

ERSTE BANK HUNGARY

ANNUAL REPORT 2005

Table of contents

2	Key figures
3	Letter to the clients, partners and shareholders
4	Economic environment and banking sector in 2005
6	Reports of divisions
6	I. Retail division
7	II. Corporate division
8	III. Treasury
9	Analysis of the financial and earnings situation
12	Non-consolidated report
12	I. Assets
15	II. Liabilities
18	III. Profit&Loss account
21	IV. Cash-Flow statement
22	Independent Auditors' Report
23	Companies included in the consolidation
25	Consolidated report
25	I. Assets
28	II. Liabilities
31	III. Profit&Loss account
34	IV. Cash-Flow statement
36	Independent Auditors' Report
37	Branch network
42	Commercial centres
43	Supervisory Board, Board of Directors
44	Ratings

Key figures of Erste Bank Hungary

**ON THE BASIS OF AUDITED,
CONSOLIDATED ANNUAL FIGURES
OF 31ST DECEMBER 2005.**

in million HUF

Profit and loss account:	12.31.2004	12.31.2005
Operating revenue	216,096	223,795
Operating costs	206,755	198,917
Operating profit	9,341	24,878
Pre-tax profit	9,198	24,844
After-tax profit	8,237	19,236
Net income	7,322	17,385
Balance:	12.31.2004	12.31.2005
Total assets	1,119,647	1,452,904
Loans to clients	752,387	959,598
Clients' deposits	643,181	705,069
Net assets	58,534	78,995
Cost/income ratio	72.14 %	61.12 %
Return on Assets (ROA)		
Pre-tax profit / Asset worth	0.82 %	1.71 %
After-tax profit / Asset worth	0.74 %	1.32 %
Return on Equity (ROE)		
After-tax profit / Net assets	14.07 %	24.35 %
Employee numbers	2,527	2,505
Number of corporate trade centres	25	25
Number of retail branches	139	160

Letter to the clients, partners and shareholders

DEAR CLIENTS, PARTNERS AND SHAREHOLDERS,

Erste Bank Hungary has closed one of the most successful years of its history in 2005: the bank strengthened its leading position among large banks, and became one of the most profitable Hungarian financial institutions. Net income close to trebled compared to the previous year, while return on equity was close to 25 per cent, an outstanding level even in international comparison.

Erste Bank set as its target for 2005 the steady expansion of its market share and the provision of high quality customer service, targets which it achieved without fail. On the one hand, the bank developed its sales channel at a steady pace: more than 20 branches were opened in Budapest and elsewhere in the country last year, and by the end of 2005 clients were served through 160 branches nationwide. On the other hand the bank successfully extended the number of its sales channels, partly through an extension of its strategic agreement of cooperation with Magyar Posta, as a result of which several hundred post offices now have a direct connection with the bank. Our extensive network of agents, which accounted for 53 per cent of all loans extended in 2005, is also worthy of mention.

In terms of total assets Erste Bank grew by 30 per cent in 2005, faster than the market average, to HUF 1,443bn. Consolidated total assets rose to HUF 1,452bn. Lending grew steadily: loans to clients increased by HUF 199bn or 25 per cent in 2005. In the corporate division development loans, in the retail division market priced loans, in particular forex loans, rather than state-subsidised loans, were the motors of growth. Increased lending was initially financed from inter-bank loans, then from the rapidly increasing assets of investment funds. As a result liabilities towards clients rose 12.3 per cent (HUF 80bn) by the end of the year.

On the basis of last year's results, Erste Bank must focus on strengthening its market positions - while maintaining high profitability and providing quality services - in 2006. In order to achieve this goal, we are planning to expand further our branch network, boosting the nationwide network of 171 branches (which is the second largest sales network in the country) to close to 200 branches by the end of 2006. Under the strategic cooperation with Magyar Posta we shall extend



the range of products on offer relying on the online system installed in 320 post offices. The number of sales channels are boosted by the online bank *klikkbank* operated on the [origo] news site in cooperation with T-Online Magyarország. In the medium term Erste Bank is planning to carve out a 20-25 per cent market share, as against the current market share of around 8 to 11 per cent - depending on divisions and products. In the retail division we shall focus on property-based lending and consumer loans, while in the corporate division we shall focus on the SME and local councils markets, as well as EU development projects. In 2006 the Hungarian Erste Group is planning to introduce property leasing services. Finally, the activities will be conducted in a suitable location, with Erste Bank and its subsidiaries moving in the summer to the Europe Tower office building, currently under construction on the Pest bank of the Danube at Árpád bridge. Last year's results offer a solid basis for Erste Bank's bid - similarly to the other countries of the Central and East European region - to become the leading retail bank in Hungary. It is no longer a question: we are on the right path, and I thank you for your confidence in us, and your continued use of our services.

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

Péter Kisbenedek
chairman-CEO

Economic environment and banking sector in 2005

The economic growth slowed slightly in 2005, and the GDP grew 4.1 per cent by the end of the year, as against 4.6 per cent in 2004. The motor of growth was positive net exports in 2005; exports grew 10.6 per cent, while imports grew by a slower 5.8 per cent. The growth of household consumption slowed somewhat in 2005 - from 2004's 3.2 per cent to 2.4 per cent -, continuing to lag behind the GDP growth rate. Investments grew a total 6.6 per cent by the end of the year, with state-financed motorway projects playing an important role in the substantial increase in investments.

The inflation rate slowed steadily throughout 2005, as a result of which the 12-month consumer inflation rate slowed to 3.3 per cent by December, resulting in an average annual inflation rate of 3.6 per cent. There was little market dictated inflationary pressure in the Hungarian economy, which was primarily a result of strict monetary conditions (high interest rates, stable firm forint), and strong import competition. From the second half of the year the high global oil prices posed the greatest threat to a further slowdown in inflation, but a substantial drop in the price of durable consumer goods and unchanged food prices offset the high oil prices.

Between January and September 2005 the central bank cut the base rate from 9.5 per cent to 6 per cent, generally in 25-basis point cuts. The central bank's regime of base rate cuts was put on hold in the final quarter of the year. Problems of internal and external balance in the first nine months of the year were of little concern for investors, as the general market environment was determined by ample liquidity and investors' preparedness to take risks, which supported emerging markets. In the final quarter, however - as investors' willingness to take risks evaporated - investors developed concerns about domestic fiscal imbalances. The decline in investors' willingness to take risks was primarily due to the US Fed's regime of base rate hikes and accompanying commentaries predicting further monetary restrictions. Almost at the same time, revised Hungarian general government deficit figures from previous years were published, revealing a considerably higher deficit than expected. Unfavourable fiscal figures cast serious doubts over the possibility of introducing the euro in 2010. In December international credit ratings agency Fitch downgraded Hungary's sovereign foreign debtor rating from A minus to BBB plus citing problems of balance.

The above factors held unfavourable consequences for the domestic stock market in the final quarter of the year. Yields of long-term bonds rose a sharp 100 basis points in a short time after a long period of steady erosion, and were close to 7 per cent by the end of the year. In the meantime base rate cut expectations factored into short-term yields disappeared, and the market began to factor in base rate hike expectations. And finally, the forint remained firm throughout the year with an average exchange rate of HUF 248/EUR 1, but this was largely due to Q1-Q3, as the forint was HUF 5 weaker against the euro than the annual average by the end of the year. Uncertainties surrounding the stock market environment continued into the current year, and last year's steadily stable forint has continued to weaken this year amid unusually high volatility.

The data most clearly showing the development of the bank sector, the overall total assets of Hungarian banks grew by 18.8 per cent in 2005, substantially faster than the country's GDP growth rate. This increase - with the exception of 2003's extraordinarily high figures - was largely in keeping with the growth figures recorded in the 1999-2004 period. The ratio of overall total assets to GDP was 93 per cent by the end of 2005, as against 85 per cent at the end of 2004 (the overall total assets of Hungarian banks is expected to exceed the country's GDP by the end of 2006). It is important to note, however, that the penetration of the Hungarian bank sector is far behind the EU-12 average, where the overall total assets of banks is an average 2.3 times greater than the GDP.

The main motor of growth in the Hungarian bank sector was lending in 2005. It is important to note that nearly half of all new loans were retail loans. Retail loans grew 26 per cent in 2005 compared to the previous year, and accounted for 17.3 per cent of the GDP, as against 14.8 per cent in 2004. Home loans remained dominant within retail lending, accounting for 60 per cent of all retail loans. There was a marked increase in demand for forex loans in both home and consumer lending, which was partly due to the high gap between interests on forint and forex loans, and partly due to the stable forint throughout the year. Corporate loans rose by 14.3 per cent, substantially faster than the GDP in 2005, and accounted for 26.2 per cent of the GDP by the end of the year. Similarly to retail lending, forex loans rose substantially within corporate loans.

Similarly to earlier years, the growth of deposits remained slower than the increase in lending in 2005: retail deposits rose 10.6 per cent, while corporate deposits rose 12.7 per cent by the end of the year. It is important to note, that both figures are higher than the year's GDP growth, which resulted in a slight increase in the ratio of deposits to GDP (25.9 per cent in the case of retail deposits, and 12.9 per cent in the case of corporate deposits). When considering the increase in deposits, other forms of savings must be borne in mind, with special attention to the sharp rise in the assets of investment funds: in 2005 the assets in investment funds grew by 77 per cent compared to a year before. Investment funds are expected to grow faster than deposits in 2006 as well (by about 30 per cent compared to the end of 2005).

