-11,063	-16,669
22 Allocation or use of general risk reserves	0	0
23 Transfer from profit reserve (retained earnings) for dividend payment	0	0
24 Approved dividends	0	0
of which: to affiliated companies	0	0
to other participations	0	0
25 Balance sheet profit/loss	-11,063	-16,669

III. Cash-Flow statement

		in HUF million	
		31.12.2012	31.12.2013
1	Interest income	163,950	159,120
2	+ Income from other financial services (excluding reversal of provision on securities and positive valuation difference of receivables)	65,110	44,052
3	+ Other income (excluding use of provision, reversal of surplus of provision, provision of inventories, reversal of extraordinary depreciation)	5,678	35,848
4	+ Income from investment services (excluding reversal of provision on securities and positive valuation difference)	62,591	62,296
5	+ Income from non financial and non investment services	2,011	1,893
6	+ Income from dividend	2,755	2,663
7	+ Extraordinary income	1	200
8	– Interest expenses	98,553	72,826
9	– Other financial expenses (excluding provision on securities and negative valuation difference of receivables)	29,455	29,184
10	– Other expenses (excluding provision, impairment on inventories and extraordinary depreciation)	90,717	89,248
11	– Expenses from investment services (excluding provision on securities and negative valuation difference)	77,896	57,626
12	– Expenses of non financial and non investment services	1,418	1,473
13	– General administrative expenses	43,315	43,257
14	– Extraordinary expenses (excluding the company tax liability of the current year)	4,149	1,223
15	– Corporate tax liability of the current year	-	-
16	– Dividend paid	-	-
17	Operating cash-flow (01-16. rows)	-43,407	11,236
18	± Change in liabilities (+ if increase, - if decrease)	-408,436	-464,634
19	± Change in receivables (- if increase, + if decrease)	698,469	177,186
20	± Change in inventories (- if increase, + if decrease)	-14,160	9,726
21	± Change in securities registered among current assets (- if increase, + if decrease)	-225,222	248,996
22	± Change in securities registered among invested assets (- if increase, + if decrease)	-4,850	-31,643
23	± Change in investments (including advances paid) (- if increase, + if decrease)	1,394	492
24	± Change in intangible assets (- if increase, + if decrease)	-3,442	42
25	± Change in net value of fixed assets (excluding investments and advances paid) (- if increase, + if decrease)	-3,605	-5,289
26	± Change in active accruals (- if increase, + if decrease)	6,442	4,154
27	± Change in passive accruals (+ if increase, - if decrease)	-1,071	-12,863
28	+ Shares issued at sales price	-	39,000
29	+ Financial assets received	-	-

30	– Financial assets transferred	-22	-
31	previous years' effect on income in the profit/loss brought forward	-	-
32	previous year's effect on income in the general reserve	-	-
33	– Nominal value of own issue withdrawn	-	-
34	Net cash-flow (17-33. rows)	2,089	-23,597
35	– change in cash in hand (banknotes, cheques)	-1 616	126
36	– change in cash in account (foreign exchange and HUF current accounts and other deposit accounts with a maturity within one year in NBH, and other HUF deposit accounts with a maturity within one year in other credit institutions)	3,703	

* Non-consolidated figures were prepared according to the Hungarian Accounting Standards (HAS).

Independent Auditor's Report



Ernst & Young Kft.
Ernst & Young Ltd.
H-1132 Budapest Váci út 20.
1399 Budapest 62. Pf.632, Hungary

Tel: +36 1 451 8100
Fax: +36 1 451 8199
www.ey.com/hu
Cg. 01-09-267553

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholder of Erste Bank Hungary Zrt.

Report on financial statements

1.) We have audited the accompanying 2013 annual financial statements of Erste Bank Hungary Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2013 - showing a balance sheet total of HUF 2,293,696 million and a loss for the year of HUF 16,669 million -, the related profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2.) Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Hungarian Accounting Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

6.) In our opinion the annual financial statements give a true and fair view of the equity and financial position of Erste Bank Hungary Zrt. as at 31 December 2013 and of the results of its operations for the year then ended in accordance with the Hungarian Accounting Law.

