

ANNUAL REPORT 2009

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Key figures, ratings

Key figures of Erste Bank Hungary

for the annual report of 31st December 2009 on the basis of audited, consolidated annual figures according to Hungarian Accounting Standards

in million HUF	2008	2009
Profit and loss account		
Operating income	518,950	532,196
Operating expense	485,329	509,681
Operating result	33,621	22,515
Pre-tax profit	33,223	22,189
After-tax profit	27,114	18,372
Net profit	9,511	2,631

Balance sheet	2008	2009
Total assets	2,636,559	2,845,190
Loans to customers	1,913,483	1,905,672
Amounts owed to customers	935,752	1,135,072
Equity	128,832	140,784

Cost/Income ratio	58.76%	45.16%
Return on Assets (ROA)		
Pre-tax profit / Asset worth	1.26%	0.78%
After-tax profit / Asset worth	1.03%	0.65%
Return on Equity (ROE)		
After-tax profit / Equity	21.05%	13.05%
Number of employees	3,230	3,214
Number of corporate trade centres	23	23
Number of retail branches	203	204

Ratings of Erste Bank Hungary

Moody's:	Long-term	BAA2
	Short-term	P-2
	Financial strength	D

Dear Customers, Partners and Shareholders,



The year 2009 will most likely be commemorated in the financial annals as the year, when the global financial and economic crisis peaked. Erste Bank Hungary concentrated with all its might on managing the impacts of the crisis, and I believe we can be proud of what we have achieved. In spite of an extremely adverse macroeconomic landscape, we managed to improve the bank's market position – an indication that our business policy, which had been launched earlier with a focus on core activities and simultaneous cost reduction, proved right. As a result, no redundancies were necessary last year and none of our branches had to be closed, either. Considering a customer base of 900,000 and a branch network of 204 units at the end of last year, Erste Bank is among the largest retail banks in Hungary.

Erste Bank managed to increase its market shares in all key segments in 2009, boasting a market share in excess of 13 per cent in retail lending – and 16 per cent in housing loans within that scope – and more than 8 per cent in retail deposits. Continuing strict cost control that had been implemented earlier, was a key contributor to the bank's success. Cost/income ratio improved further, reaching 45.2 per cent in terms of Hungarian Accounting Standards, which represented a 13.6 per

cent expansion in comparison to the corresponding period in the preceding year.

Measures implemented by the parent company via equity raise and by Erste Bank Hungary through cost cutting added to customer portfolio selection and new methods employed in customers care to diminish the impacts of the crisis considerably. Nevertheless, the main issue during the crisis was, which market player was backed at what extent by their parent company that supported affiliates with capital and liquidity, as well as with strategic guidelines. Erste Group made it clear from the first moment that it would not pull the brakes, but was going to ensure banking operation across its universe, and would also reduce costs and rationalise operation. At the end of the day, we could manage negative effects from drying international financial markets with help from our parent, and thus tackled the problems of crisis impacts easier.

At the same time, it was also a critical achievement that we refused to turn our backs to our customers amid the crisis and consistently focused on core activities – lending and, increasingly, deposit acquisition. Erste has been the first among Hungarian banks to ease payment conditions for financially distressed customers. At the same time, due to a constantly renewed product range, the bank also managed to augment its positions in the retail lending market, which had decelerated heavily. Last year the bank concentrated on deposit acquisition, as well. Owing to an intensifying propensity on the part of customers to save, the bank increased its share in the deposit market in both the retail and corporate segment by implementing new deposit products and offering competitive interest rates.

Of course, we also had our lessons learnt from the crisis, and I am confident the steps we made to ensure responsible lending and to inform customers more accurately, covering all details, and also to enhance their financial literacy have been indispensable. On the

one hand, it is the joint responsibility of all market players to emphasise the importance of self-care, and, on the other hand, to establish a regulation landscape that focuses on customers in order to operate an even better banking sector that addresses customer demands with greater attention.

Although economic conditions changed greatly in 2009, the bank has constantly and flexibly adapted to a changing market environment and varied customer demands. Our strategy remains the same, with services provided to retail customers, as well as small and medium enterprises being in its core. One of our top priority objective is to ensure that Erste Bank stands by retail and corporate customers' side, as a reliable partner in managing negative impacts of the crisis and their everyday finances. We intend to remain a decisive player in the Hungarian banking market, who services its customers at ever improving standards by constantly adapting to changing market conditions and demands.

A handwritten signature in black ink, appearing to read 'Papp Edit', with a stylized, cursive script.

Ms. Edit Papp
Chairperson and CEO

Corporate Social Responsibility

It is an integral part of Erste Bank Hungary's strategy to actively participate in matters concerning the society and to support communities, as well as interesting and valuable initiatives of note.

Erste Pénzügyi Ismeretek Fiataloknak (Financial Information for Youth) – www.penzugyikisokos.hu

Erste Bank Hungary launched a project in autumn 2009 to enhance financial literacy and financial education of youth by employing an unorthodox method. Specialists of the bank hold interactive presentations in schools about basic financial knowledge designed especially for the demographics between 10 and 18 years of age, including topics like savings and loans, how to use bankcards, how to apply for a student loan, and what there is to know about pension pre-savings. At these headmaster's classes our specialists also discuss with the kids what factors to consider, when making a financial decision.

Charity

The charity activity of Erste Bank is primarily focused to help youth, to aid disadvantaged fellow human beings and improve their living standards, to retain healthy lifestyle, and to prevent diseases. It is important to underline that in addition to financial donations, the bank often gives donations in kind or lends the expertise and social work of our colleagues to help the needy.

SOS Gyermekfalu [SOS Children's Village]:

The bank has for years sponsored the foundation that operates children's villages in Hungary. In addition to financial donations, various items (furniture, computers, or even holidays) are given to make sure the orphans being raised in the villages have everything they need.

Magyar Vöröskereszt [Hungarian Red Cross]:

Financial donation from Erste Bank made it possible for the Hungarian arm of Red Cross to purchase the first mobile blood donation unit in Hungary, a truck that ensures an easily accessible facility across the country for all, who intend to donate blood. Several times a year the truck visits Erste headquarter as well, making it possible for the employees to contribute to an uninterrupted blood supply.

Máltai Szeretetszolgálat [Maltese Charity Service]:

In 2009, Erste Bank decided to spend the amount intended for Christmas presents on charity instead. In the scope of the program "Játszva megelőzni" ["Play & Prevent"] initiated by Magyar Máltai Szeretetszolgálat [Hungarian Maltese Charity Service], the financial institution "adopted" the Play & Prevent playgrounds in Esztergom and Szeged for 2010, making financial contribution to their operation.