Reports of divisions

I. RETAIL DIVISION

The retail division's business strategy continued to focus on mortgage financing, primarily home loans in 2005. The most important targets of the business year were to boost sales activities and increase the division's share of the market.

Retail and microbusiness accounts, deposits

In terms of liabilities, the bank's chief innovation of 2005 was the introduction of structured fixed deposits. Especial successes were the two autumn KamatMax deposit collection programmes. The number of investment funds grew in 2005, with the introduction of guaranteed-yield structured products a big success in the final quarter of the year. As a result of the above, liabilities to clients rose 10.4 per cent or HUF 52bn by the end of the year.

Retail and microbusiness loans

The rapid growth of the stock of retail loans continued in 2005. State-subsidised loans were replaced by market priced products, especially forex loans as the motors of growth. Swiss franc-denominated loans accounted for the bulk of new forex loans.

The bank's share of the market for retail loans continued to grow steadily in 2005, and reached 9.1 per cent by the end of the year. Longer term constructions, primarily home loans and freely used forex loans accounted for the majority of new retail loans. Loans of a run of over a year continued to account for 98 per cent of retail loans.

The bank's share of the market for home loans was 9.1 per cent at the end of 2005, up 1 percentage point from a year before. The bank achieved particularly good results in terms of the monthly net increase of home loans, with the figure rising from 9.5 per cent in January 2005 to 27 per cent by the final month of the year.

The number of retail products grew with the introduction of credit cards in the second half of the year. The bank launched credit cards in August, and issued 9,000 Visa Classic credit cards by the end of the year, resulting in a HUF 2.5bn increase in approved credit. Erste Bank also participated in governmental loan programmes Panel Plusz and Fészekrakó.

Sales channels

The bank had a nationwide branch network of 160 branches on 31st December, 2005, the second largest network in the country. In the course of 2005 the bank opened 23 new branches, with 15 in Budapest and 8 elsewhere in the country. In keeping with Erste Bank's quality and design requirements, 2005 saw a continuation of branch reconstruction works. Some of the branches were renovated, others were moved to new locations to ensure better accessibility and more comfortable customer service. The bank placed a special emphasis on training branch staff, development and active support of sales in 2005.

Erste Bank's extensive network of agents accounted for 53 per cent of new loans in the year. In order to introduce more sales channels, Erste Bank continued to extend its strategic cooperation with Magyar Posta in 2005, as a part of which it installed direct connections to the bank in over 200 post offices, where clients can set up and manage their bank accounts, receive related services (bank cards, TeleBank, NetBank and text message services), purchase savings products, arrange overdrafts, personal loans and buy investment units.

In the final quarter of the year Erste Bank signed a cooperation agreement with T-Online Magyarország, under which Erste Bank provides banking services through the ISP's [origo] news site. The financial services package, which was launched under the brand name of [origo] *klikkbank*, offers bank accounts, bank cards, savings and credit products, which are available to retail and microbusiness clients over the internet.

A primary goal of the bank is to divert transactions from the branch network to electronic channels. The number of Erste TeleBank clients was 378,000 at the end of 2005. As a result of Hungary's relatively low internet penetration the number of Erste NetBank clients remains relatively low (at around 43,000), while the monthly growth rate is steady.

II. CORPORATE DIVISION

Erste Bank's corporate clients are served primarily through the bank's trade centres (Kereskedelmi Centrum (KC)) network. Four trade centres are in Budapest, nineteen trade centres are elsewhere in the country. The trade centres are specialised by sectors, hosting three central divisions: Corporate and Property financing, Trade financing and Local councils divisions.

The corporate division continued to expand rapidly in 2005, both in terms of loans and deposits. This was largely due to the number of corporate clients rising to 7,200 by the end of the year.

Loans

During 2005 the corporate division's stock of assets rose steadily, the portfolio grew by 20 per cent by the end of the year, primarily as a result of the expansion of the property financing and local councils segments. Within the stock of loans, forint-denominated loans exceeded the volume of forex loans, and accounted for 58 per cent of the total stock. The loan portfolio grew faster than the market average, putting Erste Bank in sixth place on the corporate lending market. Erste Bank's share of the market in terms of loans extended to non-financial businesses was 8.36 per cent.

Erste Bank's share of the market in terms of loans to SMEs was 18.9 per cent. Refinanced and subsidised loans accounted for the bulk of lending in this segment. Erste Bank is the third largest bank on the market in terms of SME lending, and the sixth largest in terms of corporate lending in general. An examination of the product structure reveals that current assets, investment and project financing accounted for the bulk (80 per cent) of the overall lending.

Deposits

Corporate deposits rose HUF 18bn by the end of 2005. The trade centres accounted for 80 per cent of the increase. The division's sales strategy focused on fixed deposits, and special deposit offers were introduced in the second and fourth quarters to boost sales. Erste Bank's share of the market of corporate deposits was 5.6 per cent, giving it seventh place on the

market for deposits of non-financial businesses.

Erste Bank introduced the following new corporate products in 2005:

- **Freely used mortgage** for large businesses
- Subsidised **pre-fab housing estate renovation loan** for home owners' cooperatives
- **Multicurrency loan** for medium and large businesses
- **Agribusiness development** and **Regional Business development loans** refinanced by Hungarian Development Bank (MFB)
- Successful Hungary **"Sikeres Magyarországért"** business development programme with discount interests for SMEs refinanced by Hungarian Development Bank (MFB)
- **CEB and KfW** negotiations were concluded, an agreement has been reached about new refinancing opportunities ending in Q4 of the year
- **UNIO Payment**, a unique transactional banking forex product on the Hungarian market
- **FIT Payment**: allows swift and cheap transfers within the Erste Bank Group
- **Account sweeping** services for accounts held with the bank and accounts with other banks
- Creation of **"no float"** transaction products for large businesses

III. TREASURY

Similarly to previous years, 2005 was a good year for Treasury in terms of both revenue and market share.

The primary aim of the division was to increase sales further while maintaining the dynamics of earlier years. The division's efforts were met with success: sales turnover rose by 50 per cent compared to 2004. Especially favourable was the soaring turnover on high value added special offer products, which was accompanied by a similar increase in sales volume.

Treasury offers its special products to both corporate clients and financial investors. In October 2005 Erste Bank launched structured deposits, the first such products on the Hungarian market, in its branch network, achieving good results. In its sales strategy Treasury puts special emphasis on offering tailored products to its clients, in other words, it does not simply sell products, but offers solutions to problems encountered by its clients, bearing in mind clients' requirements and market opportunities or obstacles. Treasury will continue to focus on the development and sales of investment products, both to individual clients and investment partners, and through the branch network to retail clients.

The division maintained its position of market leader on the market of derivative products, and remains one of the dominant players on the interbank loans and deposits market. It has set up outstanding relationships with leading institutional investors, both Hungarian and foreign financial institutions. While a strategic cooperation with the parent bank forms the solid basis of the division's sales activities, it enjoys wide-ranging contractual relationships with the most important foreign investment houses. This has a special importance in terms of product development and liquidity management (attracting financial sources and trade-oriented liquidity). The active use of derivative products ensures that the sources available - especially the available capital - are used most efficiently.

Treasury has strengthened its position on the forex market in HUF trading. Both position-oriented trading and trading related to Erste Bank's dynamic lending activities have increased substantially. At the same time Treasury's trading in leading currencies and regional currencies was unchanged, which

ensured that Treasury can continue operating with a diversified portfolio and ideal yield to risk ratio. Due to the division's strategy forex trading has contributed healthily and steadily to Treasury's profits for years.

Analysis of the financial and earnings situation in 2005

The Group's operations

In 2004, simultaneously with the integration of Postabank, the merger of the bank's subsidiaries was implemented, in the course of which the bank's investment structure was determined. In 2005 the investment portfolio representing the ownership structure, the circle of subsidiaries engaging in clearly separated activities, continued to be refined and clarified.

Erste Bank's consolidated total assets rose 29.8 per cent compared to a year before, and approached the HUF 1,500bn mark. The parent's total assets accounted for 99.4 per cent of consolidated total assets. Erste Bank Hungary accounted for 96.8 per cent of consolidated net income in 2005.

Changes to major stocks in 2004-2005

(in million HUF)	2004	2005	Change % 2005/2004	Proportion %	
				2004	2005
Government bonds	133,008	176,526	32.7pc	11.9pc	12.1pc
Loans to financial institutions	37,181	95,120	155.8pc	3.3pc	6.5pc
Loans to clients	755,868	962,577	27.3pc	67.5pc	66.3pc
Financial assets	95,940	138,157	44.0pc	8.6pc	9.5pc
Non-interest bearing assets	97,650	80,524	-17.5pc	8.7pc	5.5pc
ASSETS IN TOTAL	1,119,647	1,452,904	29.8pc	100.0 pc	100.0 pc

In terms of loan runs, the proportion of long-term loans increased during the year: the proportion of loans with a run of less than one year dropped slightly, and long-term loans accounted for 84 per cent of the total by the end of the year.