Other reporting requirement- Report on the business report

7.) We have reviewed the business report of Erste Bank Hungary Zrt. for 2013. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether the business report is consistent with the financial statements for the same financial year. Our work regarding the business report has been restricted to assessing whether the business report is consistent with the financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the business report of Erste Bank Hungary Zrt. for 2013 corresponds to the disclosures in the 2013 financial statements of Erste Bank Hungary Zrt.

Budapest, 15 April 2014

(The original Hungarian language version has been signed.)

Szabó Gergely
Ernst & Young Kft.
Registration No.: 001165

Sulyok Krisztina
Registered auditor
Chamber membership No.: 006660

Companies included in the consolidation

Erste Bank group – comprised of Erste Bank Hungary and its affiliates – is a decisive player in the Hungarian banking market. Beside the operation as a credit institution, the scope of business activities of the group contains investment services, leasing and factoring, as well as asset and facilities management provided by its affiliated companies. In order to ensure more efficient and risk-conscious operation, the banking group is in the process of rationalising its group structure, ultimately consolidating its activities into fewer independent legal entities. The tables on the financial information of the affiliates below contain the individual reporting numbers in accordance with Hungarian Accounting Standards, because IFRS figures are available in the consolidated reports only.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	45,836,318	52,597,261	14.75
Equity	8,120,640	8,204,415	1.03
Subscribed capital	2,000,000	2,000,000	0.00
Result for the year	0	83,775	

Leasing services

Within Erste group one company provides financial leasing services, while operative leasing is offered by another. As of 1 January 2013, four companies offering financial leasing – Erste Leasing Autófinanszírozási Zrt. [Erste Leasing Vehicle Finance Co. Ltd.], Erste Leasing Eszközfinanszírozási Zrt. [Erste Leasing Asset Finance

Erste Befektetési Zrt.

Operated as an investment services provider, Erste Befektetési Zrt.'s [Erste Investment Hungary] main activity is miscellaneous financial intermediation.

Constant hard work carried out since the companies' transformation into an investment service provider in 1998 has Erste Befektetési Zrt. the recognition of being one of the leading brokerage companies in the Hungarian equities market, retaining its leading position in 2013 as well. Constantly expanding its offers, the company markets the full range of products investment service providers are allowed to sell. It is the objective of Erste Befektetési Zrt. to provide customers with its services at a high standard, as well as quickly and in an uncomplicated way. Fast and accurate execution of transaction orders for the equities and government securities market is ensured anywhere in the country by an online trading system operated in Erste Bank's branch network.

Co. Ltd.), Erste Ingatlanlízíng Zrt. [Erste Real Estate Leasing Co. Ltd.], Erste Faktor Zrt. [Erste Factor Co. Ltd.], and Magyar Faktor Zrt. [Hungarian Factor Co. Ltd.] – have merged into the bank. The business objective is to establish a maximum-security customer portfolio, which demands much stricter assessment conditions, similarly to Erste Bank's own risk requirements.

Erste Leasing Bérlet Kft.

Erste Leasing Bérlet Kft. [Erste Leasing Rent LLC] is a supplementary enterprise, its main business activities are rental services and vehicle distribution.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	1,616,237	530,785	-67.16
Equity	289,309	140,829	-51.32
Subscribed capital	4,000	4,000	0.00
Result for the year	-70,788	-148,475	109.75

Erste Lakáslízing Zrt.

Az Erste Lakáslízing Zrt. [Erste Housing Leasing Co. Ltd.] specialises on leasing used property.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	3,815,239	3,642,116	-4.54
Equity	117,597	111,103	-5.52
Subscribed capital	51,000	52,000	1.96
Result for the period	-142,121	-106,494	-25.07

Erste Ingatlan Kft.

The business activities of Erste Ingatlan Kft. [Erste Real Estate LLC] include real estate distribution, property letting, facility manages and real estate development. Erste Ingatlan Kft.'s owner decided in 2011 to merge Erste

Kereskedőház Kft. [Erste Trading House LLC] into Erste Ingatlan Kft. After the reorganisation, Erste Ingatlan Kft. emerged legal successor, starting operation in the new structure on 1 January 2012.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	16,722,377	43,219,013	158.45
Equity	2,341,867	41,846,147	1,686.87
Subscribed capital	205,000	210,000	2.44
Result for the period	-5,005,486	-1,288,813	-74.25

Sió Ingatlan Invest Kft.

