

**ANNUAL REPORT 2004**

**ERSTE BANK HUNGARY RT.**

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# Key figures

Based on audited yearly figures as of **31. 12. 2004.** for the Annual Report of Erste Bank Hungary Rt.

**Consolidated data** (EBH without PB) million HUF

<i>Income statement:</i>	31.12.2003	31.12.2004
Operating income	80,239	216,096
Operating expenses	78,140	206,755
Operating result	2,099	9,341
Profit before tax	1,899	9,198
Profit after tax	1,501	8,237
Balance Sheet result	1,400	7,322

<i>Balance sheet items</i>	31.12.2003	31.12.2004
Total balance total	530,513	1,119,647
Client loans	337,043	752,387
Client deposits	298,571	643,181
Own equity	18,740	58,534

Cost/income ratio	74.87%	72.14%
Return on Assets (ROA)		
Result before tax/value of asset	0,36%	0,82%
Result after tax/ value of asset	0,28%	0,74%
Return on Equity (ROE)		
Profit after tax/ own equity	8,01%	14,07%
Capital adequacy ratio	8,14%	10,11%

Number of employees	1,355	2,527
Number of Commercial Centres	21	25
Number of Branches	81	147

## International ratings of the bank

Moody's

Long term	A-2
Short term	P-1
Financial strength	D

Fitch

Support	1
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# Chairman's introduction



## Dear clients, partners and shareholders,

Erste Bank Hungary Rt had an extraordinary year in 2004: having entered the group of large banks it became Hungary's third largest retail bank, and in terms of its total assets of over a thousand billion forints it took fifth place in the Hungarian bank sector. The year 2004 was the year of integration for Erste Bank, in the course of the year it gradually merged with Postabank és Takarékpénztár Rt. The two financial institutions worked in a unified organisation structure, with an integrated branch network from the beginning of the year. The legal integration took place in a record time of eight and half months, and by November last year the product ranges of the two banks were merged, cooperation with Magyar Posta was extended, and the main IT systems were integrated.

The integration process also had a favourable effect on operations: in the course of unifying operations, the bank group increased its share of several important segments of the market. The bank's stocks increased rapidly, while profitability improved extraordinarily. The performance of the bank is all the more impressive, because it managed to improve its market position in the midst of tight competition.

During the implementation of integration tasks in 2004 we began improving the quality of the branch network. In 2005 the merged bank will focus primarily on improving customer service in its branches.

The Erste group, which offers leasing, insurance, pension fund, health insurance, and investment services, is planning greater-than-average growth in 2005. Cooperation with Magyar Posta remains an important element of sales strategy. In December 2004 new financial services (investment funds, bank account, bank cards, personal loans) were offered in the postal network under the brand-name of Magyar Posta Financial Services. The other main area of future development will be crossover sales, in the course of which the Bank will aim to exploit the synergies between its retail and corporate segments, thereby becoming the favourite bank of small and medium businesses in the

future, while maintaining its firm position on the corporate market.

Our strategic goal is unchanged, and it is my firm belief that the Erste group is a leading financial services company in Hungary, with a 20-25 per cent share of the retail market, according to medium-term plans. This expansion will be achieved through organic development and acquisitions. Last year proved that we are on the right track, and have taken another giant leap towards reaching our goal.

I owe you thanks for your unchanged confidence in us, and for continuing to avail of our services. As you know: we understand each other!

A handwritten signature in black ink, appearing to read 'Péter Kisbenedek'.

Péter Kisbenedek  
chairman-managing director

# Economic environment in 2004

\_\_\_\_\_ Trends in the real economy were very encouraging last year. The structure of GDP growth became healthier, investments and net exports provided the motor of growth, as against domestic consumption in 2002 and 2003. The growth of the domestic economy kept pace with the slowly recovering eurozone region.

\_\_\_\_\_ The Hungarian GDP grew by 3.8pc in the fourth quarter in 2004, slightly picking up from the third quarter's 3.7pc. As a result of the upward corrected 4.2pc growth year on year in the second quarter and the 4.3pc growth year on year in the first quarter, the economy grew by 4.2pc in the whole of the year (as against 2.9pc in 2003).

\_\_\_\_\_ Among the components of GDP growth were greater than expected investments. Investments grew 12.7pc year on year in the third quarter, after a 10pc growth in the second quarter and an 18pc growth in the first quarter. The robust increase in investments, however, came to a near halt in the last quarter of the year, registering a mere 0.3pc growth year on year in October-December. Household costs rose 3.5pc in 2004, as against 8.1pc in 2003, with household costs rising 4.8pc in the second quarter, and a slower 1.8pc in the fourth quarter. Contrary to 2002 and 2003 trends in foreign trade had a positive effect on the GDP in 2004, with exports rising 15.7pc while imports grew by 14pc over the whole of the year.

\_\_\_\_\_ The year 2004 was a period of accelerating inflation in Hungary, the 12-month inflation rate was over 7pc early in the year, compared to 5.7pc in December 2003. The inflation rate accelerated again primarily as a result of regulated prices and increased VAT rates and excise duties. This is reflected by the inflation rate excluding the effect of changes to taxation, which was 2 percentage points lower than the "full" inflation rate. There was little inflationary pressure from market priced goods.

\_\_\_\_\_ The firm forint, and the fact that the forint fluctuated much less than in 2003 had a good effect on the prices of market goods, and thus on last year's inflation rate. There was no real effect of inflationary pressure created by demand, as wages rose relatively modestly in 2004, compared to 2002 and 2003. The inflation rate thus peaked at 7.6pc in May, and started to slow down in the summer – partly due to seasonal effects, which affected the prices

of food stuffs and clothing items primarily. It must also be noted that the steadily increasing global oil prices exerted a smaller pressure on the annual inflation rate, because these were largely offset by the weak US dollar. Thus overall the 12-month consumer inflation rate continued to slow down in the final quarter of the year, and slowed to 5.5pc by December. The annual average inflation rate was 6.8pc in 2004.

\_\_\_\_\_ After some market turbulences in 2003, triggered by inconsistencies in the fiscal and monetary policies, 2004 was the period of slow recovery on the Hungarian markets. Confidence slowly returned, and foreign investors again started to purchase forint denominated assets. Thus, by the second half of the year the forint steadily firmed to under 250 to the euro. The firming forint allowed the central bank to reduce the base rate slowly, step by step during the year. Investors were thus influenced by the central bank's rate setting decisions and the related expectations throughout the year. In the first quarter the central bank cut the base rate (in two steps) to 12pc. Later in May the base rate dropped to 11.50pc after another 50-basis point cut. After foreign investors became concerned about not very encouraging macro-economy figures, the base rate cuts were put on hold for a longer period, and the process only restarted in August, when it became certain that the inflation rate would become much more positive than it appeared early in the year. At this point the central bank cut the base rate by another 50bp to 11pc, then cut the rate by a monthly 50bp in October-December. Overall the central bank's base rate was cut a total 300bp from 12.50pc to 9.50pc.

\_\_\_\_\_ The year's base rate cuts however, did not mean a real monetary easing, because they were no more than a partial "retraction" of the overall 600bp raise in 2003. In fact the monetary policy remained strict in 2004 with the highest base rate in the region and a very firm forint, which traded on average at 251.7pc to the euro.

As far as the other important element of economic policy, the budget is concerned there was no breakthrough in 2004 in the efforts to make the deficit narrower. The general government deficit target was corrected upwards several times during the year. Finally, the general government deficit was an annual HUF 1,284bn, or 5.4pc of the GDP according to ESA'95.

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**Macro-economy figures 2001-2004**

<b>Growth compared to same period the year before (%)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
GDP	3,8	3,5	2,9	4,2
Household costs	5,7	10,3	8,1	3,5
Final consumption	5,8	8,7	7,3	2,2
Investments	5,0	8,0	3,4	8,3
Exports	7,8	3,7	7,6	15,7
Imports	5,1	6,2	10,4	14,0
Average inflation	9,2	5,3	4,7	6,8
End-of-year inflation	6,8	4,8	5,7	5,5
General government deficit (pc of GDP)	4,4	9,2	7,1	5,4

# The integration of Erste Bank and Postabank

\_\_\_\_\_ The State Privatisation and Holding Company (ÁPV Rt.) and Erste Bank der oesterreichischen Sparkassen AG (Erste Bank) signed a contract on the sale of the state's 99.97 per cent stake in Postabank és Takarékpénztár Rt. (Postabank) on 20th October 2003. Erste Bank offered HUF 101.3bn for the Hungarian state's share. On 16th December 2003 Erste Bank took possession of the Postabank shares, until then held by APV Rt.

\_\_\_\_\_ 2004 was the year of integration. Beside the legal merger, the smooth integration of the two networks was an important task – while meeting the 2004 business plan.

\_\_\_\_\_ The integration process took place in the form of 24 projects, and was largely completed by November as a result of intensive work. Important results were achieved as part of the integration process:

- > The two banks have operated in a unified structure from the beginning of the year.
- > The banks' product ranges were unified in the middle of the year.
- > The branch network, which numbered 195 branches in early 2004, was restructured by the end of Q2, with the number of branches reduced to 142 in 5 regions. After the restructuring Erste became Hungary's third largest bank in terms of its branch network.
- > Service of Postabank corporate customers was gradually transferred to the Commercial Centres. Postabank did not have such a category in its network, service of retail and corporate clients was not wholly separate.
- > Employee numbers dropped 24 per cent in 2004 (from 2,854 to 2,188) as a result of the merger.
- > In keeping with the practice adopted at Erste Bank – by the end of May back office processes in Postabank branches, up till then decentralised, were completely centralised.
- > Postabank's credit portfolio was reviewed in keeping with Erste Bank's risk management guidelines in the first half of the year.
- > The legal merger of the two banks was completed on 31st August 2004. Postabank merged into Erste Bank in eight and a half months, a record time in the history of Hungarian bank mergers. By this time the subsidiaries of the two banks were merged both legally and in terms of organisation.
- > An agreement with Magyar Posta on extending cooperation and establishing a new basis for cooperation was completed by the final quarter.
- > The primary goal of IT and bank operations projects was to ensure that Postabank's operations were integrated into Erste Bank as soon as possible, and where possible in such a way that the systems and processes of the former are applied. The first step of migrating the main IT systems into the target systems – migration of card systems and ATM/POS systems – was completed over the first weekend of October 2004. Over the first weekend of November Postabank's retail bank account management system was migrated, then the corporate and retail credit systems were migrated in early 2005.
- > The unified total assets were approved at the bank's extraordinary general meeting on 26th November 2004.