Magyar Posta [Hungarian Post] – truck for screening cervical cancer:

Initiated by Erste Bank's strategic partner Magyar Posta, a truck treks the country to offer free cervical cancer screening to ladies living in small communities. Erste Bank also contributes to the annual operating costs of the truck. In the mobile screening station a total of nearly 2,000 women used the opportunity of free screening.

Egészséges Településekért Alapítvány [Foundation for Healthy Communities]:

Erste Bank was one of the sponsors to the foundation's project designed to promote healthy nutrition, and also contributed to the publication of a related cook book that showcased healthy Hungarian dishes.

In autumn 2009, an application, named “Hónap zöld programja” [“Green Project of the Month”] devised jointly with the foundation was launched, encouraging institutions from different regions each month to submit their applications aimed at establishing environment-conscious education. The financial institution supported the implementation of three bids each month.

Nemzetközi Gyermekmentő Szolgálat [International Children’s Safety Service]:

The service works to ensure the health of thousands of children each year and providing them with medical help. The bank has provided support in operation and funding for years. In 2009, renovation works of one of the physical therapy houses in the equine-assisted therapy centre in Fót were carried out in 2009 with sponsorship from the financial institution.

Cultural sponsorship

In 2008, Erste Bank Hungary became the strategic sponsor of Művészetek Palotája [Palace of Arts], a centre for arts recognised and acclaimed both in Hungary and internationally. This partnership carries particular significance for the bank, because the greatest representatives of various art scenes perform here, meeting all cultural demands. Organised by and shown in Művészetek Palotája, the broadcasts “The Metropolitan Opera: Live in HD” are also sponsored by the bank. Since 2009 these broadcasts have been presented not only in Budapest, but also in Szeged’s Belvárosi Filmszínház [Downtown Movie Theatre].

Erste Group launched the art collection “KONTAKT” in 2004, which focuses on the Central – and Southeast – European region, as well as on contemporary art in addition to conceptual art from the 1960s and 70s.

Erste Bank has been one of the main sponsors of Magyar Filmszemle [Hungarian Film Festival], the largest ensemble of contemporary movies for years. Also, numerous movies have been produced with financial and professional help provided by the bank. In addition to cultural events bearing national significance, sponsoring regional happenings (performances in rural theatres, village days, local festivals and concerts) are also important for the bank.

Sponsorship in sports

The bank aims to give the Hungarian sports scene a boost by sponsoring international and national sport events, as well as highly popular teams, such as the men’s handball team of Békés. The financial institution’s Erste Private Banking division is the main sponsor of the Dragon Boat fleet, one of the most dynamically developing classes of Hungarian sailing.

Support for education

The bank attributes great significance to aiding and developing economic education that ensures a steady flow of future experts, and also to expanding the literacy of youth regarding economy, enterprises and finances. In addition to financial aid, educational institutions are given considerable professional help by the bank’s experts, and some of the discarded computers and furniture of the bank are also offered to these institutions.

Erste Bank for talents

The bank joined the Junior Prima Award as co-founder in the category “Hungarian Press” in 2008, awarding young, talented, committed, professionally excelling, non-partisan journalists less than 30 years of age.

Erste Bank for people living with disabilities

Erste Bank Hungary continues to free retail branches of accessibility obstacles in order to facilitate for customers living with disabilities, and confined to wheelchairs to manage their banking matters as conveniently as possible. As a result of the program that started five years ago, the bank has modified 115 branches to date. Erste Bank Hungary started teaching banking advisors the sign language in the fall of 2009 in collaboration with SINOSZ [National Association for the Deaf and Hearing Impaired]. In the first stage of the program, volunteering banking advisors in 11 branches have taken the exam in sign language. It is a long-term objective for the financial institution to have branches in each county seat, where deaf customers are assisted by advisors that understand sign language.

Economic environment and banking sector in 2009

The year 2009 was characterised by a heavy downturn in real economy after Lehman Brothers had gone bankrupt the previous year. Annual growth projections had to be modified downward throughout the first half of the year, and in March 2009 the forint hit an all-time low level against the euro, closing it on the HUF 320 threshold. It was not before long that it became clear: an even greater fiscal consolidation was needed, than in 2008, while the deficit target for 2009 had to be modified, upon approval from Hungary's international financing organisations, to overall 3.9 per cent in terms of GDP from previous 2.6 per cent (precisely because of the consolidation and also to alleviate the impacts of additional negative economic developments). This was carried out by the new government, following Prime Minister Ferenc Gyurcsány's resignation.

The spring of 2009 saw the development of more favourable processes in the global economic environment, and indicators in real economy also implied gradual improvement. A more investor-friendly sentiment was reflected in the forint's forex rate and also in the yields of Hungarian government bonds. Beginning in the summer months, the Hungarian currency was shifting in a range between HUF 260 and HUF 280 against the euro. In consideration of an improving environment, the Hungarian central bank lowered the prime rate from 9.50 per cent to 6.25 per cent by the end of the year, while the inflation pressure in a recession-ridden economy stayed low in spite of the impacts of the tax hikes implemented as part of the budget consolidation measures. By the end of 2009, the pace of annual rise of consumer prices reached 5.6 per cent and annual average inflation was 4.2 per cent. Overall, the Hungarian economy shrunk 6.3 per cent in 2009.

The Hungarian banking sector faced a year full of challenges in 2009, but overall the sector managed the crisis successfully. After 2008, liquidity positions reflected gradual improvement, while the quality of loan portfolios continued to decline at a slow pace after a swift deterioration in the spring months. Loan/deposit ratio reflected improvement in overall annual comparison, as loan disbursement had contracted heavily and the deposit portfolio had increased in excess of loans, but in the second half of the year the indicator improved at a slower pace. Containing retail and corporate savings, the portfolio of customer deposits was 1.8 per cent larger in 2009 than at the end of 2008, while customer loans reflected a drop of 1.9 per cent in annual comparison. From the second half of the year, a pressure on deposits was attributable to a declining prime rate and a growing popularity of investment funds. In the lending market, the ratio of forint loans increased in the scope of new disbursements due to declining interest margins, but newly disbursed mortgages were still dominated by forex designs in 2009.

The profitability of financial institutions developed better than previously expected. The aggregate pre-tax profit of credit institutions operating as joint stock companies in Hungary decreased to HUF 258 billion from HUF 281 billion registered in the previous year. This performance was supported by a nearly five-percent boost in net interest income, as a well as by a more than 200-percent boom in financial and investment services, while impairments and risk provisions expanded powerfully (eventually amounting three times higher than in 2008) due to considerably deteriorating loan portfolios. In the meantime, operating costs dropped by 8 per cent across the sector.