Sió Ingatlan Invest Kft. [Sió Real Estate Invest LLC] is a project company established to the development of SIÓ Pláza, a mall located downtown Siófok. The company is fully owned by Erste Ingatlan Kft.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	4,002,993	4,290,155	7.17
Equity	224,140	3,869,387	1,626.33
Subscribed capital	9,000	12,900	43.33
Result for the year	51,689	-254,753	-592.86

Portfolió Szolgáltató Kft.

Key activities of Portfolió Szolgáltató Kft. [Portfolio Service Provider LLC], owned fully by Erste Befektetési Zrt., include hardware consulting, software development consulting, and data processing. On 31 December 2013, the owner decided to wind up Portfolió Szolgáltató Kft. with final accounts and without legal succession.

The final accounts process started on 1 January 2014. Portfolió Szolgáltató Kft.'s activities related to securities were terminated by 31 May 2013, and its IT service contracts with group members were terminated on 30 November 2013. The work contracts of Portfolió Kft. employees were terminated on 30 November 2013 and the employees were transferred to legal successor Erste Befektetési Zrt.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	5,744,865	566,308	-90.4
Equity	300,289	303,002	0.90
Subscribed capital	230,000	230,000	0.00
Result for the year	0	2,713	

Erste Lakástakarék Zrt.

Erste Lakástakarék Zrt. [Erste Building Society Co. Ltd.] is a specialised credit institution engaged in selling building society products, which was granted licence on 29 September 2011, starting sales activities on 17 October 2011.

Key financial data:

in HUF thousand	2012	2013	Change %
Total assets	5,866,394	12,986,091	121.36
Equity	2,214,874	2,471,877	11.60
Subscribed capital	2,000,000	2,005,000	0.25
Result for the year	-484,869	-342,997	-29.26

Erste IN-FORG Kft.

The company was established by Erste Ingatlan Kft. [Erste Real Estate LLC] as single owner on 28 March 2013. Main profile of the company is to purchase repossessed properties from Erste Bank and other partners, utilising or selling them.

Key financial data:

in HUF thousand	2013
Total assets	407,043
Equity	405,286
Subscribed capital	5,000
Results for the year	286

Consolidated report*

I. Balance sheet

	in HUF million	
	2013	2012
ASSETS		
Cash and balances with central banks	54,597	148,744
Loans and advances to credit institutions	132,183	127,822
Loans and advances to customers	1,623,462	1,879,497
Risk provisions for loans and advances	-262,689	-295,953
Derivative financial instruments	7,451	15,671
Trading assets	321,393	273,988
Financial assets - available for sale	70,863	205,723
Financial assets - held to maturity	247,963	351,507
Intangible assets	13,959	13,634
Property and equipment	10,772	11,368
Investment properties	3,017	0
Current tax assets	278	796
Deferred tax assets	58	85
Assets classified as held for sale	156	943
Other assets	43,258	54,376
Total assets	2,266,722	2,788,200
LIABILITIES AND EQUITY		
Deposits by banks	753,063	1,096,429
Customer deposits	1,215,814	1,360,292
Debt securities in issue	9,544	1,420
Derivative financial instruments	11,925	23,720
Trading liabilities	1,402	329
Provisions	5,204	3,814
Current tax liabilities	148	211
Deferred tax liabilities	0	1,293
Other liabilities	19,074	24,718
Subordinated liabilities	66,755	65,390
Total equity	183,793	210,585
Attributable to:		
Non-controlling interests	0	0
Owners of the parent	183,793	210,585
Total liabilities and equity	2,266,722	2,788,200

II. Income statement

	in HUF million	
	2013	2012
Interest and similar income	162,545	209,496
Interest and similar expenses	-71,059	-105,716
Net interest income	91,486	103,780
Fee and commission income	49,138	38,795
Fee and commission expenses	-10,028	-10,873
Net fee and commission income	39,110	27,922
Net trading result	1,227	2,529
Risk provisions for loans and advances	-61,470	-61,331
Net operating income / (expenses)	70,352	72,901
Personnel expenses	-26,299	-24,389
Other administrative expenses	-20,654	-22,627
Depreciation and amortisation	-5,660	-5,186
General administrative expenses	-52,613	-52,203
Other operating result	-39,481	-21,092
Loss before tax	-21,742	-394
Taxes on income	-3,197	-5,719
Loss for the year	-24,939	-6,113
Attributable to:		
Non-controlling interests	0	0
Owners of the parent	-24,939	-6,113