\_\_\_\_\_ The integration process did not have an unfavourable effect on the

bank's operations: while unifying the operative systems, the bank increased its share of several market segments. The great achievement of 2004 was that the successful conclusion of the integration and the steady increase of assets were accompanied by suitable profitability. All this shows that the bank successfully took advantage of the profit opportunities and synergies provided by the merged bank's increased size as a result of the integration. The value of the bank's performance was boosted by the fact that these market positions were achieved in an environment of tight and increasing competition.

\_\_\_\_\_ After the conclusion of the integration process ERSTE Bank Hungary became Hungary's third largest retail bank, and in terms of its total assets of over a thousand billion forints, it became the fifth largest bank of the country.

# Reports of business segments

## I. Retail segment

\_\_\_\_\_ The retail segment remained in the centre of the bank's strategy in 2004, with a special emphasis on mortgage financing, and more specifically on home loans.

\_\_\_\_\_ The other priority areas of 2004, due to the merger with Postabank, were activities related to retaining clients, rationalising the branch network and harmonising the range of services.

### Branch network

\_\_\_\_\_ As a result of the branch network rationalisation carried out in the course of 2004, the bank had a national network of 142 branches by the end of the year, with the branches divided into five separate regions. (Pest Region 21 branches, Buda Region 24 branches, Northeast Hungary Region 34 branches, Southeast Hungary Region 21 branches, West Hungary Region 42 branches.)

\_\_\_\_\_ In keeping with the ERSTE standard of quality and image requirements, the branches were steadily reconstructed in 2004. Some branches were reconstructed, some were renovated and some moved to new locations to offer better access to clients, and to offer more comfortable customer service.

\_\_\_\_\_ In 2004 the bank continued to focus on training employees in its branches, to develop sales and consulting services and to provide active support to clients.

### Retail and microbusiness accounts, deposits

\_\_\_\_\_ As a result of the merger with Postabank the number of retail clients trebled, while the number of microbusiness clients doubled. Thus, by the end of 2004 there were some 800,000 retail clients and 55,000 microbusinesses holding accounts at our Bank.

\_\_\_\_\_ The number of fixed retail deposits doubled, the stock of deposits by microbusinesses rose by some 70 per cent.

\_\_\_\_\_ In the year of the merger the bank paid special attention to retaining its clients and accounts, and to harmonise its range of services. In order to achieve this, the product ranges were unified and rationalised by November, when the IT systems were integrated.

The bank did not lose a substantial number of clients during the year.

\_\_\_\_\_ In the area of bank card services, the Bank offers the products of two large international companies, VISA and MasterCard to its retail and microbusiness clients (VISA Classic, VISA Business, VISA Electron, VISA Electron Business, MasterCard Standard, Maestro, Maestro Business).

\_\_\_\_\_ In the card accepting segment, the Bank operates an ATM network of some 350 terminals. Beside ATMs, the Bank offers its existing and future partners favourable conditions to operate POS terminals at retail units.

### Retail and microbusiness loans

\_\_\_\_\_ Home loans accounted for 48 per cent of the overall retail loans portfolio, freely used mortgages accounted for 30 per cent, consumer loans accounted for 10 per cent and microbusiness loans accounted for 12 per cent of the total.

\_\_\_\_\_ A motor of growth on the market for home loans in 2004 was customer financing attached to project financing, where the bank continuously strengthened its position, thereby becoming one of the dominant banks in this segment of the market.

\_\_\_\_\_ Realising a demand on the market, the bank was one of the first to introduce foreign currency personal loans in 2004, which soon became very popular with clients.

\_\_\_\_\_ The stock of retail loans exceeded HUF 260bn by the end of 2004.

## Cooperation with Magyar Posta

\_\_\_\_\_ By acquiring Postabank, Erste took over an existing relationship and framework contract with the Magyar Posta. In May 2004 we began to review this contract, as a result of which we achieved a new, fundamentally more active cooperation, promising better results for both parties. The essence of the cooperation is that Magyar Posta will appear on the market with its own image and brand, for which Magyar Posta provides the infrastructure and human resources, and Erste provides the financial services background.

### The cooperation extends to the following product groups:

- > Bank accounts and related services
- > Deposits
- > Investment funds
- > Electronic bank card
- > Overdraft
- > Consumer loans (Personal loans)

\_\_\_\_\_ Sale of services under the Magyar Posta brand name started at 2.900 post offices on 8th December 2004.

\_\_\_\_\_ Extending the online network was crucial to achieving business plans. Initially 26 post offices had direct access to the Bank's systems, but by the middle of 2005 200, and by the end of 2006 an expected 600 post offices will have such access.

## Sales channels

\_\_\_\_\_ At the end of 2004 the Bank had 142 branches, making it Hungary's third largest bank in terms of branch network. The branch network is divided into five regions.

\_\_\_\_\_ The external network of agents, which steadily increases in importance, consisted of five hundred active partners in 2004. While in 2003 mortgages sold by the Bank's agents accounted for 25 per cent of the total, in 2004 the agents accounted for 35 per cent of mortgages. The network of agents increased the number of its clients by 80 per cent, which shows that agents focused on acquiring new clients and increasing the volume of new sales.

\_\_\_\_\_ One of the bank's strategic goals is to divert banking transactions from the branch network to electronic channels. The number of Call Center (TeleBank) clients more than doubled in 2004, and accounted for 30 per cent of all clients. The IVR (Interactive Voice Response, which allows clients to carry out the transactions by themselves) handled 70 per cent of calls, operators answered the phones in the remaining 30 per cent of cases.

\_\_\_\_\_ Money transfers, account information queries and depositing were the most frequent transactions.

\_\_\_\_\_ As a result of low internet penetration the number of NetBank clients was relatively low, it is, however, important to note that the number of active clients has increased steadily. In a year, the number of active NetBank users trebled.

## II. Corporate segment

\_\_\_\_\_ Corporate customer service is conducted in the so-called Commercial Centres (KC), separately from retail customer service. Of the KCs, 19 operate outside Budapest as regional units, 6 operate in Budapest, dealing with different branches of the economy, and these are complemented by 4 central segments: trade finance, structured finance, complex corporate clients and municipalities.

\_\_\_\_\_ Integration of corporate clients, selecting contact persons for said clients and creating a new organisational structure were completed in the first quarter of 2004. The product harmonisation was implemented in a brief period. A positive feature was that the merger did not result in a substantial loss of clients, and we successfully attracted a number of new clients in the course of the year.

### Loans

\_\_\_\_\_ Assets grew steadily in 2004, the portfolio increased by 30 per cent by the end of the year, primarily as a result of increased demand for financing in the real estate and trade sectors. Increased lending in services, construction and food processing also contributed to the rapid growth of the stock of loans.

\_\_\_\_\_ Forint loans slightly outweighed (54 per cent) foreign currency loans in the overall stock.

\_\_\_\_\_ The stock of loans grew faster in 2004 than the market average, as a result of which our share of the market rose 0.6 percentage points to 8.4 per cent, in terms of loans extended to businesses other than financial institutions.

\_\_\_\_\_ Our bank has carved out a close to 10 per cent share of SME lending. There was substantial demand for refinanced and subsidised loan products within this segment.

\_\_\_\_\_ Our bank is in third-fourth place in terms of SME lending, while we have taken seventh spot in terms of overall corporate lending. In terms of product structure lending of current assets, investment and project lending (a total 82 per cent) accounted for the bulk of corporate loans.

### Deposits

\_\_\_\_\_ The fastest increase was noted in the stock of deposits. Although in the first quarter of 2004 the stock of deposits dropped temporarily because of the integration of the customers and of the corporate networks, a substantial growth was achieved by the end of the year. In the course of the year we continued to concentrate on acquiring long-term fixed deposit contracts, which we boo-

sted with a special marketing offer (long-term fixed deposit contract offer) in the fourth quarter. The latter contributed greatly to a substantial boost of our Bank's market share. Our share of the deposits market rose 0.6 percentage points, giving Erste Bank a 5.7 per cent market share for deposits by businesses other than financial institutions.

\_\_\_\_\_ In 2004 the Bank set up the so-called EU office, which provided assistance to participation in EU-subsidised projects. It was partly due to this office, that Erste Bank achieved a 15 per cent share of EU-subsidised loans to SMEs.

In the course of 2004 the Bank introduced the following new corporate products:

- > Warrant-based financing for grain intervention
- > New S-loan (overdraft) and XL-loan (long-term) for small businesses
- > EU products (guarantee, current asset financing, investment loans)
- > Agricultural Accession Loan Programme
- > Agricultural Export-Import loan
- > EIB municipalities' loan
- > VAT pre-financing
- > Municipalities' Infrastructure Development Loan
- > Capital supplement loan
- > Carry Trade loan
- > NetBank service
- > Europe Account Package
- > Electronic fixed deposit
- > Erste Electra function extension
- > We have extended the cut-off time of individual forint transfer orders to 6 pm.

## III. Treasury

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\_\_\_\_\_ The Treasury's business turnover doubled in 2004. The increase was only partially due to the acquisition of Postabank, to a greater extent it was due to increased trading and sales activity achieved on the basis of the structure created earlier.

\_\_\_\_\_ The Bank maintained its leading role on the market for derivative products, while as a result of the Postabank acquisition it became one of the leading companies on the interbank MM-market, taking a place in the top three in terms of overall money-market turnover.

\_\_\_\_\_ On the Fx market – while forint trading remained a defining profile – we have achieved substantial turnover on the market for major currencies, which was partly due to increased sales activity, and partly to a boost to trading on the bank's own account. The increased turnover was a result of appropriate risk management and competitive pricing.

\_\_\_\_\_ While sales, turnover and revenue increased substantially, several new products were also introduced in 2004. Thereunder exotic Fx options must be mentioned, which have soon become very popular with our clients, clearly shown by the fact that sales of Fx options increased most steadily of all product groups. These products, which represent an advanced risk management technique, have allowed us to offer tailor-made solutions to our clients.