Report of divisions

I. Retail division

In 2009, deposit acquisition was again given high priority in the scope of retail customers and micro businesses alike in Erste Bank's retail business, at the same time focusing on preserving previous achievements in mortgage lending.

Account management and deposits for retail and micro businesses

In 2009, the trend in savings shifted towards deposits with longer maturities. Adjusting to this change in savings pattern, Erste Bank provided customers with favourable conditions to fix existing and new funds. The maturity of Erste KamatBiztos Megtakarítás [Erste Secure Yield Savings] was extended to 6 and 12 months, encouraging customers to invest in savings design with longer maturities. The first quarter of 2009 Aktív Betét [Active Deposit] was introduced, a deposit for short- and long-term alike, which pays a higher interest, when the attached bank account or bank card is used actively. The extent of achievable interest rates in Aktív Betét deposits is subject to how actively a related bank account or bank card is used. It was also in 2009 that the bank introduced Erste BetétPáros Megtakarítás [Erste Deposit Duo Savings], a deposit intended to attract fresh funds, offering favourable interest on savings fixed for short and long terms. The expansion of forex deposits was supported by a special-offer interest rate on 6- and 12-month euro deposits and by the opportunity offered to customers to swap forint savings to euro deposits free of charges and at a favourable forex rate, when fixing new funds.

Implemented in the last quarter of 2008, Erste Kamatlépcső Vállalkozói Betét [Erste Progressive In-

terest Deposit for Entrepreneurs] was available in 2009 in forint and in euro, as well. Withdrawals from this four-month deposit with progressive interest rates could be effected without interest loss after the first interest term, namely from day 21 after fixing the deposit. Micro businesses could also invest their free liquidity in Kiugró Mikrovállalati Betét [Outstanding Deposit for Micro Businesses], which ensured outstanding higher-than-average interest rates in 2009. In addition, one of the objectives of the bank was to encourage more extensive account usage, and to this end various campaigns and discounts were employed to steer customers towards using electronic accounts more actively.

Loans for retail customers and micro businesses

On the back of the financial and economic crisis, the volume of retail lending changed dramatically in 2009, followed by a change in its structure due to government measures. The growth of the retail loan portfolio decelerated as only half the volume of new loans was disbursed in 2009 than in the preceding year. Due to a crisis-driven increase in refinance costs, loan redemption, which had been gaining pace in recent years, also declined substantially. Following the suspension of Swiss franc loans at the end of 2008, lending growth was driven by euro-denominated designs, supplemented by forint loans with government subsidy on the interest, which accounted for more than 25 per cent of new disbursements. However, this trend was upset by the discontinuation of subsidised loans in the second half of the year. Due to very strict conditions, the new subsidy regime, implemented by the Bajnai administration in October 2009, has been unable so far to fill the gap that developed after the abolition

of the previous system of subsidies. In spite of the crisis, the bank's share in the retail lending market grew steadily, reaching 13.3 per cent at the end of 2009. In the scope of housing loans, the bank boasted a 16.2-percent market share at the end of the year, representing a 1.4-percentage-point increase from the end of 2008.

In the first quarter of 2009, Erste Bank implemented its own bailout package to help customers that have become financially distressed due to the crisis, offering a bridging solution to all customers struggling with loan repayment problems. It was in the very same period that the bank's Törlesztési Védelem Biztosítás [Loan Payment Insurance] debuted, providing debtors losing their jobs with six-month loan payment coverage.

In the scope of consumer loans, personal loans were the most popular in 2009, perhaps because the bank offered discount interest rates on them.

Government-financed loan programs for micro businesses are still available (e.g. Széchenyi Kártya 2 [Széchenyi Card 2], Új Magyarország Hitelprogramok [New Hungary Loan Programs]); and the bank constantly aligns conditions to modifications in loan programs, particularly changes with the aim of target group expansion, as well as lighter terms and conditions. Erste Bank supported the promotion efforts of New Hungary Loan Programs with a nationwide loan campaign to inform as many micro businesses as possible, that New Hungary Loan Programs offered forint-denominated subsidised loans with no exchange rate risks. In 2009, government-subsidy forint loans and self-financed euro loans accounted for the majority of new disbursements. Compared to previous years, demand for Lombard loans increased.

Sales channels

Ensuring nationwide access, a branch network of 204 units were operated by Erste Bank on 31 December 2009. Two new branches were opened in the course of the year, one in rural areas, and the other in Budapest. In the middle of 2009, the rent contract

of a Budapest unit was not renewed, and customer service was delegated to a nearby branch. In line with quality requirements and corporate image, refurbishing and renovation works were also carried out in the branch network in 2009.

Alternative sales channels

Owing to a strategic partnership with Magyar Posta [Hungarian Post], the volume of sales at postal points increased further last year, as a result of which the number of customers holding Posta current accounts exceeded 161,000 at the end of the year. In addition to an increase in new accounts, the portfolio of deposits also expanded. Notwithstanding the declining interest environment. The total of savings designs (such as Posta Gyarapodó [Postal Growth Deposit] and Megújuló Betét [Postal Revolving Deposit]) surged 61 per cent in comparison to 2008.

The expansion in online post offices also continued in 2009, as direct banking access was available at 342 post offices across the country by the end of the year.

Utilisation of electronic channels reflected a dynamic progress in comparison to the previous year. At the end of 2009 Erste TeleBank and Erste NetBank boasted 668,000 and 219,000 customers, respectively.

II. Corporate Division

Having hit Hungary in the last quarter of 2008, the global economic crisis made additional negative impacts in 2009 in the Hungarian corporate market, as well.

In 2009, the corporate lending market was riddled by a contracting demand, as well as tightening conditions and standards in lending. The majority of companies (particularly in the segment of small and medium enterprises) no longer met stricter requirements, and others assumed a stand-by position regarding investment loans predominantly. As a consequence, the dynamism of lending, which had been rising constantly in previous years, was now arrested, entering a phase of decline in 2009. The quality of corporate portfolio deteriorated in the course of the year, prompt-

ing Erste Bank to put a bigger emphasis on proactive loan management. Despite the unfavourable environment, the majority of banks still aimed to be perceived as a steady partner that supports Hungarian companies.

Banks' liquidity position improved in 2009, but a fierce competition for corporate deposits developed in a stagnating market.