Statement of comprehensive income

	in HUF million	
	2013	2012
Loss for the year	-24,939	-6,113
Other comprehensive income		
Available for sale-reserve		
Gain during the year	37	25
Loss during the year		-32
Cash flow hedge-reserve		
Gain during the year		
Loss during the year	-1,832	-106
Deferred tax related to 'Available for sale-reserve'	-5	1
Deferred tax related to 'Cash flow hedge-reserve'	-20	20
Other comprehensive income - total	-1,821	-91
Total comprehensive income	-26,760	-6,205
Attributable to:		
Non-controlling interests	0	0
Owners of the parent	-26,760	-6,205

III. Cash-Flow Statement

	in HUF million	
	2013	2012
Profit / (loss) for the year	-24,939	-6,113
Non-cash adjustments for items in profit / (loss) for the year		
Depreciation, amortisation of assets	5,660	5,186
Impairment and reversal of impairment, revaluation of assets	-361	3,483
Allocation to and release of provisions (including risk provisions)	-31,874	-43,796
(Gains) / losses from the sale of assets	-143	-34
Fair value of derivative financial instruments (w/o cash option premiums)	-3,607	-19,164
Revaluation of subordinated liabilities	0	-5,149
Change in deferred tax assets/liabilities	-1,291	901
Other	0	450
Changes in assets and liabilities from operating activities after adjustment for non-cash components		
Loans and advances to credit institutions	-4,362	98,287
Loans and advances to customers	256,035	430,255
Trading assets	-47,767	-131,722
Financial assets - available for sale	-1,556	-114
Financial assets - held to maturity	1,633	-3,752
Other assets from operating activities	9,812	-3,421
Deposits by banks	-343,366	-587,956
Customer deposits	-144,478	158,415
Debt securities in issue	8,124	-3,368
Trading liabilities	1,467	-211
Other liabilities from operating activities	-5,739	-11,529
Cash flow from operating activities	-326,751	-119,352
Proceeds of disposal		
Financial assets - held to maturity and associated companies	209,507	20,566
Financial assets - available for sale	204,531	159,888
Property and equipment, intangible assets and investment properties	718	346
Acquisition of		
Financial assets - held to maturity and associated companies	-107,656	-54,319
Financial assets - available for sale	-69,911	-204,796
Property and equipment, intangible assets and investment properties	-5,950	-7,410
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	0	0
Cash flow from investing activities	231,239	-85,725
Capital increases	0	39,000
Subordinated loan repayment	0	-47,130
Subordinated loan withdrawal	1,365	33,789
Dividends paid	0	0
Cash flow from financing activities	1,365	25,659

	in HUF million	
	2013	2012
Cash and cash equivalents at beginning of period	148,744	328,162
Cash flow from operating activities	-326,751	-119,352
Cash flow from investing activities	231,239	-85,725
Cash flow from financing activities	1,365	25,659
Cash and cash equivalents at end of period	54,597	148,744
Cash flows related to taxes, interest and dividends	2013	2012
Payments for taxes on income	-4,315	-6,944
Interest received	162,867	209,590
Dividends received	161	155
Interest paid	-57,077	-113,652

*Consolidated figures were prepared according to international accounting standards (IFRS).