# Analysys of the Financial Situation in 2004

## Financial data

\_\_\_\_\_ The benchmark, when comparing business reports, was the combined 2003 figures of Erste Bank and Postabank.

### Assets

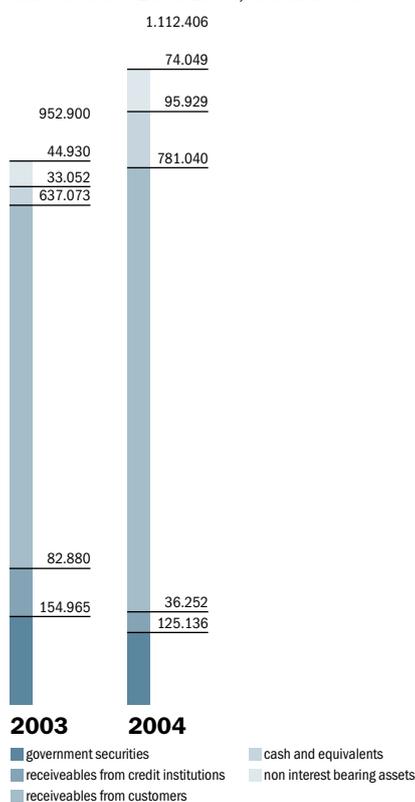
\_\_\_\_\_ Loans to clients exceeded plans, which was due to better than expected corporate lending.

\_\_\_\_\_ The structure of assets developed in keeping with the Bank's strategy, with the ratio of net loans to clients to total assets rising to 67.5 per cent in 2004, from 64 per cent in 2003.

\_\_\_\_\_ Short-term loans to clients, maturing within one year, rose more steadily than long-term loans: 74.8 per cent in 2004. This shows the increasing weight of corporate lending.

\_\_\_\_\_ The proportion of loans to financial institutions to total assets was virtually unchanged (at 3.3 per cent), similarly to the weight of the government securities portfolio (11.9 per cent).

Main Assets in 2003-2004, in million HUF



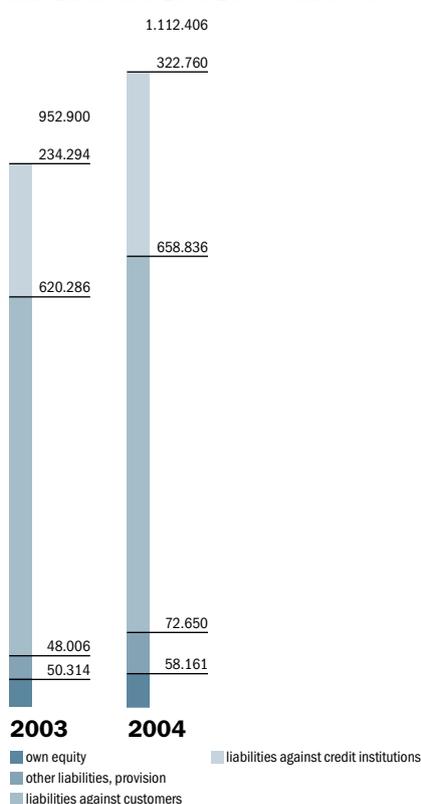
### Liabilities

\_\_\_\_\_ As retail deposits continued to decline, sales of Erste Bank Befektetési investment units at the Bank's branches rose steadily, increasing to HUF 90bn by the end of 2004. In keeping with the Bank's policy, Erste Bank Befektetési gives access to a bulk (90 per cent) of these to the Bank in the form of interbank deposits. The increase in sales of investment units shows that household savings are turning in this direction, rather than towards deposits.

\_\_\_\_\_ The gap that opened up as a result of a discrepancy between the increase of loans to clients and clients' deposits, manifested itself in a substantial increase in interbank resources. This stock grew 37.5 per cent in a year, and accounted for 28.92 per cent of the total, as against 24.16 per cent a year before.

\_\_\_\_\_ In terms of maturity, the stock of clients' sight deposits dropped slightly (from 33.9 per cent to 33.4 per cent), while clients' fixed deposits of less than one year rose at a corresponding pace. There continues to be no substantial stock of deposits fixed for over a year, the stock including the interest-bearing bond of HUF 9.6bn accounts for no more than 1.5 per cent.

Main Liabilities in 2003-2004 in million HUF



## Profit and loss account

\_\_\_\_\_ The Bank's consolidated operating revenue rose substantially, by 37.1 per cent in 2004. This included a 34.1 per cent increase of commissions, and a 19-fold increase in revenue from financial activities, but the 20.9 per cent increase of interest revenue was also greater than the increase of the stock of interest-bearing assets and liabilities.

The bank's consolidated profit was further boosted by operating costs rising slower (15.7 per cent) than revenues. One of the main reasons of a drop in human resources costs was job cuts following the bank's merger.

The bank's solvency ratio was 9.2 per cent at the end of 2004.

## Value loss, provisions

\_\_\_\_\_ Value loss of loans to clients in 2004 rose faster than the stock of loans to clients, which shows a deterioration of the loan portfolio, as well as the use of a more prudent client screening system.

The value loss of securities and stakes dropped substantially in 2004.

*Operating revenue and costs in 2003-2004 in million HUF*

<i>million HUF</i>	<b>PB &amp; EBH 2003</b>	<b>PB &amp; EBH 2004</b>	<b>Change %</b>
Net interest revenue	39 119	47 276	20,9%
Commission revenue	9 173	12 299	34,1%
Securities revenue	715	1 012	41,5%
Revenue on financial activities	368	7 092	1827,2%
<b>Operating revenue</b>	<b>49 375</b>	<b>67 679</b>	<b>37,1%</b>
Administration costs	36 226	44 118	21,8%
Writing off depreciation	5 979	4 708	-21,3%
<b>Operating costs</b>	<b>42 205</b>	<b>48 826</b>	<b>15,7%</b>
Other revenues	-14 849	-4 799	-67,7%
Net value loss	5 232	-4 713	
<b>Pre-tax profit</b>	<b>-3 476</b>	<b>9 198</b>	
<b>After-tax profit</b>	<b>-4 085</b>	<b>8 237</b>	
<b>Net income</b>	<b>-4 186</b>	<b>7 322</b>	

*\* the consolidated net income includes Postabank's January-August profits.*

\_\_\_\_\_ Erste Bank's 2004 net income (HUF 7.322bn) was markedly better than its 2003 benchmark, which included substantial provisions (- HUF 4.186bn)

## Compliance with capital requirements

\_\_\_\_\_ Under the law, the merged bank cannot have negative retained earnings, therefore after the merger's registration by the Court, the bank came into compliance with capital requirements: retained earnings were filled up (by HUF 7.7bn) from capital reserves. Registered capital was boosted by HUF 4.2bn to HUF 39.4bn, again, from capital reserves.

The Viennese parent bank provided a supplementary subordinated capital loan of HUF 0.7bn during the year. The bank's capital structure also improved as a result of a substantial increase in yearly profits.

# Non consolidated balance sheet – Assets

	<i>HUF million</i>	
	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Assets</b>		
<b>Liquid assets</b>	<b>18.309</b>	<b>95.929</b>
<b>Government securities (issued by Hungarian State)</b>	<b>54.758</b>	<b>125.141</b>
a., for trading purposes	27.377	18.381
b., for investment purposes	27.381	106.492
Valuation difference of government securities	0	268
<b>Receivables from credit institutions</b>	<b>56.245</b>	<b>36.252</b>
a., sight	951	5.522
b., other receivables from financial services	55.256	30.730
ba with a maturity within one year	55.256	30.730
of which: from affiliated companies		
from other participations		
from National Bank of Hungary	18.200	0
bb with a maturity more than one year		
of which: from affiliated companies		
from other participations		
from National Bank of Hungary		
c., from investment services	38	0
of which: from affiliated companies		
from other participations		
<b>Receivables from customers</b>	<b>349.054</b>	<b>772.955</b>
a., from financial services	348.175	772.944
aa with a maturity within one year	147.185	369.030
of which: from affiliated companies	8.161	20.197
from other participations	438	0
ab with a maturity more than one year	200.990	403.914
of which: from affiliated companies	6.508	96.986
from other participations	35	0
b., from investment services	879	11
of which: from affiliated companies		
from other participations		
ba receivables from services on stock exchange		
bb receivables from services outside of stock exchange		
bc receivables from customers deriving from investment services	879	11
bd receivables from clearing houses		
be receivables from other investments services		
<b>Securities representing debt claim, including fixed income securities</b>	<b>7.494</b>	<b>8.080</b>
a., securities issued by local authorities or other state-organizations (government securities are excluded)	0	0
aa for trading purposes		
ab for investment purposes		
b., securities issued by other issuer	7.494	7.886
ba for trading purposes	7.344	6.186
of which: issued by affiliated companies		
issued by other participations		
repurchased own-issued securities		
bb for investment purposes	150	1.700

HUF million

<b>Assets</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
of which: issued by affiliated companies		
issued by other participations		
Valuation difference of securities representing debt claim	0	194
<b>Shares and other non-fixed income securities</b>	<b>0</b>	<b>3</b>
a., shares, participations for trading purposes		
of which: issued by affiliated companies		
issued by other participations		
b., variable-income securities	0	3
ba for trading purposes		3
bb for investment purposes		
Valuation difference of shares and non-fixed income securities	0	0
<b>Shares and participations for investment purposes</b>	<b>74</b>	<b>310</b>
a., shares, participations for investment purposes	74	310
of which: participation in credit institutions		
b., value adjustments of shares and participations for investment purposes		0
of which: participation in credit institutions		
<b>Shares and participations in affiliated companies</b>	<b>5.757</b>	<b>8.843</b>
a., shares, participations for investment purposes	5.757	8.843
of which: shares in credit institutions		
b., value adjustments of shares and participations for investment purposes		0
of which: shares in credit institutions		
<b>Intangible assets</b>	<b>1.341</b>	<b>3.660</b>
Intangible assets	1.341	3.660
Value adjustments of intangible assets		
<b>Tangible assets</b>	<b>3.717</b>	<b>8.595</b>
a., tangible assets for financial and investment purposes	3.717	8.477
aa real estates	2.172	5.800
ab technical equipments, machinery, appliances, vehicles	1.478	2.563
ac investments	60	114
ad advances paid for investments	7	
b., tangible assets not directly for financial and investment purposes	0	118
ba real estates		118
bb technical equipments, machinery, appliances, vehicles		
bc investments		
bd advances paid for investments		
c., value adjustments of tangible assets		
<b>Own shares</b>		
<b>Other assets</b>	<b>1.934</b>	<b>23.926</b>
a., inventories	358	383
b., other receivables	1.576	6.851
of which: from affiliated companies	585	543
from other participations		
Valuation difference of other receivables	0	0
Positive valuation difference of derivative instruments	0	16.692
<b>Deferred expenses and accrued income</b>	<b>9.865</b>	<b>28.712</b>
a., accrued income	9.733	28.425
b., accrued expense	92	259
c., deferred expense	40	28