Local Business Division

Business results, 2009

Erste Bank's Local Business Division (small and medium enterprises, as well as municipalities) met its targets defined for 2009. As an "in-house bank", the financial institution supports customers by providing them with advice regarding prevention and management of financial problems, ensuring appropriate funds to that end. The advisors working in the sales network boast years of experience in risk analysis, an extensive knowledge in products, and appropriate competence. The system of single-point servicing has been enhanced, making it possible for customers to access all the services offered by the bank, through the very same advisor.

Via targeted customer acquisition campaigns, our local business division opened accounts for more than 700 customers in 2009, and the number of customers exceeded 8,600 by the end of last year, as a result.

In 2009 Erste Bank expanded the scope of refinance designs, typically backed by subsidies, available to small and medium enterprises, as well as municipalities, helping customers manage exchange rate risks and/or reduce funding costs. In addition to finance facilities offered by Magyar Fejlesztési Bank [Hungarian Development Bank], the capital expenditures loan program, Global Loan, provided by the European Investment Bank, was recommended, and a EUR 100 million loan facility to refinance SME loans was signed with the European Bank for Reconstruction and Development.

The division managed to keep its loan portfolio at the easlier level in the course of the year.

Owing to the deposit acquisition activity, both the SME and municipal segments increased the deposit portfolio by more than HUF 100 billion, or by 55 per cent, which exceeded the market average. As a result, the division achieved a much better loan/deposit ratio at the end of 2009, than the average of the corporate banking businesses.

A multitude of products (including account packages for small businesses; deposit product Kamatlépcső [Interest Grade]) were introduced within our Local Business Division to meet the demands of the small enterprises segment (comprising of enterprises with annual sales between HUF 200 and 500 million typically).

Erste Bank continues to be active in organising and financing bond issues for the municipal business, having acquired a market share of 18 per cent in this scope.

Corporate and Real Estate Finance Division

I. Portfolio management

Focused portfolio management, established in the business area Large Corporate and Real Estate Finance at the end of 2008, continued in 2009. The division remained focused on identifying, assessing and monitoring risks at an early stage in terms of customers and contracts alike. In close cooperation with customers, non-performing loans of the portfolio have been managed by keeping mutual interests with customers, as well as profit optimisation in view.

Nevertheless, risk margins had to be increased in interest rates due to growing risks in the entire portfolio.

II. Regional customer service

Expansion of the product range related to the bank's regional customer service continued. The project aiming to automate the regional "cash-pooling" service was launched, and development of "payment factory" (a service for payment transactions filed through various electronic channels and in a variety of formats) entered its final stage.

III. Sales process

In order to prepare for post-crisis times, as well as to ensure more efficient and swifter customer services, back-office process of lending was reconsidered in collaboration with associated areas. Involving the entire Corporate Division, a project, aimed at implementing an electronic system to support lending processes, was launched.

IV. Regulations

Large percentage of the resources of the business area was occupied by regulatory activities related to changes in legislation and supervisory regulations in 2009. As a result of measures aimed at compliance to them, back-office systems, as well as regulations in internal processes were updated and adjusted.

III. Treasury (Group Capital Markets)

In addition to regular trading and sales activity, Erste Bank's Treasury business carries out the tasks in operative liquidity management, long-term financing, and risk management that ensure the continuance and security of the bank's trading activities.

In the scope of trading and sales, Erste Bank Treasury is a decisive player in the Hungarian forex and financial markets. The division has conducted trading activities in spot and derivative designs in the forex and financial markets since 2008 on behalf of Erste Group Bank AG, as part of Group Capital Markets of Erste Group.

The positions of the division in the Hungarian financial and forex markets did not change substantially in 2009, the bank retained its leading position in the market of short-term forint-denominated fixed-income derivatives and continued to play a decisive role in the interbank spot FX and FX swap market. 2009 saw the most successful year ever for Treasury, as the department's business results exceeded business plans by more than 100 per cent. In addition to steady sales income, the trading result – realised in financial markets through activities conducted as part of the local and GCM division – also made a substantial contribution

to the outstanding business year of Treasury. The record-breaking result was achieved while at the same time business efficiency was improving further. Return-on-equity of the division continued to be outstanding, and its cost/income ratio also stayed below the anticipated level.

Built on a close cooperation with the corporate business of the bank, enhancing and augmenting sales activities are pivotal components in the local strategy of the division. Sales activity continues to focus on servicing the bank's small and medium enterprises, but Treasury is also active in the market of Hungarian institutional investors, and gradually improves its positions in the retail market via the bank's private banking business. Product consulting, pricing, and sales activity related to regular, derivative and structured FX market products are the most important components of the division's sales activity. Products related to forex markets account for 85 per cent of sales income. The share of investment and structured investment products, as well as fixed-income derivatives and commodity-market derivatives in the sales income, however, is rising steadily.

Despite the economic downturn and the ensuing decline in corporate business activity, the division managed to keep its total sales income at previous year's level. A slump in sales turnover related to corporate customers was offset by growing income from institutional customers in 2009. As an outstanding achievement of the year, the turnover in structured products more than doubled, and the total turnover of FX derivatives also increased in comparison to 2008.

Treasury constantly strives to expand its product range and to adjust it to demands presented by markets and customers. In order to bolster customer turnover, Treasury always endeavours to expand its potential customer base, therefore the scope of forex market services were enlarged in 2009 by providing customers with online access to FX markets even for entities with smaller customer turnover than before.

Market presence of Treasury is also being boosted in the scope of large corporate customers of Erste Bank. In addition to traditional treasury services, commodity-market derivatives are used predominantly to reach this customer segment.

Analysis of the financial position

Higher provisions, surging costs of funding, and a dramatic economic downturn on the back of the financial crisis have made a mark on the profitability of Hungarian banks. Accordingly, the annual after-tax profit of Erste Bank Hungary slumped 27 per cent in 2009 in comparison to the preceding year.

Assets

Owing to an extensive deposit acquisition strategy, the bank's total assets reached HUF 2,797 billion at the end of 2009, up 7 per cent from the previous year. The pace of growth was consistent with the general trend experienced in the banking sector.

The structure of Erste Bank's asset portfolio changed mostly in respect of government securities, as well as loans and advances to credit institutions and customers in 2009. Compared to the previous year, government securities surged HUF 229.2 billion, increasing their ratio against total assets to 22 per cent in 2009 from 14 per cent registered one year earlier. Disbursements to credit institutions declined (by HUF 8 billion in comparison to the preceding year) and, as a consequence, their ratio to total assets dropped from 2 per cent in 2008 to 1.8 per cent. Loans and advances to customers fell to HUF 28.2 billion from the previous year, most markedly in loan disbursements to other financial intermediaries

and investment enterprises, as well as in the scope of current account overdrafts and other loans. The dynamic growth of consumer loans and mortgage-based loans failed to offset this decline. Compared to 2008, the ratio of loans and advances to customers versus asset portfolio dropped to 68 per cent from 74 per cent.