Branches

Branches in Budapest

Árkád Üzletközpont Branch	1106	Budapest	Örs vezér tere 25.
Baross tér Branch	1077	Budapest	Baross Gábor tér 15.
Bartók-Ház Branch	1114	Budapest	Bartók Béla út 43-47.
Béke tér Branch	1139	Budapest	Lehel út 70-72., F1 épület
Bosnyák tér Branch	1149	Budapest	Bosnyák tér 8.
Budafok Branch	1221	Budapest	Promontor udvar, Kossuth L. u. 25-29.
Campona Branch	1222	Budapest	Nagytétényi út 37-43.
Csepel Branch	1211	Budapest	Kossuth Lajos utca 70-86.
Danubius Ház Branch	1138	Budapest	Váci út 141.
Deák tér Branch	1075	Budapest	Károly körút 7.
Egry József utca Branch	1111	Budapest	Egry József utca 2.
Erzsébet körút 8. Branch	1073	Budapest	Erzsébet körút 8.
Eurocenter Branch	1032	Budapest	Bécsi út 154. (Eurocenter)
Európa Torony Branch	1138	Budapest	Népfürdő utca 24-26.
Fehérvári út 130. Branch	1116	Budapest	Fehérvári út 130.
Fehérvári út 28. Branch	1117	Budapest	Fehérvári út 28.
Flórián tér Branch	1033	Budapest	Flórián tér 3.
Heltai Jenő tér Branch	1039	Budapest	Heltai Jenő tér 15.
Húvösvölgyi Branch	1021	Budapest	Húvösvölgyi út 138. (StopShop)
József körút Branch	1085	Budapest	József körút 86.
Kálvin tér Branch	1082	Budapest	Baross utca 1-3.
Királyhágó tér Branch	1126	Budapest	Királyhágó tér 8-9.
Kispest Branch	1193	Budapest	Kossuth tér 23-24.
Kossuth tér Branch	1055	Budapest	Kossuth tér 13-15.
Kőbánya Branch	1102	Budapest	Körösi Csoma sétány 9/B
Köki Terminál Branch	1195	Budapest	Vak Bottyán út 75. A-C.
Krisztina tér Branch	1013	Budapest	Krisztina tér 2.
Mammut II. Branch	1024	Budapest	Margit körút 87-89.
Margit körút Branch	1027	Budapest	Margit körút 48.
Nagyvárad tér Branch	1091	Budapest	Üllői út 121. (Nagyvárad tér)
Nyugati tér Branch	1055	Budapest	Bajcsy-Zsilinszky út 74.
Párisi utca Branch	1052	Budapest	Párisi u. 3.
Pesterzsébet Branch	1203	Budapest	Kossuth Lajos utca 21-29.
Pólus Center Branch	1151	Budapest	Szentmihályi út 131.
Rákóczi tér Branch	1085	Budapest	József körút 30-32.
Rákoskeresztúr Branch	1173	Budapest	Kaszáló utca 47.
Teréz körút Branch	1066	Budapest	Teréz körút 24.
Thököly út Branch	1143	Budapest	Gizella út 59.
Törökvész út Branch	1022	Budapest	Bég utca 3-5.
Újpest Branch	1042	Budapest	Árpád út 68.
Váci út 33. Branch	1134	Budapest	Váci út 33.
Westend Branch	1062	Budapest	Váci út 1-3.