*HUF million*

<b>Assets</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>TOTAL ASSETS</b>	<b>508.548</b>	<b>1.112.406</b>
of which: Current assets	259.273	550.180
Invested assets	239.410	533.514

# Non consolidated balance sheet – Liabilities

HUF million

Liabilities	31.12.2003	31.12.2004
<b>Liabilities against credit institutions</b>	<b>153.398</b>	<b>322.760</b>
a., sight	4.822	5.391
b., liabilities from fixed term financial services	148.380	317.369
ba with a maturity within one year	87.141	156.561
of which: from affiliated companies		
from other participations		
from National Bank of Hungary	3	
bb with a maturity more than one year	61.239	160.808
of which: from affiliated companies		
from other participations		
from National Bank of Hungary	4	11
c., from investment services	196	
of which: from affiliated companies		
from other participations		
<b>Liabilities against customers</b>	<b>299.743</b>	<b>649.241</b>
a., saving deposits	74	12.429
aa sight	74	12.396
ab with a maturity within one year		26
ac with a maturity more than one year		7
b., other liabilities from financial services	299.444	633.273
ba sight	93.727	208.084
of which: from affiliated companies	852	2.481
from other participations	126	0
bb with a maturity within one year	205.708	424.802
of which: from affiliated companies	95	75
from other participations		0
bc with a maturity more than one year	9	387
of which: from affiliated companies		0
from other participations		0
c., from investment services	225	3.539
of which: from affiliated companies		0
from other participations		
ca liabilities from services on stock exchange		0
cb liabilities from services outside of stock exchange		0
cc liabilities against customers deriving from investment services	225	3.539
cd liabilities against clearing houses		0
ce liabilities from other investments services		0
<b>Liabilities from securities issued</b>	<b>9.595</b>	<b>9.595</b>
a., bonds issued	9.595	9.595
aa with a maturity within one year		0
of which: from affiliated companies		
from other participations		
ab with a maturity more than one year	9.595	9.595
of which: from affiliated companies		331
from other participations		
b., securities issued representing other debt claim	0	0
ba with a maturity within one year		0

HUF million

<b>Liabilities</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
of which: from affiliated companies		
from other participations		
bb with a maturity more than one year		0
of which: from affiliated companies		
from other participations		
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
of which: from affiliated companies		
from other participations		
cb with a maturity more than one year		0
of which: from affiliated companies		
from other participations		
<b>Other liabilities</b>	<b>7.333</b>	<b>21.938</b>
a., with a maturity within one year	7.152	12.099
of which: from affiliated companies	39	560
from other participations		0
other contribution by members of credit institutions operating as cooperatives		0
b., with a maturity more than one year	181	55
of which: from affiliated companies		0
from other participations		0
Negative valuation difference of derivative instruments		9.784
<b>Accrued expenses and deferred income</b>	<b>8.473</b>	<b>30.212</b>
a., accrual of income	11	46
b., accrual of expenses	8.094	29.897
c., deferred income	368	269
<b>Provisions</b>	<b>1.907</b>	<b>5.673</b>
a., provision for pension and for severance payments	416	961
b., risk provision for pending and future liabilities	57	2.319
c., general risk provision	1.422	1.422
d., other provision	12	971
<b>Subordinated liabilities</b>	<b>8.905</b>	<b>14.826</b>
a., subordinated capital	8.905	14.826
of which: from affiliated companies		
from other participations		
b., other contribution by members of credit institutions operating as cooperatives		0
c., other subordinated liabilities		0
of which: from affiliated companies		
from other participations		
<b>Subscribed capital</b>	<b>15.210</b>	<b>39.410</b>
of which: nominal value of repurchased ownership shares		
<b>Subscribed but as yet unpaid capital</b>		<b>0</b>
<b>Capital reserve</b>	<b>2.164</b>	<b>10.417</b>
a., agio	2.164	10.417
b., other		0
<b>General reserve</b>	<b>299</b>	<b>1.084</b>

*HUF million*

	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Liabilities</b>		
<b>Profit reserve (Retained earnings)</b>	<b>-83</b>	<b>1.942</b>
<b>Fixed reserve</b>	<b>180</b>	<b>90</b>
<b>Valuation reserve</b>		<b>0</b>
<b>Balance-sheet profit or loss figure (+,-)</b>	<b>1.424</b>	<b>5.218</b>
<b>Total liabilities</b>	<b>508.548</b>	<b>1.112.406</b>
of which: Short-term liabilities	399.045	832.682
Long-term liabilities	79.929	185.678
Shareholders' equity	19.194	58.161
<b>Off balance items</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
Pending liabilities	89.807	238.816
Future liabilities	420.855	360.363
<b>Total pending and future liabilities</b>	<b>510.662</b>	<b>599.179</b>

# Non consolidated balance sheet - profit and loss account

Items	<i>HUF million</i>	
	31.12.2003	31.12.2004
<b>Interest and other interest-type revenues received</b>	<b>52.078</b>	<b>87.024</b>
a., fixed-income securities representing debt-claim	3.682	9.268
of which: from affiliated companies		0
from other participations		0
b., other interest and interest-type revenues	48.396	77.756
of which: from affiliated companies	847	1.631
from other participations	41	0
<b>Interest paid and other interest-type expenses</b>	<b>36.525</b>	<b>61.239</b>
of which: from affiliated companies	152	189
from other participations	1	0
<b>Net interest income</b>	<b>15.553</b>	<b>25.785</b>
<b>Revenues from securities</b>	<b>713</b>	<b>2.021</b>
a., revenues from shares and participations held for trading purposes (dividend, participations)		0
b., revenues from affiliated companies (dividend, participation)		0
c., revenues from other participations (dividend, participations)	713	2.021
<b>Fees and commissions earned</b>	<b>6.911</b>	<b>12.025</b>
a., revenues from other financial services	6.630	11.347
of which: from affiliated companies	15	47
from other participations	1	0
b., revenues from investment services (excluding trading activity)	281	678
of which: from affiliated companies		581
from other participations		0
<b>Fees and commissions paid (due)</b>	<b>1.219</b>	<b>2.352</b>
a., expenses of other financial services	1.117	2.204
of which: from affiliated companies		61
from other participations		0
b., expenses of investment services (excluding trading activities)	102	148
of which: from affiliated companies	16	0
from other participations		0
<b>Net result of financial transactions</b>	<b>-880</b>	<b>6.599</b>
a., revenues from other financial services	2.419	10.335
of which: from affiliated companies		20
from other participations	53	0
b., expenses of other financial services	2.731	3.475
of which: from affiliated companies		0
from other participations		0
c., revenues of investment services (trading activities)	325	6.111
of which: from affiliated companies	40	23
from other participations		0
retrieval of value-loss on securities held for trading		0
d., expenses of investment services (trading activities)	893	6.372
of which: from affiliated companies	92	60
from other participations		0
value loss of securities held for trading		0
<b>Other revenues from business activity</b>	<b>1.737</b>	<b>5.913</b>
a., revenues from non financial and investment activities	228	807
of which: from affiliated companies	7	175

HUF million

Items	31.12.2003	31.12.2004
from other participations		0
b., other revenues	1.509	5.106
of which: from affiliated companies	49	144
from other participations		0
retrieval of value loss of inventories	20	36
<b>General administration cost</b>	<b>15.438</b>	<b>28.073</b>
a., personnel expenses	7.770	13.385
aa wages	5.224	9.124
ab other personal expenses	604	898
of which: social insurance	296	551
pensions	222	362
ac wage contributions	1.942	3.363
of which: social insurance	1.622	1.910
pensions	734	0
b., other administrative expenses (material-type)	7.668	14.688
<b>Depreciation</b>	<b>1.113</b>	<b>1.552</b>
<b>Other expenses from business activity</b>	<b>4.389</b>	<b>11.334</b>
a., expenses of non financial and investment services	190	855
of which: from affiliated companies	1	0
from other participations		0
b., other expenses	4.199	10.479
of which: from affiliated companies		251
from other participations		0
value loss of inventories	191	4
<b>Value loss of receivables and risk provisions for future and pending liabilities</b>	<b>2.268</b>	<b>13.793</b>
a., value loss of receivables	2.257	12.520
b., risk provisions for future and pending liabilities	11	1.273
<b>Retrieval of value loss of receivables and use of risk provision for future and pending liabilities</b>	<b>2.406</b>	<b>11.348</b>
a., retrieval of value loss of receivables	2.375	8.607
b., use of risk provision for future and pending liabilities	31	2.741
<b>Value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations</b>	<b>101</b>	<b>654</b>
<b>Retrieval of value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations</b>	<b>186</b>	<b>254</b>
<b>Ordinary result of business activities</b>	<b>2.098</b>	<b>6.187</b>
of which: RESULT OF FINANCIAL AND INVESTMENT SERVICES	2.060	6.235
RESULT OF NON FINANCIAL AND INVESTMENT SERVICES	38	-48
<b>Extraordinary income</b>	<b>2.353</b>	<b>1</b>
<b>Extraordinary expense</b>	<b>2.565</b>	<b>0</b>
<b>Extraordinary profit</b>	<b>-212</b>	<b>1</b>
<b>Result before taxes</b>	<b>1.886</b>	<b>6.188</b>
<b>Tax liability</b>	<b>304</b>	<b>390</b>
<b>Profit/loss after taxes</b>	<b>1.582</b>	<b>5.798</b>
<b>Allocation (-) or use (+) of general risk reserves</b>	<b>158</b>	<b>580</b>