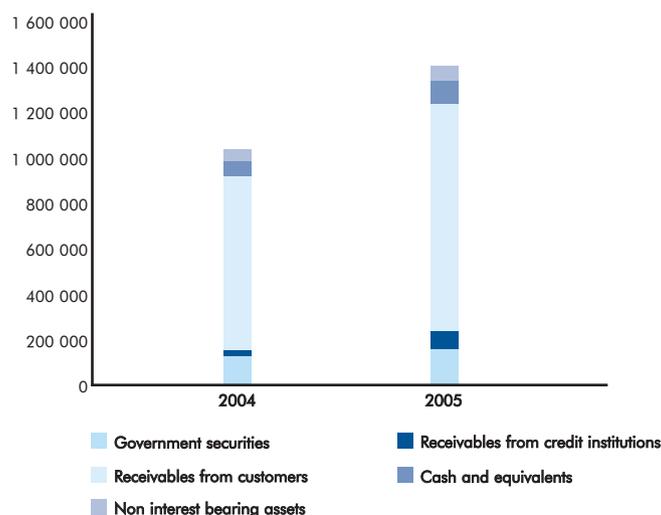
Changes in terms of liabilities were different to changes to assets. Increased lending was not accompanied by a similar increase in clients' deposits; the Group financed increased demand for loans from interbank deals: alongside a EUR 50m subordinated capital loan from Erste Bank AG, the bank raised HUF 200bn on the interbank market. This resulted in a substantial change in terms of liabilities towards financial institutions and clients: the proportion of liabilities towards clients

Financial figures

The structure of the asset portfolio changed slightly, with net loans to clients accounting for 66.3 per cent of total assets, down from 67.5 per cent a year before. The ratio of loans extended to financial institutions to total assets rose from 3.3 per cent to 6.5 per cent, while the proportion of government bonds increased slightly.

The steady increase in the stock of loans continued in 2005. Loans to clients rose HUF 207bn (27.3 per cent) from the end of 2004, with an especially sharp increase in the second half of the year. Both retail and corporate lending increased, primarily due to corporate development loans and increased demand for forex loans in the retail division. In the retail division the increase of long-term constructions (with a loan run of over one year) was dominant, primarily as a result of increasing forex personal lending.

Main assets



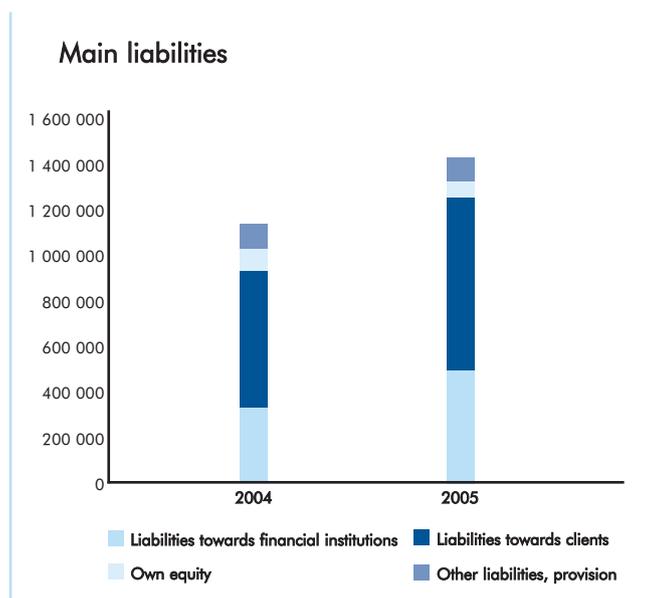
dropped from 58.1 per cent to 50.4 per cent of total assets, while liabilities towards financial institutions rose from 28.9 per cent to 36.8 per cent of total assets.

The changes within liabilities to clients were a result of the parent bank's business policy. Following a deliberate pricing policy, the bank started reducing the stock of paper-based

Main liabilities 2004-2005

(in million HUF)

	2004	2005	Change % 2005/2004	Proportion %	
				2004	2005
Liabilities towards financial institutions	323,854	533,999	64.9pc	28.9pc	36.8pc
Liabilities towards clients	650,165	731,709	12.5pc	58.1pc	50.4pc
Net assets	58,534	75,622	29.2pc	5.2pc	5.2pc
Other liabilities, provision	87,094	111,574	28.1pc	7.8pc	7.6pc
LIABILITIES IN TOTAL	1,119,647	1,452,904	29.8pc	100.0 pc	100.0 pc



deposits offered through post offices in 2005 because of the low profitability of these products. Lost revenue was offset by the increasing assets of investment funds.

Freed up household monies were gradually regrouped in different forms of deposit. A substantial increase was achieved in the fourth quarter, partly as a result of the introduction of the aforementioned structured deposit; thus by the end of the year liabilities towards clients rose 12.5 per cent (HUF 82bn).

In the final quarter Erste Bank issued a new variable interest bond package worth EUR 75m. The whole package was subscribed by a foreign institutional investor in a private placement. The bonds were issued to replace a bond package, which would mature in 2006, and to attract new capital.

The Group's net income exceeded the previous year's net income substantially.

The Group's operating revenue rose 17.5 per cent in 2005, while operating costs dropped slightly, increasing the year's profits substantially.

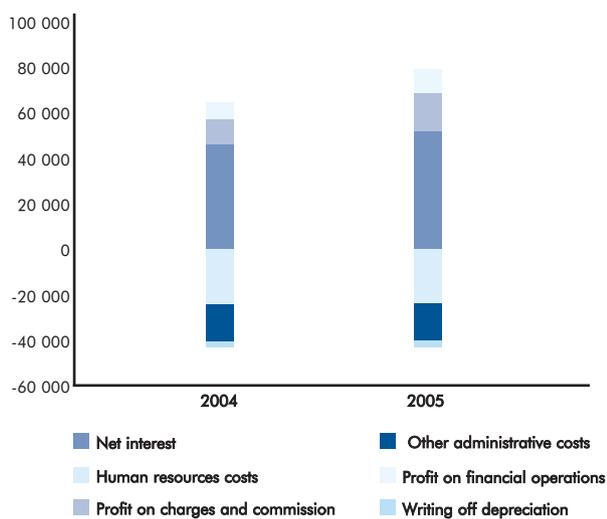
Interest-type revenue dropped in 2005, but interest-type costs dropped faster, resulting in net interest revenue increasing 23.3 per cent. Profits on charges and commissions rose 12.6 per cent as a result of revenue from charges and commissions rising faster than the cost of charges and commissions.

Operating revenue and costs in 2004-2005

(in million HUF)

	2004	2005	Change % 2005/2004
Net interest	47,276	58,284	23.3pc
Profit on charges and commission	12,299	13,851	12.6pc
Revenue from securities	1,012	478	-52.8pc
Profit on financial operations	7,092	6,876	-3.0pc
Operating revenue	67,679	79,489	17.5pc
Administrative costs	44,118	44,169	0.1pc
human resources	22,612	21,183	-6.3pc
other	21,506	22,986	6.9pc
Writing off depreciation	4,708	4,415	-6.2pc
Operating costs	48,826	48,584	-0.5pc
Other profits	-4,799	-6,290	31.1pc
Net depreciation	-4,713	263	-105.6pc
Pre-tax profit	9,198	24,844	170.1pc
After-tax profit	8,237	19,236	133.5pc
Net income	7,322	14,012	91.4pc

Profit items



Non-consolidated report

I. ASSETS

Items	HUF million	
	31.12.2004	31.12.2005
1 Liquid assets	95,929	138,144
2 Government securities (issued by Hungarian State)	125,141	168,961
a., for trading purposes	18,381	13,932
b., for investment purposes	106,492	154,321
Valuation difference of government securities	268	708
3 Receivables from credit institutions	36,252	93,962
a., sight	5,522	5,582
b., other receivables from financial services	30,730	88,380
ba., with a maturity within one year	30,730	85,450
of which: from affiliated companies		3,538
from other participations		0
from National Bank of Hungary	0	74,920
bb., with a maturity more than one year		2,930
of which: from affiliated companies		
from other participations		
from National Bank of Hungary		
c., from investment services	0	
of which: from affiliated companies		
from other participations		
4 Receivables from customers	772,955	971,915
a., from financial services	772,944	971,874
aa., with a maturity within one year	369,030	160,208
of which: from affiliated companies	20,197	136,850
from other participations	0	
ab., with a maturity more than one year	403,914	811,666
of which: from affiliated companies	96,986	3,649
from other participations	0	478
b., from investment services	11	41
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	11	41
bd., receivables from clearing houses		
be., receivables from other investments services		
5 Securities representing debt claim, including fixed income securities	8,080	8,024
a., securities issued by local authorities or other state-organizations (government securities are excluded)	0	0
aa., for trading purposes		