Liabilities

Compared to the end of the preceding year, amounts owed to customers reflected major changes within the scope of the bank's funding structure in 2009. Owing to the deposit acquisition strategy of the bank, the volume of customer deposits increased by HUF 189.2 billion in comparison to the previous year, as a result of which their share against total liabilities increased to 40 per cent from 36 per cent in 2008. Within this scope, most prominent was a surge in the portfolio of household fixed deposits (up HUF 133.4 billion). However, the portfolio of sight deposits contracted (by HUF 12.3 billion) in comparison to the previous year. Amounts owed to credit institutions declined slightly in comparison to the end of 2008 (by HUF 0.184 billion), mainly in respect of central banks and money-market funds. Other obligations and provisions fell to HUF 34.8 billion, primarily owing to a negative valuation margin of derivatives.

HUF million

Development of major asset portfolios, 2007-2009:

	2007	2008	2009	Change %			Proportion %		
				2007/ 2006	2008/ 2007	2009/ 2008	2007	2008	2009
Governments securities	154,354	379,081	608,296	-26%	146%	60%	8%	14%	22%
Loans and advances to credit institutions	126,783	59,566	51,504	74%	-53%	-14%	6%	2%	2%
Loans to customers	1,510,258	1,940,703	1,912,453	16%	29%	-1%	76%	74%	68%
Cash and balances	63,742	32,911	36,863	8%	-48%	12%	3%	1%	1%
Non-interest bearing assets	139,166	204,414	188,029	17%	47%	-8%	7%	8%	7%
TOTAL ASSETS	1,994,303	2,616,675	2,797,145	13%	31%	7%	100%	100%	100%

HUF million

Development of major liability portfolios, 2007-2009:

	2007	2008	2009	Change %			Proportion %		
				2007/ 2006	2008/ 2007	2009/ 2008	2007	2008	2009
Amounts owed to credit institutions	864,832	1,330,851	1,330,667	20%	54%	0%	43%	51%	48%
Amounts owed to customers	866,215	934,400	1,123,615	9%	8%	20%	43%	36%	40%
Equity	123,285	123,976	150,218	23%	1%	21%	6%	5%	5%
Other liabilities + Provision	139,971	227,448	192,645	-6%	62%	-15%	7%	9%	7%
TOTAL LIABILITIES	1,994,303	2,616,675	2,797,145	13%	31%	7%	100%	100%	100%

Profit & Loss Account

Compared to the previous year, net interest income of Erste Bank Hungary increased by two per cent (or HUF 1.4 billion) in 2009. In the scope of revenues, a rise of HUF 18.6 billion in interest and interest-type income on loans was registered, mostly driven by exchange rate effects and loan re-pricing. The increase was most apparent in the portfolio of housing and consumption loans. Additionally, other interest and interest-type income expanded by 20.4 per cent (or HUF 4.5 billion) in comparison to the end of 2008, with most of the increase realised in the scope of interest income originating from banks as a result of cross currency transactions and IRS deals. Interest income from securities also picked up (by 14 per cent or approximately HUF 2.4 billion), mostly due to Treasury Bills and government bonds.

Comparing the last quarter of the year to the corresponding period in 2008, there was a large increase in interest expenditures, mostly owing to an increase in the total of deposit and amounting to HUF 17.2 billion. Acquiring and retaining new deposits required much higher nominal interest rates paid to customers than in the previous year. In addition, interest expenditures paid on loans raised from central banks increased considerably (by HUF 3.4 billion). In contrast, interest costs on interbank deposits from credit institutions declined (by HUF 4.2 billion), driven by lower interest rates on the euro and the Swiss franc in line with market trends.

At the end of 2009, income from securities was HUF 2.1 billion higher than 12 months earlier. The bank was paid HUF 7.2 billion dividend by its affiliates, and also received HUF 176 million dividend from Giro Zrt.

The bank's commission and fee income exceeded the

figure registered at the end of 2008 by HUF 3.3 billion (approximately 19 per cent), primarily owing to a rise in net income from other commissions and fees (HUF +3.5 billion). Within this scope, commission expenditure of intermediaries was considerably lower (by nearly HUF 3 billion), than in the preceding year.

The balance of financial transactions reflected a remarkable growth of 103 per cent (HUF 24 billion) in comparison to the previous year, owing to a marked, HUF 43 billion increase in income from investment services. This was primarily due to a HUF 23.3 billion decline in the expenditures on other investment services, mostly driven by real re-valuation impairments in IRS, SWAP, FRA and option contracts. Additionally, capital gains on securities held for trading purposes increased by HUF 20.3 billion in comparison to the previous year. All these factors acted to offset a HUF 19.4 billion decline that stemmed from re-valuation of forex assets and obligations.

An outstanding result in financial transactions and dividend facilitated an increase of 30 per cent (HUF 30.8 billion) in operating income in comparison to the end of 2008.

Operating costs advanced by 8 per cent (approximately HUF 4.3 billion) from the previous year, primarily due to 51 per cent higher marketing costs, which were driven by a new advertising campaign (in line with the strategy of the bank). Personnel expenses increased 4 per cent in comparison to the previous year. Headcount at the end of the year was at the same level, as at the end of 2008, a planned pay rise was discarded. A 16-percent rise in rent compared to December 2008 was mainly due to forex effects (the firming of the euro). A 4.6-percent increase in amortisation was due to higher investments

in activated software. Compared to the previous year, the bank's cost/income ratio improved substantially by 8.8 per cent (excluding dividend).

Net impairment was HUF 35.7 billion higher, than in 2008, caused by a deteriorating retail and corporate portfolio on the back of the financial crisis.