Items	<i>HUF million</i>	
	31.12.2003	31.12.2004
<b>Divident from retained earnings</b>		<b>0</b>
<b>Approved dividends</b>		<b>0</b>
of which: from affiliated companies		
from other participations		
<b>Balance sheet profit/loss</b>	<b>1.424</b>	<b>5.218</b>

# Non consolidated cash-flow statement

HUF million

Items	2003	2004
Interest income	52.078	86.105
+ Income from other financial services (excluding retrieval of provision on securities)	9.048	21.682
+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	859	3.520
+ Income from investment services (excluding retrieval of provision on securities)	606	4.849
+ Income from non financial and non investment services	227	807
+ Income from dividend	713	2.021
+ Extraordinary income	2.353	1
- Interest expenses	36.525	60.024
- Other financial expenses (excluding provision on securities)	3.848	5.679
- Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	3.592	13.169
- Expenses from investment services (excluding provision on securities)	995	4.132
- Expenses of non financial and non investment services	190	855
- General administrative expenses	16.551	28.073
- Extraordinary expenses (excluding the company tax liability of the current year)	2.564	0
- Corporate tax liability of the current year	304	390
- Dividend paid		
<b>Operating cash-flow</b>	<b>1.315</b>	<b>6.664</b>
± Change in liabilities (+ if increase, - if decrease)	109.752	536.684
± Change in receivables (+ if increase, - if decrease)	-115.304	-413.046
± Change in inventories (+ if increase, - if decrease)	-315	-81
± Change in securities registered among current assets (+ if increase, - if decrease)	-25.844	10.151
± Change in securities registered among invested assets (+ if increase, - if decrease)	10.305	-84.383
± Change in investments (including advances paid) (+ if increase, - if decrease)	148	-47
± Change in intangible assets (+ if increase, - if decrease)	15	-2.078
± Change in net value of fixed assets (excluding investments and advances paid) (+ if increase, - if decrease)	128	-4.164
± Change in active deferrals (+ if increase, - if decrease)	-2.454	-12.858
± Change in passiv deferrals (+ if increase, - if decrease)	3.113	7.600
+ Shares issued at sales price	2.000	
+ Consolidated net assets of the absorbed Postabank as of 1st January 2004		33.178
+ Financial assets received	1	
- Financial assets transferred	0	
- Nominal value of own issue withdrawn		
<b>- Net cash-flow</b>	<b>-17.140</b>	<b>77.620</b>
- change in cash in hand(banknotes, cheques)	-77	5.155
- change in cash in account (foreign exchange and Forint current accounts and other deposit accounts with a maturity within one year in NBH, and other Forint deposit accounts with a maturity within one year in other credit institutions)	-17.063	72.465

# Independent Auditor's Report

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# Economic and financial situation of companies included in the consolidation

## I. Erste Leasing Group

\_\_\_\_\_ Members of the Erste Leasing group:

- > Erste Leasing Autófinanszírozási Rt.
- > Erste Leasing Eszközfinanszírozási Rt.
- > Erste Leasing Bérlet Kft.

\_\_\_\_\_ In 2004 loans of a total HUF 72.7bn were extended, which exceeded plans by 6 per cent. Sales at bank branches improved along with traditional sales channels. By the end of 2004 the new vehicle financing product – which is the lowest risk product offered by the Leasing group – accounted for 67.5 per cent of loans to clients.

\_\_\_\_\_ This performance has helped the group to a sustainable share of over 10 per cent of the new and used car and commercial vehicles financing market, making the Group the fourth largest vehicle financier.

\_\_\_\_\_ The Leasing group exceeded its 2004 profit plans, with Autófinanszírozási Rt. generating after-tax profit of HUF 1,216.5m, which made possible the payment of dividends of HUF 1,000m to the owners.

## ERSTE Bank Befektetési Rt./ Erste Bank Investment Hungary

\_\_\_\_\_ The subsidiary remains a leading brokerage company in terms of share turnover, its 2004 share turnover on the spot market of the Budapest Stock Exchange (BSE) not only reached, but substantially exceeded the HUF 1,000 bn mark (at HUF 1,192bn) which had earlier seemed impossible.

### Volumes traded in 2003-2004

<i>figures in million forints</i>	2003	2004
Volume of shares traded by Erste (on BSE)	771,604	1,192,275
Total volume of shares traded on the BSE	3,696,078	5,219,772
Market share	20.88%	22.84%
<b>Rank</b>	<b>1</b>	<b>1</b>

IPOs on market (nominal value)	5,086,495	4,790,991
Of which subscribed by Erste (nominal value)	429,925	502,167
Market share	8.45%	10.48%
<b>Rank</b>	<b>3</b>	<b>5</b>

Derivatives (BUX)	52,869	83,565
Derivatives (shares)	245,616	380,811
Number of contracts (total)	655,748	2,340,324
Number of contracts (BUX)	60,64	68,204
Number of contracts (shares)	238,828	234,641
Number of contracts (currencies)	356,28	2,037,479
Market share (BUX)	8.30%	9.51%
Market share (shares)	17.95%	19.61%
<b>Rank (BUX)</b>	<b>5</b>	<b>5</b>
<b>Rank (shares)</b>	<b>2</b>	<b>3</b>
<b>Rank (currencies)</b>	<b>4</b>	<b>1</b>

\_\_\_\_\_ The brokerage company took over the portfolio of PB Értékpapír Rt in 2003, then the latter, renamed to PB Tanácsadó Rt., merged into Erste Bank Befektetési Rt in 2004.

The subsidiary had after-tax turnover of HUF 1,250m in 2004, on which it pays dividend of HUF 1bn.

\_\_\_\_\_ Erste Bank Befektetési received the following awards at the bourse bests „Tőzsdei Legek 2004” ceremony

- > The year's best investment services company
- > The trading company with the year's biggest spot market turnover
- > The trading company with the year's biggest derivatives turnover

Investment funds managed by Erste Bank Alapkezelő Rt had overall net assets of over HUF 100bn on 31<sup>st</sup> December 2004, increasing its market share to 9.5 per cent thus earning third place on the market, as against sixth place with 2.6 per cent in 2003.

#### Development of invested assets

##### managed by Erste Bank Alapkezelő

<i>billion HUF</i>	<b>31.12.2003</b>	<b>31.12.2004</b>
Total investment funds	23,32	100,1
Insurers	6,74	9,89
Pension funds	37,12	74,71
Businesses	1,69	4,47
Other institutions	2,68	2,1
Private investors	2,07	2,16
Municipalities	0,61	0,43

The subsidiary had after-tax profit of HUF 283m in 2004.

#### ESZE Szolgáltató Kft., Erste Dat Kft.

The two subsidiaries, ESZE Szolgáltató Kft. and Erste Dat Kft deal with property, hardware and operative software leasing. In 2004 Postabank's subsidiary with similar activities, PB Ingatlanfenntartó merged into ESZE Kft. The activities of the two companies are remaining unchanged after the Postabank-ERSTE merger.

#### ERSTE BANK Pénztárszervező Kft.

The business profile of Pénztárszervező Kft. remained unchanged in 2004, that is it continued to perform the administrative tasks of Erste Bank Önkéntes és Magánnyugdíjpénztár. The company closed 2004 with a profit of HUF 5.2m. The company has turned a profit over the past two years.

# Consolidated balance sheet – Assets

million HUF

<b>Assets</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Liquid assets</b>	<b>18.309</b>	<b>95.940</b>
<b>Government securities (issued by Hungarian State)</b>	<b>65.964</b>	<b>133.008</b>
a., for trading purposes	38.583	26.222
b., for investment purposes	27.381	106.506
Valuation difference of government securities		280
<b>Receivables from credit institutions</b>	<b>57.794</b>	<b>37.181</b>
a., sight	1.794	6.451
b., other receivables from financial services	55.256	30.730
ba with a maturity within one year	55.256	30.730
of which: from affiliated companies		0
from other participations		0
from National Bank of Hungary	18.200	0
bb with a maturity more than one year		0
of which: from affiliated companies		0
from other participations		0
from National Bank of Hungary		0
c., from investment services	744	0
of which: from affiliated companies		0
from other participations		0
<b>Receivables from customers</b>	<b>347.681</b>	<b>755.868</b>
a., from financial services	337.043	752.387
aa with a maturity within one year	140.269	374.425
of which: from affiliated companies		0
from other participations	438	0
ab with a maturity more than one year	196.774	377.962
of which: from affiliated companies		0
from other participations		0
b., from investment services	10.638	3.481
of which: from affiliated companies		0
from other participations		0
ba receivables from services on stock exchange	1.190	1.377
bb receivables from services outside of stock exchange	6.900	0
bc receivables from customers deriving from investment services	1.605	1.946
bd receivables from clearing houses	943	158
be receivables from other investments services		0
<b>Securities representing debt claim, including fixed income securities</b>	<b>8.363</b>	<b>9.121</b>
a., securities issued by local authorities or other state-organizations (government securities are excluded)	193	2
aa for trading purposes	193	0
ab for investment purposes		2
b., securities issued by other issuer	8.170	8.921
ba for trading purposes	8.020	7.206
of which: issued by affiliated companies		331
issued by other participations		0
repurchased own-issued securities		0
bb for investment purposes	150	1.715

million HUF

<b>Assets</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
of which: issued by affiliated companies		0
issued by other participations		0
Valuation difference of securities representing debt claim		198
<b>Shares and other non-fixed income securities</b>	<b>7.878</b>	<b>5.513</b>
a., shares, participations for trading purposes	7.650	5.320
of which: issued by affiliated companies		0
issued by other participations		0
b., variable-income securities	228	203
ba for trading purposes	228	203
bb for investment purposes		0
Valuation difference of shares and non-fixed income securities		-10
<b>Shares and participations for investment purposes</b>	<b>344</b>	<b>580</b>
a., shares, participations for investment purposes	344	580
of which: participation in credit institutions		0
b., value adjustments of shares and participations for investment purposes		0
of which: participation in credit institutions		0
<b>Shares and participations in affiliated companies</b>	<b>0</b>	<b>80</b>
a., shares, participations for investment purposes		80
of which: shares in credit institutions		0
b., value adjustments of shares and participations for investment purposes		0
of which: shares in credit institutions		0
c., difference of capital consolidation		0
- from subsidiaries, common-leaden ventures		0
- from associated companies		0
<b>Intangible assets</b>	<b>2.553</b>	<b>5.998</b>
Intangible assets	2.553	5.998
Value adjustments of intangible assets		0
<b>Tangible assets</b>	<b>9.877</b>	<b>17.416</b>
a., tangible assets for financial and investment purposes	8.235	8.924
aa real estates	5.653	5.818
ab technical equipments, machinery, appliances, vehicles	2.374	2.992
ac investments	201	114
ad advances paid for investments	7	0
b., tangible assets not directly for financial and investment purposes	1.642	8.492
ba real estates	1	5.132
bb technical equipments, machinery, appliances, vehicles	1.640	3.306
bc investments	1	54
bd advances paid for investments		0
c., value adjustments of tangible assets		0
<b>Own shares</b>		
<b>Other assets</b>	<b>1.800</b>	<b>26.219</b>
a., inventories	359	1.740
b., other receivables	1.441	7.755
of which: from affiliated companies		0
from by other participations		0
c., tax receivable because of consolidation process		0
Valuation difference of other receivables		0
Positive valuation difference of derivative instruments		16.724