Items	HUF million	
	31.12.2004	31.12.2005
ab., for investment purposes		
b., securities issued by other issuer	7,886	7,895
ba., for trading purposes	6,186	7,445
of which: issued by affiliated companies		
issued by other participations		
repurchased own-issued securities		
bb., for investment purposes	1,700	450
of which: issued by affiliated companies		
issued by other participations		
Valuation difference of securities representing debt claim	194	129
6 Shares and other non-fixed income securities	3	0
a., shares, participations for trading purposes		
of which: issued by affiliated companies		
issued by other participations		
b., variable-income securities	3	0
ba., for trading purposes	3	
bb., for investment purposes		
Valuation difference of shares and non-fixed income securities	0	
7 Shares and participations for investment purposes	310	306
a., shares, participations for investment purposes	310	306
of which: participation in credit institutions		
b., value adjustments of shares and participations for investment purposes	0	
of which: participation in credit institutions		
8 Shares and participations in affiliated companies	8,843	9,392
a., shares, participations for investment purposes	8,843	9,392
of which: shares in credit institutions		
b., value adjustments of shares and participations for investment purposes	0	
of which: shares in credit institutions		
9 Intangible assets	3,660	3,811
Intangible assets	3,660	3,811
Value adjustments of intangible assets		
10 Tangible assets	8,595	7,726
a., tangible assets for financial and investment purposes	8,477	7,553
aa., real estates	5,800	4,524
ab., technical equipments, machinery, appliances, vehicles	2,563	2,846
ac., investments	114	183
ad., advances paid for investments		
b., tangible assets not directly for financial and investment purposes	118	173

Items	HUF million	
	31.12.2004	31.12.2005
ba., real estates	118	116
bb., technical equipments, machinery, appliances, vehicles		57
bc., investments		
bd., advances paid for investments		
c., value adjustments of tangible assets		
11 Own shares		0
12 Other assets	23,926	16,401
a., inventories	383	991
b., other receivables	6,851	4,496
of which: from affiliated companies	543	158
from other participations		
Valuation difference of other receivables	0	
Positive valuation difference of derivative instruments	16,692	10,914
13 Deferred expenses and accrued income	28,712	24,992
a., accrued income	28,425	21,374
b., accrued expense	259	3,571
c., deferred expense	28	47
TOTAL ASSETS	1,112,406	1,443,634
of which: Current assets	550,180	428,040
Invested assets	533,514	990,602

II. LIABILITIES

HUF million

Items	31.12.2004	31.12.2005
1 Liabilities against credit institutions	322,760	532,643
a., sight	5,391	192
b., liabilities from fixed term financial services	317,369	532,451
ba., with a maturity within one year	156,561	197,455
of which: from affiliated companies		141,143
from other participations		
from National Bank of Hungary		
bb., with a maturity more than one year	160,808	334,996
of which: from affiliated companies		246,209
from other participations		
from National Bank of Hungary	11	5
c., from investment services		
of which: from affiliated companies		
from other participations		
2 Liabilities against customers	649,241	729,044
a., saving deposits	12,429	3,954
aa., sight	12,396	3,924
ab., with a maturity within one year	26	25
ac., with a maturity more than one year	7	5
b., other liabilities from financial services	633,273	705,960
ba., sight	208,084	240,363
of which: from affiliated companies	2,481	5,679
from other participations	0	396
bb., with a maturity within one year	424,802	444,405
of which: from affiliated companies	75	0
from other participations	0	371
bc., with a maturity more than one year	387	21,192
of which: from affiliated companies	0	
from other participations	0	
c., from investment services	3,539	19,130
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	3,539	19,130
cd., liabilities against clearing houses	0	
ce., liabilities from other investments services	0	
3 Liabilities from securities issued	9,595	28,345
a., bonds issued	9,595	28,345

Items	HUF million	
	31.12.2004	31.12.2005
aa., with a maturity within one year	0	0
of which: from affiliated companies		
from other participations		
ab., with a maturity more than one year	9,595	28,345
of which: from affiliated companies	331	5,849
from other participations		400
b., securities issued representing other debt claim	0	0
ba., with a maturity within one year	0	0
of which: from affiliated companies		
from other participations		
bb., with a maturity more than one year	0	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		
4 Other liabilities	21,938	26,524
a., with a maturity within one year	12,099	16,702
of which: from affiliated companies	560	272
from other participations	0	
other contribution by members of credit institutions operating as cooperatives	0	
b., with a maturity more than one year	55	27
of which: from affiliated companies	0	
from other participations	0	
Negative valuation difference of derivative instruments	9,784	9,795
5 Accrued expenses and deferred income	30,212	17,630
a., accrual of income	46	5,564
b., accrual of expenses	29,897	11,895
c., deferred income	269	171
6 Provisions	5,673	3,441
a., provision for pension and for severance payments	961	142
b., risk provision for pending and future liabilities	2,319	1,877
c., general risk provision	1,422	1,422
d., other provision	971	0
7 Subordinated liabilities	14,826	28,039

Items	HUF million	
	31.12.2004	31.12.2005
a., subordinated capital	14,826	28,039
of which: from affiliated companies		26,739
from other participations		
b., other contribution by members of credit institutions operating as cooperatives	0	0
c., other subordinated liabilities	0	0
of which: from affiliated companies		
from other participations		
8 Subscribed capital	39,410	39,410
of which: nominal value of repurchased ownership shares		
9 Subscribed but as yet unpaid capital	0	0
10 Capital reserve	10,417	10,417
a., agio	10,417	10,417
b., other	0	0
11 General reserve	1,084	3,015
12 Profit reserve (Retained earnings)	1,942	7,601
13 Fixed reserve	90	0
14 Valuation reserve	0	698
15 Balance-sheet profit or loss figure (+,-)	5,218	16,827
TOTAL LIABILITIES	1,112,406	1,443,634
of which: Short-term liabilities	832,682	931,991
Long-term liabilities	185,678	412,604
Shareholders' equity	58,161	77,968
OFF-BALANCE ITEMS		
Items	31.12.2004	31.12.2005
Contingent liabilities	238,816	209,212
Other commitments	360,363	575,110
Total contingent liabilities and other commitments	599,179	784,322

III. PROFIT AND LOSS ACCOUNT

Items	HUF million	
	31.12.2004	31.12.2005
1 Interest and other interest-type revenues received	87,024	96,970
a., fixed-income securities representing debt-claim	9,268	11,778
of which: from affiliated companies	0	0
from other participations	0	0
b., other interest and interest-type revenues	77,756	85,192
of which: from affiliated companies	1,631	4,017
from other participations	0	0
2 Interest paid and other interest-type expenses	61,239	48,953
of which: from affiliated companies	189	7,158
from other participations	0	0
Net interest income	25,785	48,017
3 Revenues from securities	2,021	2,512
a., revenues from shares and participations held for trading purposes (dividend, participations)	0	0
b., revenues from affiliated companies (dividend, participation)	0	2,378
c., revenues from other participations (dividend, participations)	2,021	134
4 Fees and commissions earned	12,025	20,873
a., revenues from other financial services	11,347	19,334
of which: from affiliated companies	47	51
from other participations	0	0
b., revenues from investment services (excluding trading activity)	678	1,539
of which: from affiliated companies	581	1,331
from other participations	0	0
5 Fees and commissions paid (due)	2,352	5,099
a., expenses of other financial services	2,204	4,902
of which: from affiliated companies	61	4
from other participations	0	0
b., expenses of investment services (excluding trading activities)	148	197
of which: from affiliated companies	0	33
from other participations	0	0
6 Net result of financial transactions	6,599	5,308
a., revenues from other financial services	10,335	17,249
of which: from affiliated companies	20	38
from other participations	0	0
b., expenses of other financial services	3,475	8,924
of which: from affiliated companies	0	8
from other participations	0	0
c., revenues of investment services (trading activities)	6,111	6,596
of which: from affiliated companies	23	31

Items	HUF million	
	31.12.2004	31.12.2005
from other participations	0	
retrieval of value-loss on securities held for trading	0	
d., expenses of investment services (trading activities)	6,372	9,613
of which: from affiliated companies	60	103
from other participations	0	
value loss of securities held for trading	0	
7 Other revenues from business activity	5,913	11,535
a., revenues from non financial and investment activities	807	1,238
of which: from affiliated companies	175	305
from other participations	0	
b., other revenues	5,106	10,297
of which: from affiliated companies	144	
from other participations	0	
retrieval of value loss of inventories	36	247
8 General administration cost	28,073	40,019
a., personnel expenses	13,385	17,798
aa., wages	9,124	11,588
ab., other personal expenses	898	1,695
of which: social insurance	551	838
pensions	362	561
ac., wage contributions	3,363	4,515
of which: social insurance	1,910	2,511
pensions	0	0
b., other administrative expenses (material-type)	14,688	22,221
9 Depreciation	1,552	2,359
10 Other expenses from business activity	11,334	19,499
a., expenses of non financial and investment services	855	1,511
of which: from affiliated companies	0	
from other participations	0	
b., other expenses	10,479	17,988
of which: from affiliated companies	251	221
from other participations	0	
value loss of inventories	4	408
11 Value loss of receivables and risk provisions for contingent liabilities and other commitments	13,793	17,007
a., value loss of receivables	12,520	16,084
b., risk provisions for liabilities and other commitments	1,273	923
12 Retrieval of value loss of receivables and use of risk provision for contingent liabilities and other commitments	11,348	18,871
a., retrieval of value loss of receivables	8,607	17,503