Branches in the countryside

Ajkai Branch	8400	Ajka	Szabadság tér 4/a.
Bajai Branch	6500	Baja	Vörösmarty utca 5.
Balassagyarmati Branch	2660	Balassagyarmat	Rákóczi fejedelem utca 34-36.
Balatonfüred Branch	8230	Balatonfüred	Zsigmond utca 1.
Békéscsaba Branch	5600	Békéscsaba	Andrássy út 20.
Berettyóújfalu Branch	4100	Berettyóújfalu	Bajcsy-Zsilinszky u. 1.
Budaörs Branch	2040	Budaörs	Szabadság u.27.
Cegléd Branch	2700	Cegléd	Népkör u. 2.
Csorna Branch	9300	Csorna	Szent István tér 29.
Debrecen, Belváros Branch	4026	Debrecen	Hatvan utca 1/B, fszt.9.
Debrecen, Egyetem Branch	4032	Debrecen	Egyetem tér 1.
Debrecen, Piac u. Branch	4024	Debrecen	Piac u. 32.
Debrecen, Vár u. Branch	4024	Debrecen	Vár utca 4.
Dombóvár Branch	7200	Dombóvár	Hunyadi tér 19-21.
Dorog Branch	2510	Dorog	Bécsi út 76.
Dunaharaszti Branch	2330	Dunaharaszti	Dózsa György út 27.
Dunakeszi Branch	2120	Dunakeszi	Fő út 24.
Dunaújváros Branch	2400	Dunaújváros	Dózsa György utca 2/a.
Eger Branch	3300	Eger	Dobó tér 1.
Érd Branch	2030	Érd	Budai út 13.
Esztergom Branch	2500	Esztergom	Imaház utca 2/a
Gödöllő Branch	2100	Gödöllő	Szabadság tér 14.
Gyöngyös Branch	3200	Gyöngyös	Mikszáth Kálmán utca 4.
Győr Bajcsy-Zsilinszky út Branch	9021	Győr	Bajcsy-Zsilinszky u. 30-32.
Győr, Árpád út Branch	9021	Győr	Árpád út 42.
Gyula Branch	5700	Gyula	Városház utca 16.
Hajdúböszörmény Branch	4220	Hajdúböszörmény	Szt. István tér 2.
Hajdúnánás Branch	4080	Hajdúnánás	Dorogi utca 10-14.
Hajdúszoboszló Branch	4200	Hajdúszoboszló	Hősök tere 9-11.
Hatvan Branch	3000	Hatvan	Kossuth tér 16.
Hódmezővásárhely Branch	6800	Hódmezővásárhely	Andrássy út 2-4.
Jászberény Branch	5100	Jászberény	Szabadság tér 20.
Kalocsa Branch	6300	Kalocsa	Szent István király utca 30.
Kaposvár Branch	7400	Kaposvár	Fő u. 2.
Karcag Branch	5300	Karcag	Kossuth tér 6.
Kazincbarcika Branch	3700	Kazincbarcika	Egressy utca 44.
Kecskemét, Dobó körút Branch	6000	Kecskemét	Dobó körút 7.
Kecskemét, Nagykőrösi utca Branch	6000	Kecskemét	Nagykőrösi utca 11.
Keszthely Branch	8360	Keszthely	Kossuth utca 11.
Kiskunfélegyháza Branch	6100	Kiskunfélegyháza	Mártírok útja 1.
Kiskunhalas Branch	6400	Kiskunhalas	Bethlen Gábor tér 4.
Kisvárda Branch	4600	Kisvárda	Szent László utca 26.
Komárom Branch	2900	Komárom	Gyár u. 2-6.
Lenti Branch	8960	Lenti	Zrínyi utca 3.
Makó Branch	6900	Makó	Csanád Vezér tér 5.
Mátészalka Branch	4700	Mátészalka	Kölcsey utca 15.
Mezőkövesd Branch	3400	Mezőkövesd	Mátyás Király út 129.
Miskolc, Bajcsy-Zsilinszky utca Branch	3527	Miskolc	Bajcsy-Zsilinszky utca 1-3.
Miskolc, Mindszent tér Branch	3530	Miskolc	Mindszent tér 3.
Miskolc, Városház tér Branch	3525	Miskolc	Városház tér 9.
Mohács Branch	7700	Mohács	Szabadság út 16.
Mór Branch	8060	Mór	Köztársaság tér 1.
Mosonmagyaróvár Branch	9200	Mosonmagyaróvár	Fő utca 26.