*million HUF*

<b>Assets</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Deferred expenses and accrued income</b>	<b>9.950</b>	<b>32.723</b>
a., accrued income	9.757	27.128
b., accrued expense	153	5.567
c., deferred expense	40	28
<b>TOTAL ASSETS</b>	<b>530.513</b>	<b>1.119.647</b>
of which: Current assets	283.484	576.665
Invested assets	237.079	510.259

# Consolidated balance sheet - Liabilities

	<i>million HUF</i>	
	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Liabilities</b>		
<b>Liabilities against credit institutions</b>	<b>154.584</b>	<b>323.854</b>
a., sight	5.086	6.484
b., liabilities from fixed term financial services	148.630	317.370
ba with a maturity within one year	87.391	156.562
of which: from affiliated companies		0
from other participations		0
from National Bank of Hungary	3	0
bb with a maturity more than one year	61.239	160.808
of which: from affiliated companies		0
from other participations		0
from National Bank of Hungary	4	0
c., from investment services	868	0
of which: from affiliated companies		0
from other participations		0
<b>Liabilities against customers</b>	<b>319.555</b>	<b>650.165</b>
a., saving deposits	74	12.429
aa sight	74	12.396
ab with a maturity within one year		26
ac with a maturity more than one year		7
b., other liabilities from financial services	298.497	630.752
ba sight	92.875	205.603
of which: from affiliated companies		0
from other participations	126	0
bb with a maturity within one year	205.613	424.762
of which: from affiliated companies		0
from other participations		0
bc with a maturity more than one year	9	387
of which: from affiliated companies		0
from other participations		0
c., from investment services	20.984	6.984
of which: from affiliated companies		0
from other participations		0
ca liabilities from services on stock exchange	1.261	170
cb liabilities from services outside of stock exchange	17.894	0
cc liabilities against customers deriving from investment services	1.829	6.814
cd liabilities against clearing houses		0
ce liabilities from other investments services		0
<b>Liabilities from securities issued</b>	<b>9.595</b>	<b>9.595</b>
a., bonds issued	9.595	9.595
aa with a maturity within one year		0
of which: from affiliated companies		0
from other participations		0
ab with a maturity more than one year	9.595	9.595
of which: from affiliated companies		331
from other participations		0
b., securities issued representing other debt claim	0	0
ba with a maturity within one year		0
of which: from affiliated companies		0

million HUF

<b>Liabilities</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
from other participations		0
bb with a maturity more than one year		0
of which: from affiliated companies		0
from other participations		0
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
of which: from affiliated companies		0
egyéb részesedési viszonyban lévő vállalkozással szemben		0
cb with a maturity more than one year		0
of which: from affiliated companies		0
from other participations		0
<b>Other liabilities</b>	<b>7.733</b>	<b>24.597</b>
a., with a maturity within one year	7.529	14.672
of which: from affiliated companies		0
from other participations		12
other contribution by members of credit institutions operating as cooperatives		0
b., with a maturity more than one year	181	55
of which: from affiliated companies		0
from other participations		0
c., corporate tax payable (calculated) from consolidation	23	34
Negative valuation difference of derivative instruments		9.836
<b>Accrued expenses and deferred income</b>	<b>8.559</b>	<b>31.606</b>
a., accrual of income	110	159
b., accrual of expenses	8.443	31.442
c., deferred income	6	5
<b>Provisions</b>	<b>2.114</b>	<b>5.674</b>
a., provision for pension and for severance payments	417	961
b., risk provision for pending and future liabilities	56	2.319
c., general risk provision	1.422	1.422
d., other provision	219	972
<b>Subordinated liabilities</b>	<b>9.633</b>	<b>15.622</b>
a., subordinated capital	8.905	14.826
of which: from affiliated companies		0
from other participations		0
b., Difference from capital consolidation	728	796
- from subsidiaries, joint-ventures	728	0
c., other contribution by members of credit institutions operating as cooperatives		0
d., other subordinated liabilities		0
of which: from affiliated companies		0
from other participations		0
<b>Subscribed capital</b>	<b>15.210</b>	<b>39.410</b>
of which: nominal value of repurchased ownership shares		
<b>Subscribed but as yet unpaid capital</b>		<b>0</b>
<b>Capital reserve</b>	<b>2.164</b>	<b>10.417</b>
a., agjo	2.164	10.417

*million HUF*

<b>Liabilities</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
b., other		0
<b>General reserve</b>	<b>299</b>	<b>1.397</b>
<b>Profit reserve (Retained earnings)</b>	<b>-126</b>	<b>1.942</b>
<b>Fixed reserve</b>	<b>180</b>	<b>90</b>
<b>Valuation reserve</b>		<b>0</b>
<b>Balance-sheet profit or loss figure (+,-)</b>	<b>1.400</b>	<b>7.322</b>
<b>Changes in equity at subsidiaries and joint ventures</b>	<b>-352</b>	<b>-2.064</b>
<b>Changes arising from the consolidation</b>	<b>0</b>	<b>0</b>
- difference from debt-consolidation		0
- difference from interim profit/loss		0
<b>Participation of other holders</b>	<b>-35</b>	<b>20</b>
<b>Total liabilities</b>	<b>530.513</b>	<b>1.119.647</b>
of which: Short-term liabilities	420.443	837.359
Long-term liabilities	80.657	186.474
Shareholders' equity	18.740	58.534

**Off-balance items:**

<b>Liabilities</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
Pending liabilities	78.598	78.598
Future liabilities	430.242	430.242
Total pending and future liabilities	508.840	508.840

# Consolidated profit and loss account

million HUF

Items	31.12.2003	31.12.2004
<b>Interest and other interest-type revenues received</b>	<b>51.560</b>	<b>123.316</b>
a., fixed-income securities representing debt-claim	3.682	17.207
of which: from affiliated companies		0
from other participations		0
b., other interest and interest-type revenues	47.878	106.109
of which: from affiliated companies		4
from other participations	41	0
<b>Interest paid and other interest-type expenses</b>	<b>36.504</b>	<b>76.040</b>
of which: from affiliated companies		0
from other participations	1	0
<b>Net interest income</b>	<b>15.056</b>	<b>47.276</b>
<b>Revenues from securities</b>	<b>494</b>	<b>1.012</b>
a., revenues from shares and participations held for trading purposes (dividend, participations)	73	632
b., revenues from affiliated companies (dividend, participation)		21
c., revenues from other participations (dividend, participations)	421	359
<b>Fees and commissions earned</b>	<b>9.064</b>	<b>21.208</b>
a., revenues from other financial services	6.640	18.508
of which: from affiliated companies		0
from other participations	1	0
b., revenues from investment services (excluding trading activity)	2.424	2.700
of which: from affiliated companies		0
from other participations		0
<b>Fees and commissions paid (due)</b>	<b>1.681</b>	<b>8.909</b>
a., expenses of other financial services	1.120	7.935
of which: from affiliated companies		0
from other participations		0
b., expenses of investment services (excluding trading activities)	561	974
of which: from affiliated companies		0
from other participations		0
<b>Net result of financial transactions</b>	<b>145</b>	<b>7.092</b>
a., revenues from other financial services	2.502	24.283
of which: from affiliated companies		0
from other participations	53	0
b., expenses of other financial services	2.924	18.392
of which: from affiliated companies		0
from other participations		0
ba consolidation difference of debt consolidation - value decreasing profit		0
c., revenues of investment services (trading activities)	8.146	11.538
of which: from affiliated companies		0
from other participations		0
retrieval of value-loss on securities held for trading		0
d., expenses of investment services (trading activities)	7.579	10.337
of which: from affiliated companies		0
from other participations		0
value loss of securities held for trading	4	0
<b>Other revenues from business activity</b>	<b>5.881</b>	<b>17.489</b>

million HUF

Items	31.12.2003	31.12.2004
a., revenues from non financial and investment activities	4.352	7.708
of which: from affiliated companies		0
from other participations		0
b., other revenues	1.529	9.781
of which: from affiliated companies		0
from other participations		0
retrieval of value loss of inventories	20	36
ba consolidation difference of debt consolidation - value increasing profit		0
<b>General administration cost</b>	<b>15.173</b>	<b>44.118</b>
a., personnel expenses	8.645	22.612
aa wages	5.818	15.219
ab other personal expenses	660	1.769
of which: social insurance	309	937
pensions	234	525
ac wage contributions	2.167	5.624
of which: social insurance	1.792	3.465
pensions	827	932
b., other administrative expenses (material-type)	6.528	21.506
<b>Depreciation</b>	<b>2.105</b>	<b>4.708</b>
<b>Other expenses from business activity</b>	<b>9.889</b>	<b>22.288</b>
a., expenses of non financial and investment services	4.914	5.035
of which: from affiliated companies		0
from other participations		0
b., other expenses	4.975	17.253
of which: from affiliated companies		0
from other participations		0
value loss of inventories	191	4
<b>Value loss of receivables and risk provisions for future and pending liabilities</b>	<b>2.284</b>	<b>21.784</b>
a., value loss of receivables	2.273	19.620
b., risk provisions for future and pending liabilities	11	2.164
<b>Retrieval of value loss of receivables and use of risk provision for future and pending liabilities</b>	<b>2.406</b>	<b>14.196</b>
a., retrieval of value loss of receivables	2.375	11.418
b., use of risk provision for future and pending liabilities	31	2.778
<b>Value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations</b>	<b>1</b>	<b>179</b>
<b>Retrieval of value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations</b>	<b>186</b>	<b>3.054</b>
<b>Ordinary result of business activities</b>	<b>2.099</b>	<b>9.341</b>
of which: Result of financial and investment services	2.661	6.668
Result of non financial and investment services	-562	2.673
<b>Extraordinary income</b>	<b>2.056</b>	<b>4</b>
<b>Extraordinary expense</b>	<b>2.256</b>	<b>147</b>
<b>Extraordinary profit</b>	<b>-200</b>	<b>-143</b>