Items	HUF million	
	31.12.2004	31.12.2005
b., use of risk provision for contingent liabilities and other commitments	2,741	1,368
13 Value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations	654	0
14 Retrieval of value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations	254	500
15 Ordinary result of business activities	6,187	23,633
of which: Result of financial and investment services	6,235	23,906
Result of non financial and investment services	-48	-273
16 Extraordinary income	1	1
17 Extraordinary expense	0	0
18 Extraordinary profit	1	1
19 Result before taxes	6,188	23,634
20 Tax liability	390	4,937
21 Profit/loss after taxes	5,798	18,697
22 Allocation (-) or use (+) of general risk reserves	580	1,870
23 Transfer from profite reserve (retained earnings) for dividend payment	0	0
24 Approved dividends	0	3,373
of which: from affiliated companies		3,373
from other participations		
25 Balance sheet profit/loss	5,218	13,454

IV. CASH-FLOW STATEMENT

Items	HUF million	
	2004	2005
Interest income	86,105	96,970
+ Income from other financial services (excluding retrieval of provision on securities)	21,682	36,583
+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	3,520	8,271
+ Income from investment services (excluding retrieval of provision on securities)	4,849	6,293
+ Income from non financial and non investment services	807	1,238
+ Income from dividend	2,021	2,512
+ Extraordinary income	1	1
- Interest expenses	60,024	48,953
- Other financial expenses (excluding provision on securities)	5,679	13,826
- Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	13,169	17,711
- Expenses from investment services (excluding provision on securities)	4,132	8,017
- Expenses of non financial and non investment services	855	1,511
- General administrative expenses	28,073	40,019
- Extraordinary expenses (excluding the company tax liability of the current year)	0	0
- Corporate tax liability of the current year	390	4,937
- Dividend paid		3,373
Operating cash-flow	6,664	13,521
± Change in liabilities (+ if increase, - if decrease)	536,684	329,585
± Change in receivables (+ if increase, - if decrease)	-413,046	-252,902
± Change in inventories (+ if increase, - if decrease)	-81	-769
± Change in securities registered among current assets (+ if increase, - if decrease)	10,151	3,193
± Change in securities registered among invested assets (+ if increase, - if decrease)	-84,383	-46,624
± Change in investments (including advances paid) (+ if increase, - if decrease)	-47	-69
± Change in intangible assets (+ if increase, - if decrease)	-2,078	-896
± Change in net value of fixed assets (excluding investments and advances paid) (+ if increase, - if decrease)	-4,164	-544
± Change in active deferrals (+ if increase, - if decrease)	-12,858	10,058
± Change in passiv deferrals (+ if increase, - if decrease)	7,600	-12,138
+ Shares issued at sales price		0
+ Consolidated net assets of the absorbed Postabank as of 1st January 2004	33,178	0
+ Financial assets received		0
- Financial assets transferred		-200
- Nominal value of own issue withdrawn		0
- Net cash-flow	77,620	42,215
- change in cash in hand (banknotes, cheques)	5,155	1,368
- 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)	72,465	40,847

Independent auditors' 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: mailbox.ey@ru.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.

We have audited the accompanying balance sheet of Erste Bank Hungary Rt. ("the Company") as at 31 December 2005, which shows a balance sheet total of HUF 1,443,634 million and a profit for the year of HUF 13,454 million, the related profit and loss account for the year then ended and the notes included in the Company's 2005 annual financial statements. The annual financial statements are the responsibility of the Company's management. The auditor's responsibility is to express an opinion on the financial statements based on the audit and to assess whether the business report is consistent with the financial statements.

We issued an unqualified opinion on the Company's annual financial statements as at 31 December 2004 on 25 February 2005.

We conducted our audit in accordance with Hungarian National Auditing 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have audited the elements of and disclosures in the annual financial statements, along with underlying records and supporting documentation, of Erste Bank Hungary Rt. in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the annual financial statements have been prepared in accordance with the Hungarian accounting law and with generally accepted accounting principles in Hungary. In our opinion the annual financial statements give a true and fair view of the equity and financial position of Erste Bank Hungary Rt. as at 31 December 2005 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

Budapest, 24 February 2006
except for the dividend payment of HUF 3,373 million for the year ended 31 December 2005,
as to which the date is 27 April 2006

Ernst & Young Kft.
Registration No.: 001165

Fekete Imréné
Registered Auditor
Chamber membership No.: 003201

Companies included in the consolidation

ERSTE LEASING GROUP

Erste Leasing Group members:

- Erste Leasing Autófinanszírozási Zrt.
- Erste Leasing Eszközfinanszírozási Zrt.
- Erste Leasing Bérlet Kft.

Erste Leasing Group has controlled a steady 12 per cent share of the Hungarian market for car, light commercial vehicle and motorcycle financing, making it the fourth largest business on the market. In 2005 vehicle sales dropped 5.4 per cent in Hungary compared to the previous year. In this business environment the Leasing Group's plans were proven too ambitious – still, the group's profits rose 11 per cent – and met no more than 89 per cent of its 2005 financing targets.

A strategic member of the Leasing Group, Autófinanszírozási accounted for 94.3 per cent of the Group's profits. The company provided HUF 76.2bn financing in 2005, of which financing for clients accounted for HUF 62.3bn (up 112 per cent from 2004), and asset financing accounted for HUF 13.8bn (up 132.7 per cent). Operating revenue and costs were in keeping with the plans in 2005.

Erste Leasing Group had after-tax profit of HUF 1,333m in 2005, of which HUF 1,100m was paid in dividend.

Erste Bank Befektetési Zrt.

Erste Bank Befektetési was the brokerage with the largest turnover on the Budapest Stock Exchange's (BSE) spot market for the fifth year running, with an annual share turnover of close to HUF 2,000bn in 2005.

The country's first online trading system was introduced in Erste Bank branches, allowing clients to carry out stock market and government bond transactions swiftly and precisely anywhere in the country.

Turnover figures 2004-2005

(in million HUF)

	2004 TOTAL	2005 TOTAL
Share turnover on BSE (Erste)	1,192,275	1,844,814
Overall share turnover on BSE	5,219,772	9,661,045
Market share	22.84pc	19.10pc
Place	1	1
Government bond turnover	3,783,818	4,051,894
Overall primary issue on market (nominal value)	4,790,991	5,273,989
Of which subscribed by Erste (nominal value)	502,170	557,765
Market share	10.48pc	10.58pc
Place	5	6
Futures turnover (total)	464,376	783,994
Futures turnover (BUX)	83,565	232,928
Futures turnover (shares)	380,811	551,066
Futures turnover (forex)	N/A	N/A
Number of contracts (total)	2,340,324	1,509,250
Number of contracts (BUX)	68,204	118,799
Number of contracts (shares)	234,641	228,966
Number of contracts (forex)	2,037,479	1,161,485
Market share (BUX)	9.51pc	11.15pc
Market share (shares)	19.61pc	17.56pc
Market share (forex)	N/A	N/A
Place (BUX)	5	3
Place (shares)	3	4
Place (forex)	1	7

Erste Bank Befektetési had after-tax profit of HUF 2,057m, of which it paid dividend of HUF 1,300m.

At the Best of the Stock Exchange 2005, Erste Bank Befektetési was again awarded the title of The Brokerage with the Year's Highest Spot Market Turnover.

The overall net asset worth of the investment funds managed by Erste Bank Alapkezelő was HUF 176.8bn on 31st December, 2005, giving Erste Alapkezelő a market share of over 10 per cent, with which it became the fourth largest business on the market.

Changes to the investment funds managed by Erste Bank Alapkezelő:

	(billion HUF)	
	12.31.2004	12.31.2005.
Investment funds	100.10	176.84
Pension funds	74.70	93.70
Insurers	9.88	13.60
Business organisations	4.47	5.04
Private investors	2.16	2.06
Other institutions	3.13	1.80
Local councils	0.43	0.38

The subsidiary reported after-tax profit of HUF 388.7m.

ESZE Szolgáltató Kft., Erste Dat Kft.

The business profile of operative property, hardware and software leasing firms ESZE Szolgáltató and Erste Dat did not change in 2005. The bank finances the two units - applying a flexible lease pricing method - in such a way that the charges paid cover the firms' justifiable and approved operating costs. Both subsidiaries reported a profit in 2005.

Erste Bank Pénztárszervező Kft.

The business profile of the Pénztárszervező did not change in 2005, and continued to carry out the administrative tasks of voluntary and private pension fund Erste Bank Önkéntes és Magánnyugdíjpénztár.