In the year surveyed, the bank accounted one billion forints as extraordinary expense, because instruments in that amount were surrendered to improve the capital positions of an affiliated company (Erste Kereskedőház

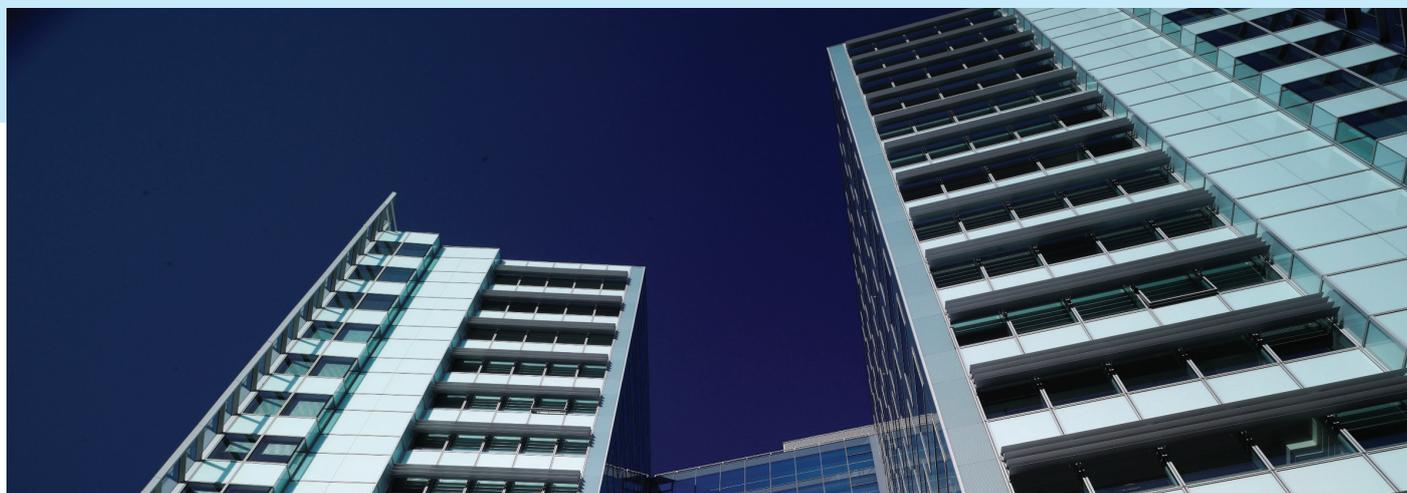
Kft. [Erste Trading House]).

The remarkable increase in the income side was consumed by a HUF 35.7 billion surge in impairments and provisions. As a consequence, an eight-percent rise in general administrative expense, a decline in the earnings of other business activities, and extraordinary expenditures arising in the course of the year led to an after-tax profit which was 27 per cent (or HUF 7 billion) lower, than at the end of 2008.

HUF million

Development of main earnings components, 2007-2009:

	2007	2008	2009	Change %		
				2007/2006	2008/2007	2009/2008
Net interest income	59,315	56,921	58,315	1%	-4%	2%
Fee and commission result	18,349	17,713	21,064	11%	-3%	19%
Income from securities	1,948	5,272	7,409	-51%	171%	41%
Result of financial services	12,053	23,215	47,175	193%	93%	103%
Operating income	91,665	103,121	133,963	10%	12%	30%
Operating expenses	48,472	52,553	56,873	3%	8%	8%
Operating result	43,193	50,568	77,090	20%	17%	52%
Other profit / loss	-13,784	-15,174	-14,231	20%	10%	-6%
Net risk provision	-1,649	-5,004	-40,770	623%	203%	715%
Extraordinary result	-36	-111	-1,013	-103%	208%	813%
Pre-tax profit	27,724	30,279	21,076	8%	9%	-30%
Profit / Loss after taxes	23,470	25,828	18,782	16%	10%	-27%
Balance sheet profit / loss	21,123	8,245	16,904	119%	-61%	105%



Non-consolidated report

I. Balance sheet

Assets

HUF million			
Items		2008	2009
1	Cash and balances	32,911	36,863
2	Government securities (issued by Hungarian State)	379,081	608,296
	a for trading purposes	199,402	334,096
	b for investment purposes	179,458	273,805
2/A	Valuation difference of government securities	221	395
3	Loans and advances to credit institutions	59,566	51,504
	a sight	10,093	2,905
	b other loans from financial services	49,473	48,599
	ba with a maturity within one year	45,960	46,530
	of which:		
	from affiliated companies	1,072	2,735
	from other participations	0	0
	from National Bank of Hungary	44,400	34,391
	from clearing house	0	0
	bb with a maturity more than one year	3,513	2,069
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
	c from investment services	0	0
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
	from clearing house	0	0
4	Loans to customers	1,940,703	1,912,453
	a from financial services	1,940,628	1,912,450
	aa with a maturity within one year	370,604	253,125
	of which:		
	from affiliated companies	136,922	45,009
	from other participations	0	0
	ab with a maturity more than one year	1,570,024	1,659,325
	of which:		
	from affiliated companies	128,480	174,320
	from other participations	437	424
	b from investment services	75	3
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
	ba receivables from services on stock exchange	0	0
	bb receivables from services outside of stock exchange	75	3
	bc receivables from customers deriving from investment services	0	0
	bd receivables from clearing houses	0	0
	be receivables from other investments services	0	0

HUF million			
Items		2008	2009
4/A	Valuation difference of loans to customers	0	0
5	Securities representing debt claim, including fixed income securities	75,573	91,092
a	securities issued by local authorities or other state-organizations (government securities are excluded)	57,481	70,094
aa	for trading purposes	0	0
ab	for investment purposes	57,481	70,094
b	securities issued by other issuer	18,812	21,587
ba	for trading purposes	7,256	6,393
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
	repurchased own-issued securities	0	0
bb	for investment purposes	11,556	15,194
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
5/A	Valuation difference of securities representing debt claim	-720	-589
6	Shares and other non-fixed income securities	0	0
a	shares, participations for trading purposes	0	0
	of which: issued by affiliated companies	0	0
	issued by other participations	0	0
b	variable-income securities	0	0
ba	for trading purposes	0	0
bb	for investment purposes	0	0
6/A	Valuation difference of shares and non-fixed income securities	0	0
7	Shares and participations for investment purposes	872	869
a	shares, participations for investment purposes	872	869
	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	9,094	9,963
a	shares, participations for investment purposes	9,094	9,963
	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
9	Intangible assets	5,793	5,767
	Intangible assets	5,793	5,767
	Value adjustments of intangible assets	0	0
10	Tangible assets	12,844	9,845
a	tangible assets for financial and investment purposes	9,596	9,845
aa	real estates	4,178	4,489
ab	technical equipments, machinery, appliances, vehicles	4,034	4,098
ac	investments	1,384	1,258
ad	advances paid for investments	0	0
b	tangible assets not directly for financial and investment purposes	3,248	0
ba	real estates	3,248	0
bb	technical equipments, machinery, appliances, vehicles	0	0
bc	investments	0	0
bd	advances paid for investments	0	0
c	value adjustments of tangible assets	0	0
11	Own shares	0	0