*million HUF*

<b>Items</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Result before taxes</b>	<b>1.899</b>	<b>9.198</b>
<b>Tax liability</b>	<b>375</b>	<b>950</b>
<b>a) Outstanding balance of corporation tax deriving (calculated) from consolidation</b>	<b>23</b>	<b>11</b>
<b>Profit/loss after taxes</b>	<b>1.501</b>	<b>8.237</b>
<b>Allocation (-) or use (+) of general risk reserves</b>	<b>197</b>	<b>911</b>
<b>Approved dividends</b>		<b>0</b>
of which: from affiliated companies		0
from other participations		0
<b>After tax profit/loss due to other holders</b>	<b>96</b>	<b>-4</b>
<b>Balance sheet profit/loss</b>	<b>1.400</b>	<b>7.322</b>

# Consolidated Cash-flow statement

Items	<i>million HUF</i>	
	2003	2004.
Interest income	51.560	122.397
+ Income from other financial services (excluding retrieval of provision on securities)	9.142	42.791
+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	879	8.195
+ Income from investment services (excluding retrieval of provision on securities)	10.570	12.298
+ Income from non financial and non investment services	4.352	7.708
+ Income from dividend	494	1.012
+ Extraordinary income	2.056	4
- Interest expenses	36.504	74.825
- Other financial expenses (excluding provision on securities)	4.044	26.327
- Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	4.354	24.123
- Expenses from investment services (excluding provision on securities)	8.136	8.923
- Expenses of non financial and non investment services	4.914	5.035
- General administrative expenses	17.278	44.118
- Extraordinary expenses (excluding the company tax liability of the current year)	2.256	147
- Corporate tax liability of the current year	398	961
- Dividend paid		0
- Operating cash-flow	1.169	9.947
± Change in liabilities (+ if increase, - if decrease)	104.481	542.487
± Change in receivables (+ if increase, - if decrease)	-109.710	-413.597
± Change in inventories (+ if increase, - if decrease)	-315	-1.438
± Change in securities registered among current assets (+ if increase, - if decrease)	-26.737	3.611
± Change in securities registered among invested assets (+ if increase, - if decrease)	10.526	-72.632
± Change in investments (including advances paid) (+ if increase, - if decrease)	43	-47
± Change in intangible assets (+ if increase, - if decrease)	-303	-4.416
± Change in net value of fixed assets (excluding investments and advances paid) (+ if increase, - if decrease)	-538	-12.985
± Change in active deferrals (+ if increase, - if decrease)	-2.135	-16.869
± Change in passiv deferrals (+ if increase, - if decrease)	3.428	8.994
+ Shares issued at sales price	2.000	
+ Consolidated net assets of the absorbed Postabank as of 1st January 2004		30.796
+ Change in profit reserve (in retained earnings)	739	2.068
- Change equity of subsidiaries	-270	-1.712
+ Financial assets received	1	
- Financial assets transferred	59	
- Nominal value of own issue withdrawn		
- Net cash-flow	-17.140	77.631
- change in cash in hand(banknotes, cheques)	-77	5.166
- change in cash in account (foreign exchange and Forint current accounts and other deposit accounts with a maturity within one year in NBH, and other Forint deposit accounts with a maturity within one year in other credit institutions)	-17.063	72.465

# Independent Auditor's Report



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

■ Tel: +36 1 451-8100  
Fax: +36 1 451-8199  
E-mail: mailboxey@hu.ey.com  
www.ey.com  
Cg. 01-09-267553

## This is a translation of the Hungarian Report Independent Auditors' Report

To the Shareholders of Erste Bank Hungary Rt. and its subsidiaries

We have audited the accompanying balance sheet of Erste Bank Hungary Rt. and its subsidiaries as at December 31, 2004, which shows a balance sheet total of HUF 1,119,647 million and a profit for the year of HUF 7,322 million, the consolidated related profit and loss account for the year then ended and the notes included in the Company's 2004 consolidated annual financial statements. The consolidated annual financial statements are the responsibility of the Company's management. The auditor's responsibility is to express an opinion on the consolidated financial statements based on the audit and to assess whether the consolidated business report is consistent with that presented in the consolidated financial statements.

We issued an unqualified report on the Company's consolidated annual financial statements as at 31 December 2003 on February 9, 2004.

We conducted our audit in accordance with Hungarian National Audit Standards and with applicable laws and regulations in Hungary. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. Our work regarding the consolidated business report was limited to these areas and did not include the examination of other information which do not derive from the Bank's and its subsidiaries' audited accounting records. We believe that our audit provides a reasonable basis for our opinion.

We have audited the elements of and disclosures in the consolidated annual financial statements, along with underlying records and supporting documentation, of Erste Bank Hungary Rt. and its subsidiaries in accordance with national audit standards and have gained sufficient and appropriate evidence that the consolidated annual financial statements have been prepared in accordance with the accounting law and with generally accepted accounting principles. In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of Erste Bank Hungary Rt. and its subsidiaries as at December 31, 2004 and of the results of its operations for the year then ended. The consolidated business report corresponds to the disclosures in the consolidated financial statements.

Budapest, February 25, 2005

Ernst & Young Kft.  
Registration No. 001165

Fekete Imréné  
Registered Auditor  
Chamber membership No. 003201

# Branch network

## Budapest Branches

Andrássy út 2. Branch	1061	Budapest	Andrássy út 2.
Árkád Üzletközpont Branch	1106	Budapest	Örs vezér tere 25.
Árpád Ház Branch	1139	Budapest	Teve utca 4-6.
Astoria Branch	1088	Budapest	Rákóczi út 1-3.
Bajcsy-Zsilinszky úti Branch	1055	Budapest	Bajcsy-Zsilinszky út 74.
Bartók-Házi Branch	1114	Budapest	Bartók Béla út 43-47.
Bécsi úti Branch	1036	Budapest	Bécsi út 52-54.
Böszörményi úti Branch	1126	Budapest	Böszörményi út 24.
Budafoki Branch	1221	Budapest	Kossuth L. u. 25-29.
Campona Branch	1222	Budapest	Nagytétényi út 37-43.
Csepeli Branch	1211	Budapest	Kossuth Lajos utca 47-49.
Danubius Házi Branch	1138	Budapest	Váci út 141.
Egry József utcai Branch	1111	Budapest	Egry József utca 2.
Erzsébet körút 17. Branch	1073	Budapest	Erzsébet körút 17.
Erzsébet körút 8. Branch	1073	Budapest	Erzsébet körút 8.
Erzsébeti Tesco Branch	1204	Budapest	Mártírok útja 281.
Flórián téri Branch	1033	Budapest	Flórián tér 3.
Hunyadi Üzletház Branch	1195	Budapest	Üllői út 283.
József nádor téri Branch	1057	Budapest	József nádor tér 5.
Kálvin téri Branch	1082	Budapest	Baross utca 1.
Károly körúti Branch	1075	Budapest	Károly körút 7.
Kispesti Branch	1193	Budapest	Kossuth tér 23-24.
Kőbányai Branch	1102	Budapest	Kőrösi Csoma sétány 9/B
Krisztina téri Branch	1011	Budapest	Krisztina tér 2.
Lónyay utcai Branch	1098	Budapest	Lónyay utca 38.
Madách téri Branch	1075	Budapest	Madách utca 13-15.
Mammut II. Branch	1024	Budapest	Margit körút 87-89.
Maros utcai Branch	1122	Budapest	Maros utca 19-21.
Mester utcai Branch	1095	Budapest	Mester utca 1-3.
Párisi utcai Branch	1052	Budapest	Párisi utca 3.
Pesterzsébeti Branch	1203	Budapest	Kossuth Lajos utca 21-29.
Tátra utcai Branch	1136	Budapest	Tátra utca 6.
Thököly úti Branch	1143	Budapest	Gizella út 59.
Törökvész úti Branch	1022	Budapest	Bég utca 3-5.
Újpesti Branch	1042	Budapest	Árpád út 68.
Újpesti Branch	1042	Budapest	Váci út 15-19.
Váci úti Branch	1132	Budapest	Váci út 48.