Consolidated report

I. ASSETS

Items	HUF million	
	31.12.2004	31.12.2005
1 Liquid assets	95,940	138,157
2 Government securities (issued by Hungarian State)	133,008	176,526
a., for trading purposes	26,222	21,381
b., for investment purposes	106,506	154,442
Valuation difference of government securities	280	703
3 Receivables from credit institutions	37,181	95,120
a., sight	6,451	6,740
b., other receivables from financial services	30,730	88,380
ba., with a maturity within one year	30,730	85,450
of which: from affiliated companies	0	3,538
from other participations	0	0
from National Bank of Hungary	0	74,920
bb., with a maturity more than one year	0	2,930
of which: from affiliated companies	0	0
from other participations	0	0
from National Bank of Hungary	0	0
c., from investment services	0	0
of which: from affiliated companies	0	0
from other participations	0	0
4 Receivables from customers	755,868	962,577
a., from financial services	752,387	959,598
aa., with a maturity within one year	374,425	57,416
of which: from affiliated companies	0	5,123
from other participations	0	0
ab., with a maturity more than one year	377,962	902,182
of which: from affiliated companies	0	2,649
from other participations	0	478
b., from investment services	3,481	2,979
of which: from affiliated companies	0	0
from other participations	0	0
ba., receivables from services on stock exchange	1,377	955
bb., receivables from services outside of stock exchange	0	0
bc., receivables from customers deriving from investment services	1,946	1,730
bd., receivables from clearing houses	158	294
be., receivables from other investments services	0	0
5 Securities representing debt claim, including fixed income securities	9,121	8,049
a., securities issued by local authorities or other state-organizations (government securities are excluded)	2	0
aa., for trading purposes	0	0
ab., for investment purposes	2	0

Items	HUF million	
	31.12.2004	31.12.2005
b., securities issued by other issuer	8,921	7,920
ba., for trading purposes	7,206	7,455
of which: issued by affiliated companies	331	0
issued by other participations	0	0
repurchased own-issued securities	0	0
bb., for investment purposes	1,715	465
of which: issued by affiliated companies	0	0
issued by other participations	0	0
Valuation difference of securities representing debt claim	198	129
6 Shares and other non-fixed income securities	5,513	2,619
a., shares, participations for trading purposes	5,320	2,180
of which: issued by affiliated companies	0	0
issued by other participations	0	0
b., variable-income securities	203	400
ba., for trading purposes	203	400
bb., for investment purposes	0	0
Valuation difference of shares and non-fixed income securities	-10	39
7 Shares and participations for investment purposes	580	576
a., shares, participations for investment purposes	580	576
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
8 Shares and participations in affiliated companies	80	80
a., shares, participations for investment purposes	80	80
of which: shares in credit institutions	0	0
b., value adjustments of shares and participations for investment purposes	0	0
of which: shares in credit institutions	0	0
c., Difference of capital consolidation	0	0
from subsidiaries, joint ventures	0	0
from associated companies	0	0
9 Intangible assets	5,998	6,635
Intangible assets	5,998	6,635
Value adjustments of intangible assets	0	0
10 Tangible assets	17,416	13,818
a., tangible assets for financial and investment purposes	8,924	8,009
aa., real estates	5,818	4,542
ab., technical equipments, machinery, appliances, vehicles	2,992	3,284
ac., investments	114	183
ad., advances paid for investments	0	0
b., tangible assets not directly for financial and investment purposes	8,492	5,809

Items	HUF million	
	31.12.2004	31.12.2005
ba., real estates	5,132	3,087
bb., technical equipments, machinery, appliances, vehicles	3,306	2,712
bc., investments	54	10
bd., advances paid for investments	0	0
c., value adjustments of tangible assets	0	0
11 Own shares		0
12 Other assets	26,219	18,829
a., inventories	1,740	2,160
b., other receivables	7,755	5,666
of which: from affiliated companies	0	39
from other participations	0	0
c., corporate tax receivable (calculated) from consolidation	0	0
Valuation difference of other receivables	0	0
Positive valuation difference of derivative instruments	16,724	11,003
13 Deferred expenses and accrued income	32,723	29,918
a., accrued income	27,128	19,354
b., accrued expense	5,567	10,517
c., deferred expense	28	47
TOTAL ASSETS	1,119,647	1,452,904
of which: Current assets	576,665	341,858
Invested assets	510,259	1,081,128

II. LIABILITIES

Items	HUF million	
	31.12.2004	31.12.2005
1 Liabilities against credit institutions	323,854	533,999
a., sight	6,484	192
b., liabilities from fixed term financial services	317,370	533,807
ba., with a maturity within one year	156,562	198,811
of which: from affiliated companies	0	141,143
from other participations	0	0
from National Bank of Hungary	0	0
bb., with a maturity more than one year	160,808	334,996
of which: from affiliated companies	0	246,209
from other participations	0	0
from National Bank of Hungary	0	5
c., from investment services	0	0
of which: from affiliated companies	0	0
from other participations	0	0
2 Liabilities against customers	650,165	731,709
a., saving deposits	12,429	3,954
aa., sight	12,396	3,924
ab., with a maturity within one year	26	25
ac., with a maturity more than one year	7	5
b., other liabilities from financial services	630,752	701,115
ba., sight	205,603	235,449
of which: from affiliated companies	0	765
from other participations	0	396
bb., with a maturity within one year	424,762	444,474
of which: from affiliated companies	0	0
from other participations	0	371
bc., with a maturity more than one year	387	21,192
of which: from affiliated companies	0	0
from other participations	0	0
c., from investment services	6,984	26,640
of which: from affiliated companies	0	0
from other participations	0	0
ca., liabilities from services on stock exchange	170	259
cb., liabilities from services outside of stock exchange	0	0
cc., liabilities against customers deriving from investment services	6,814	26,381
cd., liabilities against clearing houses	0	0
ce., liabilities from other investments services	0	0
3 Liabilities from securities issued	9,595	28,345
a., bonds issued	9,595	28,345
aa., with a maturity within one year	0	0

Items	HUF million	
	31.12.2004	31.12.2005
of which: from affiliated companies	0	0
from other participations	0	0
ab., with a maturity more than one year	9,595	28,345
of which: from affiliated companies	331	5,849
from other participations	0	400
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
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	24,597	31,646
a., with a maturity within one year	14,672	21,689
of which: from affiliated companies	0	3,512
from other participations	12	0
other contribution by members of credit institutions operating as cooperatives	0	0
b., with a maturity more than one year	55	27
of which: from affiliated companies	0	0
from other participations	0	0
c., corporate tax payable (calculated) from consolidation	34	-75
Negative valuation difference of derivative instruments	9,836	10,005
5 Accrued expenses and deferred income	31,606	19,301
a., accrual of income	159	5,633
b., accrual of expenses	31,442	13,665
c., deferred income	5	3
6 Provisions	5,674	3,447
a., provision for pension and for severance payments	961	142
b., risk provision for pending and future liabilities	2,319	1,882
c., general risk provision	1,422	1,422
d., other provision	972	1
7 Subordinated liabilities	15,622	28,835

Items	HUF million	
	31.12.2004	31.12.2005
a., subordinated capital	14,826	28,039
of which: from affiliated companies	0	796
from other participations	0	26,739
aa., Difference from capital consolidation	796	0
from subsidiaries, joint-ventures	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
8 Subscribed capital	39,410	39,410
of which: nominal value of repurchased ownership shares		0
9 Subscribed but as yet unpaid capital	0	0
10 Capital reserve	10,417	10,417
a., agio	10,417	10,417
b., other	0	0
11 General reserve	1,397	3,503
12 Profit reserve (Retained earnings)	1,942	7,885
13 Fixed reserve	90	0
14 Valuation reserve	0	698
15 Balance-sheet profit or loss figure (+,-)	7,322	14,012
16 Changes in equity at subsidiaries and joint ventures	-2,064	-323
17 Changes arising from the consolidation	0	0
difference from debt-consolidation	0	0
difference from interim profit/loss	0	0
18 Participation of other holders	20	20
TOTAL LIABILITIES	1,119,647	1,452,904
of which: Short-term liabilities	837,359	941,134
Long-term liabilities	186,474	413,400
Shareholders' equity	58,534	75,622
OFF-BALANCE ITEMS		
Items	31.12.2004	31.12.2005
Pending liabilities	224,031	186,139
Future liabilities	358,584	573,153
Total pending and future liabilities	582,615	784,322

III. PROFIT AND LOSS ACCOUNT

Items	HUF million	
	31.12.2004	31.12.2005
1 Interest and other interest-type revenues received	123,316	107,158
a., fixed-income securities representing debt-claim	17,207	11,778
of which: from affiliated companies	0	0
from other participations	0	0
b., other interest and interest-type revenues	106,109	95,380
of which: from affiliated companies	4	384
from other participations	0	0
2 Interest paid and other interest-type expenses	76,040	48,874
of which: from affiliated companies	0	6,998
from other participations	0	0
Net interest income	47,276	58,284
3 Revenues from securities	1,012	478
a., revenues from shares and participations held for trading purposes (dividend, participations)	632	0
b., revenues from affiliated companies (dividend, participation)	21	0
c., revenues from other participations (dividend, participations)	359	478
4 Fees and commissions earned	21,208	23,253
a., revenues from other financial services	18,508	19,311
of which: from affiliated companies	0	4
from other participations	0	0
b., revenues from investment services (excluding trading activity)	2,700	3,942
of which: from affiliated companies	0	0
from other participations	0	0
5 Fees and commissions paid (due)	8,909	9,402
a., expenses of other financial services	7,935	8,244
of which: from affiliated companies	0	4
from other participations	0	0
b., expenses of investment services (excluding trading activities)	974	1,158
of which: from affiliated companies	0	0
from other participations	0	0
6 Net result of financial transactions	7,092	6,876
a., revenues from other financial services	24,283	33,340
of which: from affiliated companies	0	0
from other participations	0	0
b., expenses of other financial services	18,392	24,301
of which: from affiliated companies	0	0
from other participations	0	0
ba., consolidation difference of debt consolidation - value decreasing profit	0	0
c., revenues of investment services (trading activities)	11,538	16,565
of which: from affiliated companies	0	0