HUF million			
Items		2008	2009
12	Other assets	44,088	17,936
a	inventories	1,520	770
b	other receivables	5,865	6,294
	of which:		
	from affiliated companies	3,112	3,068
	from other participations	0	0
12/A	Valuation difference of other receivables	0	0
12/B	Positive valuation difference of derivative instruments	36,703	10,872
13	Deferred expenses and accrued income	56,150	52,557
a	accrued income	54,464	49,363
b	accrued expense	1,686	3,194
c	deferred expense	0	0
TOTAL ASSETS		2,616,675	2,797,145
	of which: Current assets	709,890	697,657
	Invested assets	1,850,635	2,046,931

Liabilities

HUF million			
Items		2008	2009
1	Amounts owed to credit institutions	1,330,851	1,330,667
a	sight	3,613	3,464
b	liabilities from fixed term financial services	1,327,238	1,327,203
	ba with a maturity within one year	147,406	92,536
	of which:		
	from affiliated companies	100,707	66,180
	from other participations	0	0
	from National Bank of Hungary	10,000	0
	from clearing house	0	0
	bb with a maturity more than one year	1,179,832	1,234,667
	of which:		
	from affiliated companies	1,088,139	1,138,791
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
	c from investment services	0	0
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
	from clearing house	0	0
1/A	Valuation difference of amounts owed to credit institutions	0	0
2	Amounts owed to customers	934,400	1,123,615
a	saving deposits	2,580	2,494
	aa sight	2,580	2,494
	ab with a maturity within one year	0	0
	ac with a maturity more than one year	0	0
b	other liabilities from financial services	931,647	1,120,955
	ba sight	295,765	283,455
	of which:		
	from affiliated companies	14,720	21,784
	from other participations	201	414
	bb with a maturity within one year	598,265	783,246
	of which:		
	from affiliated companies	0	0
	from other participations	2,198	5,817
	bc with a maturity more than one year	37,617	54,254

HUF million		2008	2009
Items			
	of which: from affiliated companies	0	0
	from other participations	0	0
c	from investment services	173	166
	of which: from affiliated companies	36	0
	from other participations	0	0
ca	liabilities from services on stock exchange	0	0
cb	liabilities from services outside of stock exchange	173	166
cc	liabilities against customers deriving from investment services	0	0
cd	liabilities against clearing houses	0	0
ce	liabilities from other investments services	0	0
2/A	Valuation difference of amounts owed to customers	0	0
3	Trading liabilities	17,448	31,928
a	bonds issued	17,448	31,928
aa	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
ab	with a maturity more than one year	17,448	31,928
	of which: from affiliated companies	0	0
	from other participations	0	0
b	securities issued representing other debt claim	0	0
ba	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
bb	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
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	85,257	50,127
a	with a maturity within one year	32,318	26,353
	of which: from affiliated companies	15,072	13,961
	from other participations	0	0
b	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
4A	Negative valuation difference of derivative instruments	52,939	23,774
5	Accrued expenses and deferred income	67,542	46,243
a	accrual of income	442	367
b	accrual of expenses	67,077	45,858
c	deferred income	23	18
6	Provisions	4,197	5,199
a	provision for pension and for severance payments	0	0
b	risk provision for pending and future liabilities	2,775	3,511
c	general risk provision	1,422	1,422

HUF million		2008	2009
Items			
d	other provision	0	266
7	Subordinated liabilities	53,004	73,069
a	subordinated capital	53,004	73,069
	of which: from affiliated companies	51,314	70,906
	from other participations	0	0
b	other contribution by members of credit institutions operating as cooperatives	0	0
c	other subordinated liabilities	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
8	Subscribed capital	53,410	60,910
	of which: nominal value of repurchased ownership shares	0	0
9	Subscribed but 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	9,967	11,845
12	Profit reserve (Retained earnings)	41,827	50,071
13	Fixed reserve	0	0
14	Valuation reserve	110	71
	Reserve for value adjustment on fixed assets and inventories	0	0
	Reserve for valuation at fair value	110	71
15	Balance-sheet profit	8,245	2,983
TOTAL LIABILITIES		2,616,675	2,797,145
	of which: Short-term liabilities	1,133,059	1,215,488
	Long-term liabilities	1,287,901	1,393,918
	Shareholders' equity	123,976	136,297

OFF-BALANCE ITEMS:

HUF million	2008	2009
Pending liabilities	287,601	245,361
Future liabilities	1,282,210	938,693
Total pending and future liabilities	1,569,811	1,184,054

	2008	2009
Pending receivables	2,608,644	2,776,204
Future receivables	1,275,098	940,142
Total pending and future receivables	3,883,742	3,716,346

II. Profit&Loss account

HUF million			
Items		2008	2009
1	Interest and other interest-type revenues earned	159,227	177,791
a	fixed-income securities representing debt-claim	17,094	19,488
	of which: from affiliated companies	0	0
	from other participations	0	0
b	other interest and interest-type revenues	142,133	158,303
	of which: from affiliated companies	17,236	20,211
	from other participations	30	29
2	Interest paid and other interest-type expenses	102,306	119,476
	of which: to affiliated companies	42,966	42,287
	to other participations	93	356
	Net interest income	56,921	58,315
3	Revenues from securities	5,272	7,409
a	revenues from shares and participations held for trading purposes (dividend, participations)	0	0
b	revenues from affiliated companies (dividend, participation)	4,940	7,232
c	revenues from other participations (dividend, participations)	332	177
4	Fees and commissions earned	30,034	29,688
a	revenues from other financial services	29,030	29,164
	of which: from affiliated companies	4,952	4,874
	from other participations	3	11
b	revenues from investment services (excluding trading activity)	1,004	524
	of which: from affiliated companies	449	134
	from other participations	0	0
5	Fees and commissions paid (due)	12,321	8,624
a	expenses of other financial services	11,865	8,063
	of which: to affiliated companies	388	666
	to other participations	0	0
b	expenses of investment services (excluding trading activities)	456	561
	of which: to affiliated companies	37	364
	to other participations	0	0
6	Net trading result	23,215	47,175
a	revenues from other financial services	58,780	40,022
	of which: from affiliated companies	0	2,363
	from other participations	0	0
	valuation difference of other financial services	0	0
b	expenses of other financial services	15,785	15,967
	of which: to affiliated companies	3	669
	to other participations	0	0
	valuation difference of other financial services	0	0
c	revenues of investment services (trading activities)	141,579	171,564
	of which: from affiliated companies	5,800	8,179
	from other participations	8	0
	retrieval of value-loss on securities held for trading	0	0
	valuation difference of investment services	49,241	51,445
d	expenses of investment services (trading activities)	161,359	148,444
	of which: to affiliated companies	6,803	8,320
	to other participations	50	0