## Branches in the countryside

Ajkai Branch	8400	Ajka	Alkotmány utca 3.
Bácsalmás	6430	Bácsalmás	Szent János u. 11.
Bajai Branch	6500	Baja	Vörösmarty utca 5.
Balassagyarmati Branch	2660	Balassagyarmat	Rákóczi fejedelem utca 24.
Balatonfüredi Branch	8230	Balatonfüred	Zsigmond utca 1.
Békési Branch	5630	Békés	Széchenyi tér 4/2.
Békéscsabai Branch	5600	Békéscsaba	Kinizsi utca 3.
Békéscsabai Branch	5600	Békéscsaba	Munkácsy út 2.
Berettyóújfalui Branch	4100	Berettyóújfalú	Dózsa György utca 6.
Budakeszi Branch	2092	Budakeszi	Fő utca 43-45.
Budaörsi Tesco Branch	2040	Budaörs	Kinizsi út 1-3.
Ceglédi Branch	2700	Cegléd	Népkőr u. 2.
Csengeri Branch	4765	Csenger	Ady Endre utca 2.
Csornai Branch	9300	Csorna	Szent István tér 29.
Csurgói Branch	8840	Csurgó	Széchenyi tér 16.
Debrecen, Belvárosi Branch	4025	Debrecen	Hatvan utca 1/B
Debrecen, Egyetemi Branch	4032	Debrecen	Egyetem tér 1.
Debrecen, Szent Anna u. Branch	4024	Debrecen	Szent Anna utca 14/B
Debrecen, Vár u. Branch	4024	Debrecen	Vár utca 4.
Dombóvári Branch	7200	Dombóvár	Hunyadi tér 19-21.
Dunaharaszti Branch	2330	Dunaharaszti	Iparos utca 2.
Dunaújvárosi Branch	2400	Dunaújváros	Dózsa György utca 2/a.
Edelényi Branch	3780	Edelény	Hősök tere 8/A
Egri Branch	3300	Eger	Fellner Jakab utca 1.
Egri Branch	3300	Eger	Kossuth Lajos utca 13/a.
Érdi Branch	2030	Érd	Diósi utca 4.
Esztergomi Branch	2500	Esztergom	Imaház utca 2/a
Gödöllői Branch	2100	Gödöllő	Szabadság tér 14.
Gyöngyösi Branch	3100	Gyöngyös	Mikszáth Kálmán utca 4.
Győr Bajcsy-Zsilinszky úti Branch	9021	Győr	Bajcsy-Zsilinszky utca 30-32.
Győr Teleki utcai Branch	9022	Győr	Teleki L. utca 26.
Gyulai Branch	5700	Gyula	Városház utca 16.
Hajdúböszörményi Branch	4220	Hajdúböszörmény	Baltház D. utca 14.
Hajdúdorogi Branch	4087	Hajdúdorog	Nánási út 2.
Hajdúnánási Branch	4080	Hajdúnánás	Dorogi utca 10-14.
Hajdúszoboszlói Branch	4200	Hajdúszoboszló	Hősök tere 9-11.
Hatvani Branch	3000	Hatvan	Dózsa György tér 2.
Hódmezővásárhelyi Branch	6800	Hódmezővásárhely	Szegfű utca 1-3.
Ibrányi Branch	4484	Ibrány	Lehel utca 18.
Jászberényi Branch	5100	Jászberény	Szabadság tér 20.
Kalocsai Branch	6300	Kalocsa	Szent István király utca 30.
Kaposvári Branch	7400	Kaposvár	Bajcsy-Zsilinszky út 24.
Karcagi Branch	5300	Karcag	Kossuth tér 6.
Kazincbarcikai Branch	3700	Kazincbarcika	Egressy utca 21.
Kecskeméti Branch	6000	Kecskemét	Batthyányi utca 10-12.

Kecskeméti Branch	6000	Kecskemét	Nagykőrösi utca 11.
Keszthelyi Branch	8360	Keszthely	Kossuth utca 45.
Kiskunhalasi Branch	6400	Kiskunhalas	Kossuth utca 27.
Kisvárdai Branch	4600	Kisvárd	Szent László utca 22.
Kőszegi Branch	9730	Kőszeg	Rákóczi utca 1.
Lenti Branch	8960	Lenti	Zrínyi utca 3.
Makói Branch	6900	Makó	Csanád vezér tér 5.
Marcali Branch	8700	Marcali	Rákóczi utca 6-10.
Martonvásári Branch	2462	Martonvásár	Budai utca 13.
Mátészalkai Branch	4700	Mátészalka	Kölcsey utca 17/A
Mezőkövesdi Branch	3400	Mezőkövesd	Mátyás Király utca 129.
Mezőtúri Branch	5400	Mezőtúr	Dózsa György utca 40.
Miskolc, Bajcsy-Zs. utcai Branch	3527	Miskolc	Bajcsy-Zsilinszky utca 1-3.
Miskolc, Szemere utcai Branch	3530	Miskolc	Szemere utca 4.
Miskolc, Városház téri Branch	3525	Miskolc	Városház tér 9.
Miskolci Egyetemváros Branch	3515	Miskolc	Egyetemváros C/1 épület
Mohácsi Branch	7700	Mohács	Városház utca 5.
Móri Branch	8060	Mór	Köztársaság tér 1.
Mosonmagyaróvári Branch	9200	Mosonmagyaróvár	Deák Ferenc tér 3.
Nagykanizsa Erzsébet téri Branch	8800	Nagykanizsa	Erzsébet tér 20.
Nagykanizsa Fő utcai Branch	8800	Nagykanizsa	Fő utca 24.
Nagykovácsi Branch	2094	Nagykovácsi	Kossuth L. u. 109.
Nyírbátori Branch	4300	Nyírbátor	Szabadság tér 21.
Nyíregyházi Branch	4401	Nyíregyháza	Nyár utca 8.
Nyíregyházi Branch	4400	Nyíregyháza	Vay Ádám körút 12.
Nyíregyházi Plaza Branch	4400	Nyíregyháza	Szegfű u. 75.
Orosházi Branch	5900	Orosháza	Kossuth utca 14-16.
Ózdi Branch	3600	Ózd	Gyűjtő tér I.
Paksi Branch	7030	Paks	Barátság utca 1.
Pápai Branch	8500	Pápa	Fő tér 25-26.
Pécs Plaza Branch	7631	Pécs	Megyeri út 76.
Pécs Ybl Miklós Utcai Branch	7620	Pécs	Ybl Miklós u. 7.
Pécsi Branch	7624	Pécs	Alkotmány utca 12.
Pécsi Branch	7620	Pécs	Rákóczi út 62-64.
Salgótarjáni Branch	3100	Salgótarján	Erzsébet tér 5.
Sárospataki Branch	3950	Sárospatak	Rákóczi utca 40.
Sásdi Branch	7370	Sásd	Rákóczi utca 17.
Sátoraljaújhelyi Branch	3980	Sátoraljaújhely	Széchenyi tér 3.
Siófoki Branch	8600	Siófok	Fő utca 172.
Sopron Várkerületi Branch	9400	Sopron	Várkerület 81.
Szarvasi Branch	5540	Szarvas	Szabadság utca 32.
Százhalombattai Branch	2440	Százhalombatta	Piactér B/2
Szegedi Branch	6720	Szeged	Kölcsey utca 13.
Szegedi Branch	6720	Szeged	Széchenyi tér 17.
Székesfehérvári Branch	8000	Székesfehérvár	Budai utca 32.
Székesfehérvári Branch	8002	Székesfehérvár	Palotai utca 4.
Szekszárdi Branch	7100	Szekszárd	Széchenyi utca 40.
Szentendre Branch	2000	Szentendre	Duna korzó 18.

Szentesi Branch	6600	Szentes	Petőfi Sándor utca 1.
Szentgotthárdi Branch	9970	Szentgotthárd	Széchenyi utca 2.
Szerencsi Branch	3900	Szerencs	Rákóczi út 73-75.
Szigetszentmiklósi Branch	2310	Szigetszentmiklós	Szigetszentmiklósi u. 1.
Szolnoki Branch	5001	Szolnok	Baross utca 8.
Szombathely Kőszegi utcai Branch	9700	Szombathely	Kőszegi utca 23.
Szombathely Pannónia Házi Branch	9700	Szombathely	Fő tér 29.
Tatai Branch	2890	Tata	Országgyűlés tér 3.
Tatabányai Branch	2800	Tatabánya	Fő tér 20.
Tiszaújvárosi Branch	3580	Tiszaújváros	Bethlen Gábor utca 18.
Tiszavasvári Branch	4440	Tiszavasvári	Kossuth utca 22.
Törökszentmiklósi Branch	5200	Törökszentmiklós	Kossuth utca 125.
Veszprém C Branch	8200	Veszprém	Egyetem utca 19.
Veszprémi Branch	8200	Veszprém	Szabadság tér 1.
Záhonyi Branch	4625	Záhony	Ady Endre utca 27-31.
Zalaegerszeg Ispotályközi Branch	8900	Zalaegerszeg	Ispotály köz 2.
Zirci Branch	8420	Zirc	Petőfi utca 4.

# Commercial Centres

## Commercial Centres in Budapest

Commercial Centre for Budapest and Pest County – Commercial Sector  
Commercial Centre for Budapest and Pest County – Services Sector  
Commercial Centre for Budapest and Pest County – Real Estate Sector  
Commercial Centre for Budapest and Pest County – Industrial Sector  
Commercial Centre for Budapest and Pest County – Food Industrial Sector  
Commercial Centre for Budapest and Pest County – Small Businesses Sector

## Commercial Centres in the countryside

Bács-Kiskun County Commercial Centre	Kecskemét
Baranya County Commercial Centre	Pécs
Békés County Commercial Centre	Békéscsaba
Borsod-Abaúj-Zemplén County Commercial Centre	Miskolc
Csongrád County Commercial Centre	Szeged
Fejér County Commercial Centre	Székesfehérvár
Győr-Moson-Sopron County Commercial Centre	Győr
Hajdú-Bihar County Commercial Centre	Debrecen
Heves County Commercial Centre	Eger
Jász-Nagykun-Szolnok County Commercial Centre	Szolnok
Komárom-Esztergom County Commercial Centre	Tatabánya
Nógrád County Commercial Centre	Salgótarján
Somogy County Commercial Centre	Kaposvár
Szabolcs-Szatmár-Bereg County Commercial Centre	Nyíregyháza
Tolna County Commercial Centre	Szekszárd
Vas County Commercial Centre	Szombathely
Veszprém County Commercial Centre	Veszprém
Zala County Commercial Centre	Zalaegerszeg

# Central Business Units

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Special Clients

Structured Financing Clients

Trade Finance Clients

Municipalities Clients

# Supervisory Board of Erste Bank Hungary Rt.

## 31 December 2004

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### **Chairman:**

Mag. Reinhard Ortner      Erste Bank der österreichischen Sparkassen AG.

### **Members:**

Mag. Andreas Treichl      Erste Bank der österreichischen Sparkassen AG.  
Manfred Wimmer      Erste Bank der österreichischen Sparkassen AG.  
Bernhard Spalt      Erste Bank der österreichischen Sparkassen AG.  
Mrs. László Várady      Erste Bank Hungary Rt.  
István Magyar      Erste Bank Hungary Rt.

# Board of Directors of Erste Bank Hungary Rt.

## 31 December 2004

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### Chairman:

Péter Kisbenedek Erste Bank Hungary Rt.

### Members:

Helmuth Hintringer	Erste Bank Hungary Rt.
Mrs. Megyesi Gabriella Bese	Erste Bank Hungary Rt.
Edit Papp	Erste Bank Hungary Rt.
Zoltán Pásti	Erste Bank Hungary Rt.
Karin Svoboda	Erste Bank der österreichischen Sparkassen AG.
János Rudnay	external member
János Szivi	external member