Items	HUF million	
	31.12.2004	31.12.2005
from other participations	0	0
retrieval of value-loss on securities held for trading	0	0
d., expenses of investment services (trading activities)	10,337	18,728
of which: from affiliated companies	0	0
from other participations	0	0
value loss of securities held for trading	0	0
7 Other revenues from business activity	17,489	23,873
a., revenues from non financial and investment activities	7,708	10,894
of which: from affiliated companies	0	0
from other participations	0	0
b., other revenues	9,781	12,979
of which: from affiliated companies	0	0
from other participations	0	0
retrieval of value loss of inventories	36	0
ba., consolidation difference of debt consolidation - value increasing profit	0	247
8 General administration cost	44,118	44,169
a., personnel expenses	22,612	21,183
aa., wages	15,219	13,771
ab., other personal expenses	1,769	2,088
of which: social insurance	937	838
pensions	525	561
ac., wage contributions	5,624	5,324
of which: social insurance	3,465	2,891
pensions	932	173
b., other administrative expenses (material-type)	21,506	22,986
9 Depreciation	4,708	4,415
10 Other expenses from business activity	22,288	30,163
a., expenses of non financial and investment services	5,035	8,121
of which: from affiliated companies	0	0
from other participations	0	0
b., other expenses	17,253	22,042
of which: from affiliated companies	0	0
from other participations	0	0
value loss of inventories	4	408
11 Value loss of receivables and risk provisions for future and pending liabilities	21,784	18,865
a., value loss of receivables	19,620	17,937
b., risk provisions for future and pending liabilities	2,164	928
12 Retrieval of value loss of receivables and use of risk provision for future and pending liabilities	14,196	19,128
a., retrieval of value loss of receivables	11,418	17,760

Items	HUF million	
	31.12.2004	31.12.2005
b., use of risk provision for future and pending liabilities	2,778	1,368
13 Value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations	179	0
14 Retrieval of value loss of securities representing debt-claim, held for investments purposes and of shares in affiliated companies and other participations	3,054	0
15 Ordinary result of business activities	9,341	24,878
of which: Result of financial and investment services	6,668	22,105
Result of non financial and investment services	2,673	2,773
16 Extraordinary income	4	105
17 Extraordinary expense	147	139
18 Extraordinary profit	-143	-34
19 Result before taxes	9,198	24,844
20 Tax liability	950	5,694
Outstanding balance of corporation tax deriving (calculated., from consolidation	11	-86
21 Profit/loss after taxes	8,237	19,236
22 Allocation (-) or use (+) of general risk reserves	911	2,045
23 Transfer from profit reserve (retained earnings) for dividend payment	0	216
24 Approved dividends	0	3,395
of which: from affiliated companies	0	3,392
from other participations	0	0
24b After tax profit/loss due to other holders	-4	0
25 Balance sheet profit/loss	7,322	14,012

IV. CASH-FLOW STATEMENT

Items	HUF million	
	2004	2005
Interest income	122,397	107,158
+ Income from other financial services (excluding retrieval of provision on securities)	42,791	52,651
+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	8,195	10,953
+ Income from investment services (excluding retrieval of provision on securities)	12,298	18,665
+ Income from non financial and non investment services	7,708	10,894
+ Income from dividend	1,012	478
+ Extraordinary income	4	105
- Interest expenses	74,825	48,874
- Other financial expenses (excluding provision on securities)	26,327	32,545
- Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	24,123	21,765
- Expenses from investment services (excluding provision on securities)	8,923	18,093
- Expenses of non financial and non investment services	5,035	8,121
- General administrative expenses	44,118	44,169
- Extraordinary expenses (excluding the company tax liability of the current year)	147	139
- Corporate tax liability of the current year	961	5,694
- Dividend paid	0	3,373
Operating cash-flow	9,947	18,131
± Change in liabilities (+ if increase, - if decrease)	542,487	330,689
± Change in receivables (+ if increase, - if decrease)	-413,597	-261,146
± Change in inventories (+ if increase, - if decrease)	-1,438	-581
± Change in securities registered among current assets (+ if increase, - if decrease)	3,611	7,535
± Change in securities registered among invested assets (+ if increase, - if decrease)	-72,632	-46,680
± Change in investments (including advances paid) (+ if increase, - if decrease)	-47	-25
± Change in intangible assets (+ if increase, - if decrease)	-4,416	-1,382
± Change in net value of fixed assets (excluding investments and advances paid) (+ if increase, - if decrease)	-12,985	86
± Change in active deferrals (+ if increase, - if decrease)	-16,869	9,143
± Change in passiv deferrals (+ if increase, - if decrease)	8,994	-11,861
+ Shares issued at sales price		0
+ Consolidated net assets of the absorbed Postabank as of 1st January 2004	30,796	0
± Modification based on consolidation of subsidiaries (+ if increase, - if decrease)		-436
+ Change in profit reserve (in retained earnings)	2,068	-1,379
- Change equity of subsidiaries	-1,712	323
+ Financial assets received		0
- Financial assets transferred		-200
- Nominal value of own issue withdrawn		0

Items	HUF million	
	2004	2005
– Net cash-flow	77,631	42,217
– change in cash in hand (banknotes, cheques)	5,166	1,368
– 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)	72,465	40,849

Independent Auditors' 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.

We have audited the accompanying consolidated balance sheet of Erste Bank Hungary Rt. ("the Company") as at 31 December 2005, which shows a balance sheet total of HUF 1,452,904 million and a profit for the year of HUF 14,012 million, the related consolidated profit and loss account for the year then ended and the notes included in the Company's 2005 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 the consolidated financial statements.

We issued an unqualified opinion on the Company's consolidated annual financial statements as at 31 December 2004 on 25 February 2005.

We conducted our audit in accordance with Hungarian National Auditing 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 financial statement presentation. 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. in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the consolidated annual financial statements have been prepared in accordance with the Hungarian accounting law and with generally accepted accounting principles in Hungary. 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. as at 31 December 2005 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, 24 February 2006
except for the dividend payment of HUF 3,373 million for the year ended 31 December 2005,
as to which the date is 27 April 2006

Ernst & Young Kft.
Registration No.: 001165

Fekete Imréné
Registered Auditor
Chamber membership No.: 003201

Branch network

BRANCHES IN BUDAPEST

Branch	Postal code	City	Address
Andrássy út 2. Branch	1061	Budapest	Andrássy út 2.
Árkád Üzletközpont Branch	1106	Budapest	Örs vezér tere 25.
Árpád Ház Branch	1139	Budapest	Csongor u. 5-7.
Astoria Branch	1088	Budapest	Rákóczi út 1-3.
Bajcsy-Zsilinszky út Branch	1055	Budapest	Bajcsy-Zsilinszky út 74.
Bartók-Ház Branch	1114	Budapest	Bartók Béla út 43-47.
Batthyány tér Loan Center	1011	Budapest	Batthyány tér 5-6.
Bécsi út Branch	1036	Budapest	Bécsi út 52-54.
Boráros tér Branch	1095	Budapest	Lechner Ödön fasor 1-2.
Böszörményi út Branch	1126	Budapest	Böszörményi út 24.
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 47-49.
Danubius Ház Branch	1138	Budapest	Váci út 141.
Duna Plaza Loan Center	1138	Budapest	Váci út 178.
Egry József utca 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.
Erzsébei Tesco Branch	1204	Budapest	Mártírok útja 281.
Fehérvári út 28. Branch	1117	Budapest	Fehérvári út 28.
Flórián tér Branch	1033	Budapest	Flórián tér 3.
Hunyadi Üzletház Branch	1195	Budapest	Üllői út 283.
Hűvösvölgy Branch	1021	Budapest	Hűvösvölgyi út 138. (StopShop)
József körút Branch	1085	Budapest	József körút 86.
József Nádor tér Branch	1051	Budapest	József nádor tér 5.
Kálvin tér Branch	1082	Budapest	Baross utca 1-3.
Károly körút Branch	1075	Budapest	Károly körút 7.
Kispest Branch	1193	Budapest	Kossuth tér 23-24.
Kőbánya Branch	1102	Budapest	Kőrösi Csoma sétány 9/B
Krisztina tér Branch	1013	Budapest	Krisztina tér 2.
Madách tér Branch	1075	Budapest	Madách utca 13-15.
Mammut II. Branch	1024	Budapest	Margit körút 87-89.
Margit körút Branch	1027	Budapest	Margit körút 48.
Maros utca Branch	1122	Budapest	Maros utca 19-21.
Mester utca Branch	1095	Budapest	Mester utca 1-3.
Párisi utca Branch	1052	Budapest	Párisi utca 3.
Pesterzsébet Branch	1203	Budapest	Kossuth Lajos utca 21-29.
Pólus Center Branch	1151	Budapest	Szentmihályi út 131.
Rákoskeresztúr Tesco Branch	1173	Budapest	Pesti út 5-7.
Soroksár Branch	1238	Budapest	Grassalkovich u. 150.
Tátra utca Branch	1136	Budapest	Tátra utca 6.
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.
Újpest Branch	1047	Budapest	Váci út 15-19.
Váci út Branch	1132	Budapest	Váci út 48.
Vízimolnár utca Branch	1031	Budapest	Vízimolnár u. 2-4.
Westend Branch	1062	Budapest	Váci út 1-3.