Nagykanizsa Branch	8800	Nagykanizsa	Fő utca 2.
Nyírbátor Branch	4300	Nyírbátor	Szabadság tér 10
Nyíregyháza, Korzó Branch	4400	Nyíregyháza	Nagy Imre tér 1.
Nyíregyháza, Luther utca Branch	4401	Nyíregyháza	Luther u. 2.
Orosháza Branch	5900	Orosháza	Kossuth utca 2-4.
Paks Branch	7030	Paks	Dózsa György út 64.
Pápa Branch	8500	Pápa	Fő tér 25-26.
Pécs, Diana tér Branch	7632	Pécs	Diana tér 20.
Pécs, Rákóczi út Branch	7620	Pécs	Rákóczi út 62-64.
Salgótarján Branch	3100	Salgótarján	Erzsébet tér 5.
Sárospatak Branch	3950	Sárospatak	Rákóczi utca 40.
Sárvár Branch	9600	Sárvár	Batthyány u. 20.
Sátoraljaújhely Branch	3980	Sátoraljaújhely	Széchenyi tér 3.
Siófok Branch	8600	Siófok	Fő utca 172.
Sopron, Előkapu Branch	9400	Sopron	Előkapu 2-4.
Szarvas Branch	5540	Szarvas	Szabadság utca 32.
Százhalombatta Branch	2440	Százhalombatta	Szent István tér 9.
Szeged, Kölcsey utca Branch	6720	Szeged	Kölcsey utca 13.
Szeged, Széchenyi tér Branch	6720	Szeged	Széchenyi tér 17.
Székesfehérvár, Budai út Branch	8000	Székesfehérvár	Budai út 32.
Székesfehérvár, Palotai út Branch	8000	Székesfehérvár	Palotai út 4.
Szekszárd Branch	7100	Szekszárd	Széchenyi utca 40.
Szentendre Branch	2000	Szentendre	Duna korzó 18.
Szentes Branch	6600	Szentes	Kossuth u.12-16.
Szentgotthárd Branch	9970	Szentgotthárd	Széchenyi utca 2.
Szigetszentmiklós Branch	2310	Szigetszentmiklós	Szent Miklós útja 1.
Szolnok Branch	5000	Szolnok	Baross utca 8.
Szombathely Branch	9700	Szombathely	Mártírok tere 12.
Tapolca Branch	8300	Tapolca	Deák Ferenc u. 7.
Tatabánya Branch	2800	Tatabánya	Fő tér 20.
Tata Branch	2890	Tata	Országgyűlés tér 3.
Tiszaújváros Branch	3580	Tiszaújváros	Bethlen Gábor utca 5/b
Törökszentmiklós Branch	5200	Törökszentmiklós	Kossuth utca 125.
Vác Branch	2600	Vác	Széchenyi u. 14.
Várpalota Branch	8100	Várpalota	Szent István út 7-9.
Veszprém Branch	8200	Veszprém	Ádám Iván utca 2.
Záhony Branch	4625	Záhony	Ady Endre utca 27-31.
Zalaegerszeg Branch	8900	Zalaegerszeg	Ispotály köz 2.
Zirc Branch	8420	Zirc	Rákóczi tér 16.

Corporate sales organisation

Small and Medium Enterprises

Budapest region

Budapest office
Local large corporates and international customers
Salgótarján office

Budapest
Budapest
Salgótarján

North-western Hungary region

Győr office
Tatabánya office
Szombathely office

Győr
Tatabánya
Szombathely

South-western Hungary region

Székesfehérvár office
Zalaegerszeg office
Veszprém office
Szekszárd office
Kaposvár office
Pécs office

Székesfehérvár
Zalaegerszeg
Veszprém
Szekszárd
Kaposvár
Pécs

North-eastern Hungary region

Miskolc office
Eger office
Nyíregyháza office
Debrecen office

Miskolc
Eger
Nyíregyháza
Debrecen

South-eastern Hungary region

Békéscsaba office
Szolnok office
Kecskemét office
Szeged office

Békéscsaba
Szolnok
Kecskemét
Szeged

Large Corporates

Budapest

Real estate and project financing

Budapest

Corporate transactional services and product development

Budapest

Supervisory Board, Board of Directors

Supervisory Board of Erste Bank Hungary

31 December 2013

Chairman:

Manfred Wimmer

Erste Group Bank AG

Members:

Krisztina Zsiga

Erste Group Bank AG

Gernot Mittendorfer

Erste Group Bank AG

Friedrich Rödler

Erste Group Bank AG

Magdolna Nagy

Erste Bank Hungary

Márta Balogh

Erste Bank Hungary

Board of Directors of Erste Bank Hungary

31 December 2013

Chairman:

Radován Jelasity

Erste Bank Hungary

Members:

László Harmati

Erste Bank Hungary

Bernhard Spalt

Erste Bank Hungary

László Pelle

Erste Bank Hungary

Frederik Silzer

external member

János Rudnay

external member

Erste Bank Hungary Zrt. hereby informs its customers, business partners, and shareholders that its parent company, Erste Group Bank AG, operates in accordance with the recommendations of Austrian Corporate Governance Code, thus the corporate governance practice of Erste Bank Hungary Zrt. is also based thereon.