BRANCHES IN COUNTRYSIDE

Branch	Postal code	City	Address
Ajka Branch	8400	Ajka	Szabadság tér 4/a.
Baja Branch	6500	Baja	Vörösmarty utca 5.
Balassagyarmat Branch	2660	Balassagyarmat	Rákóczi fejedelem utca 34-36.
Balatonfüred Branch	8230	Balatonfüred	Zsigmond utca 1.
Békés Branch	5630	Békés	Széchenyi tér 4.
Békéscsaba Branch	5600	Békéscsaba	Munkácsy út 2.
Békéscsaba Branch	5600	Békéscsaba	Kinizsi utca 3.
Berettyóújfalu Branch	4100	Berettyóújfalu	Dózsa György utca 6.
Budakeszi Branch	2092	Budakeszi	Fő utca 43-45.
Budaörs, Tesco Branch	2040	Budaörs	Kinizsi út 1-3.
Cegléd Branch	2700	Cegléd	Népkör u. 2.
Csorna Branch	9300	Csorna	Szent István tér 29.
Csurgó Branch	8840	Csurgó	Széchenyi tér 16.
Debrecen, Belváros Branch	4025	Debrecen	Hatvan utca 1/B
Debrecen, Egyetem 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.
Dombóvár Branch	7200	Dombóvár	Hunyadi tér 19-21.
Dorog Branch	2510	Dorog	Bécsi út 76.
Dunaharaszti Branch	2330	Dunaharaszti	Iparos utca 2.
Dunaújváros Branch	2400	Dunaújváros	Dózsa György utca 2/a.
Eger, Dobó tér Branch	3300	Eger	Szt. János u. 13.
Eger Branch	3300	Eger	Kossuth Lajos utca 13/a.
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	9022	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.
Hajdúdorog Branch	4087	Hajdúdorog	Nánási út 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	Szegfű utca 1-3.
Jászberény Branch	5100	Jászberény	Szabadság tér 20.
Kalocsa Branch	6300	Kalocsa	Szent István király utca 30.
Kaposvár Branch	7400	Kaposvár	Bajcsy-Zsilinszky út 24.
Karcag Branch	5300	Karcag	Kossuth tér 6.
Kazincbarcika Branch	3700	Kazincbarcika	Egressy utca 44.

Kecskemét, Dobó körút Branch	6000	Kecskemét	Dobó körút 7.
Kecskemét Branch	6000	Kecskemét	Nagykőrösi utca 11.
Keszthely Branch	8360	Keszthely	Kossuth utca 45.
Kiskunhalas Branch	6400	Kiskunhalas	Kossuth utca 27.
Kisvárdai Branch	4600	Kisvárdai	Szent László utca 26.
Komárom, Tesco Branch	2900	Komárom	Gyár u. 2-6.
Kőszeg Branch	9730	Kőszeg	Rákóczi utca 1.
Lenti Branch	8960	Lenti	Zrínyi utca 3.
Makó Branch	6900	Makó	Csanád vezér tér 5.
Marcal Branch	8700	Marcali	Rákóczi utca 6-10.
Mátészalka Branch	4700	Mátészalka	Kölcsey utca 17/A
Mezőkövesd Branch	3400	Mezőkövesd	Mátyás király út 129.
Mezőtúr Branch	5400	Mezőtúr	Dózsa György utca 40.
Miskolc, Bajcsy-Zs. utca Branch	3527	Miskolc	Bajcsy-Zsilinszky utca 1-3.
Miskolc, Szemere utca Branch	3530	Miskolc	Szemere utca 4.
Miskolc, Városház tér Branch	3525	Miskolc	Városház tér 9.
Miskolc, Egyetemváros Branch	3515	Miskolc	Egyetemváros C/1 épület
Mohács Branch	7700	Mohács	Szabadság út 16.
Monor Branch	2200	Monor	Kossuth L. u. 88/B.
Mór Branch	8060	Mór	Köztársaság tér 1.
Mosonmagyaróvár Branch	9200	Mosonmagyaróvár	Deák Ferenc tér 3.
Nagykanizsa, Erzsébet tér Branch	8800	Nagykanizsa	Erzsébet tér 20.
Nagykanizsa, Fő utca Branch	8800	Nagykanizsa	Fő utca 24.
Nagykovács Branch	2094	Nagykovács	Kossuth L. u. 109.
Nyírbátor Branch	4300	Nyírbátor	Szabadság tér 21.
Nyíregyháza Branch	4401	Nyíregyháza	Luther u. 2.
Nyíregyháza Branch	4400	Nyíregyháza	Vay Ádám körút 12.
Orosháza Branch	5900	Orosháza	Kossuth utca 2.
Ózd Branch	3600	Ózd	Gyűjtő tér 1.
Paks Branch	7030	Paks	Barátság utca 1.
Pápa Branch	8500	Pápa	Fő tér 25-26.
Pécs, Diana tér Branch	7632	Pécs	Diana tér 20.
Pécs, Uránváros Branch	7620	Pécs	Ybl M. u. 7.
Pécs Branch	7620	Pécs	Rákóczi út 62-64.
Pécs Branch	7624	Pécs	Alkotmány utca 12.
Salgótarján Branch	3100	Salgótarján	Erzsébet tér 5.
Sárospatak Branch	3950	Sárospatak	Rákóczi utca 40.
Sárvár Branch	9600	Sárvár	Batthyány u. 20.
Sásd Branch	7370	Sásd	Rákóczi utca 17.
Sátoraljaújhely Branch	3980	Sátoraljaújhely	Széchenyi tér 3.
Siófok Branch	8600	Siófok	Fő utca 172.
Sopron, Előkapu Branch	9400	Sopron	Előkapu 2-4.
Sopron, Teleki P. utca Branch	9400	Sopron	Teleki P. u. 24.

Szarvas Branch	5540	Szarvas	Szabadság utca 32.
Százhalombatta Branch	2440	Százhalombatta	Piactér B/2
Szeged Branch	6720	Szeged	Kölcsey utca 13.
Szeged Branch	6720	Szeged	Széchenyi tér 17.
Székesfehérvár Branch	8000	Székesfehérvár	Palotai út 4.
Székesfehérvár Branch	8000	Székesfehérvár	Budai út 32.
Szekszárd Branch	7100	Szekszárd	Széchenyi utca 40.
Szentendre Branch	2000	Szentendre	Duna korzó 18.
Szentes Branch	6600	Szentes	Petőfi Sándor utca 1.
Szentgotthárd Branch	9970	Szentgotthárd	Széchenyi utca 2.
Szerencs Branch	3900	Szerencs	Rákóczi út 73-75.
Szigetszentmiklós Branch	2310	Szigetszentmiklós	Szent Miklós útja 1.
Szolnok, Nagy Imre krt. Branch	5000	Szolnok	Nagy Imre krt. 8/A.
Szolnok Branch	5000	Szolnok	Baross utca 8.
Szombathely, Kőszegi utca Branch	9700	Szombathely	Kőszegi utca 23.
Szombathely, Fő tér Branch	9700	Szombathely	Fő tér 29.
Tata Branch	2890	Tata	Országgyűlés tér 3.
Tatabánya Branch	2800	Tatabánya	Fő tér 20.
Tiszaújváros Branch	3580	Tiszaújváros	Bethlen Gábor utca 18.
Tiszavasvár Branch	4440	Tiszavasvári	Kossuth utca 22.
Törökszentmiklós Branch	5200	Törökszentmiklós	Kossuth utca 125.
Várpalota Branch	8100	Várpalota	Szent István út 7-9.
Veszprém C Branch	8200	Veszprém	Egyetem utca 19.
Veszprém Branch	8200	Veszprém	Szabadság tér 1.
Záhony Branch	4625	Záhony	Ady Endre utca 27-31.
Zalaegerszeg, Ispotályköz Branch	8900	Zalaegerszeg	Ispotály köz 2.
Zirc 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 - 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 Centres (2)	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 divisions

Corporate and Property Financing
Trade Financing
Local Councils

Supervisory board, Board of directors

SUPERVISORY BOARD OF ERSTE BANK HUNGARY NYRT.

31 December 2005

Chairman:

Mag. Reinhard Ortner Erste Bank der oesterreichischen Sparkassen AG

Members:

Mag. Andreas Treichl Erste Bank der oesterreichischen Sparkassen AG
Bernhard Spalt Erste Bank der oesterreichischen Sparkassen AG
Manfred Wimmer Erste Bank der oesterreichischen Sparkassen AG
Várady Lászlóné Erste Bank Hungary Nyrt.
Magyar István Erste Bank Hungary Nyrt.

BOARD OF DIRECTORS OF ERSTE BANK HUNGARY NYRT.

31 December 2005

Chairman:

Kisbenedek Péter Erste Bank Hungary Nyrt.

Members:

Papp Edit Erste Bank Hungary Nyrt.
Pásti Zoltán Erste Bank Hungary Nyrt.
Megyesiné Bese Gabriella Erste Bank Hungary Nyrt.
Helmuth Hintringer Erste Bank Hungary Nyrt.
Tátrai Bernadett Erste Bank Hungary Nyrt.
Frederik Silzer external member
Szivi László external member
Rudnay János external member

Ratings of Erste Bank Hungary

Moody's:	Long-term	A2
	Short -term	P-1
	Financial strength	D
FITCH:	Support	1