HUF million		2008	2009
Items			
	value loss of securities held for trading	0	0
	valuation difference of investment services	70,840	47,809
7	Other revenues from business activity	7,515	7,522
a	revenues from non-financial and investment activities	1,759	2,150
	of which: from affiliated companies	45	194
	from other participations	0	0
b	other revenues	5,756	5,372
	of which: from affiliated companies	0	1,479
	from other participations	0	0
	retrieval of value loss of inventories	92	456
8	General administrative expenses	49,098	53,259
a	personnel expenses	26,103	27,254
aa	wages	16,997	17,586
ab	other personal expenses	2,447	2,840
	of which: social insurance	740	795
	pensions	740	791
ac	wage contributions	6,659	6,828
	of which: social insurance	5,371	5,474
	pensions	3,110	3,210
b	other administrative expenses (material-type)	22,995	26,005
9	Depreciation	3,455	3,614
10	Other expenses from business activity	22,689	21,753
a	expenses of non financial and investment services	1,819	1,996
	of which to affiliated companies	1	0
	to other participations	0	0
b	other expenses	20,870	19,757
	of which to affiliated companies	52	4,268
	to other participations	0	0
	value loss of inventories	816	310
11	Value loss of receivables and risk provisions for future and pending liabilities	17,516	49,567
a	value loss of receivables	15,707	48,088
b	risk provisions for future and pending liabilities	1,809	1,479
12	Retrieval of value loss of receivables and use of risk provision for future and pending liabilities	12,622	9,968
a	retrieval of value loss of receivables	11,738	9,236
b	use of risk provision for future and pending liabilities	884	732
12/A	Change in general risk provision	0	0
13	Value loss of securities representing debt-claim, held for investments purposes and for shares in affiliated companies and other participations	115	1,185
14	Retrieval of value loss of securities representing debt-claim, held for investment purposes and for shares in affiliated companies and other participations	5	14
15	Ordinary result of business activities	30,390	22,089
	of which: Result of financial and investment services	30,450	21,935
	Result of non-financial and investment services	-60	154
16	Extraordinary income	7	64
17	Extraordinary expense	118	1,077
18	Extraordinary profit	-111	-1,013
19	Pre-tax profit	30,279	21,076
20	Tax on income	4,451	2,294
21	Profit/loss after taxes	25,828	18,782

HUF million			
Items		2008	2009
22	Allocation (-) or use (+) of general risk reserves	2,583	1,878
23	Transfer from profit reserve (retained earnings) for dividend payment	0	0
24	Approved dividends	15,000	13,921
	of which: to affiliated companies	14,991	13,914
	to other participations	0	0
25	Balance sheet profit/loss	8,245	2,983

III. Cash-Flow statement

HUF million			
Items		2008	2009
1	Interest income	159,227	177,791
2	+ Income from other financial services (excluding retrieval of provision on securities)	87,810	69,193
3	+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	5,664	4,916
4	+ Income from investment services (excluding retrieval of provision on securities)	93,563	120,620
5	+ Income from non-financial and non-investment services	1,759	2,150
6	+ Income from dividend	5,272	7,409
7	+ Extraordinary income	7	64
8	– Interest expenses	102,306	119,476
9	– Other financial expenses (excluding provision on securities)	27,650	24,030
10	– Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	20,054	19,143
11	– Expenses from investment services (excluding provision on securities)	91,003	101,196
12	– Expenses of non-financial and non investment services	1,819	1,996
13	– General administrative expense	52,553	56,873
14	– Extraordinary expenses (excluding the company tax liability of the current year)	118	1,077
15	– Corporate tax liability of the current year	4,451	2,294
16	– Dividend paid	15,000	13,921
17	Operating cash-flow	38,348	42,137
18	± Change in liabilities (+ if increase, - if decrease)	538,895	217,607
19	± Change in receivables (+ if increase, - if decrease)	-366,921	-3,041
20	± Change in inventories (+ if increase, - if decrease)	-863	896
21	± Change in securities registered among current assets (+ if increase, - if decrease)	-188,814	-133,831
22	± Change in securities registered among invested assets (+ if increase, - if decrease)	-65,420	-112,635
23	± Change in investments (including advances paid (+ if increase, - if decrease)	-728	126
24	± Change in intangible assets (+ if increase, - if decrease)	-427	26
25	± Change in net value of fixed assets (excluding investments and advances paid (+ if increase, - if decrease)	764	2,873
26	± Change in active deferrals (+ if increase, - if decrease)	-21,706	3,593
27	± Change in passive deferrals (+ if increase, - if decrease)	36,041	-21,299
28	+ Shares issued at sales price	0	7,500
29	+ Financial assets received	0	0
30	– Financial assets transferred	0	0
31	previous years' effect on income in the profit reserve	0	0
32	previous year's effect on income in the general reserve	0	0
33	– Nominal value of own issue withdrawn	0	0
34	Net cash-flow	-30,831	3,952
35	– change in cash in hand (banknotes, cheques)	2,903	-960
36	– 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 at other credit institutions)	-33,734	4,912



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

To the Shareholders of Erste Bank Hungary Nyrt.

- 1.) We have audited the accompanying 2009 annual financial statements of Erste Bank Hungary Nyrt. ("the Company"), which comprises the balance sheet as at 31 December 2009 - showing a balance sheet total of HUF 2,797,145 million and a profit for the year of HUF 2,983 million -, the related profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes.
- 2.) We issued an unqualified opinion on the Company's 2008 annual financial statements on 4 March 2009.

Management's Responsibility for the Financial Statements

3.) Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

5.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work regarding the business report is restricted to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non-audited financial records.

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



Opinion

7.) We have audited the elements of and disclosures in the annual financial statements, along with underlying records and supporting documentation, of Erste Bank Hungary Nyrt. 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 Nyrt. as at 31 December 2009 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

Budapest, 19 February 2010

Except for the effect of the resolution of the shareholders on the dividend of HUF 13,921 million, which is dated 23 April 2010.

(The original Hungarian language version has been signed)

Ernst & Young Kft.
Registration No.: 001165

Sulyok Krisztina
Registered Auditor
Chamber membership No.: 006660

Companies included in the consolidation

Erste Befektetési Zrt.

Founded in 1998, Erste Befektetési Zrt. [Erste Investment Hungary] is currently the leading brokerage company in the Hungarian equity market. Constantly expanding its product range, the company offers customers all the products and services available to investment companies.

In order to service customers at a high standard, as well as swiftly and without complications, the company's online trading system, currently a unique design in Hungary, has been implemented in the branch network of Erste Bank in order to carry out customer orders for shares or government securities with speed and accuracy anywhere in the country.

The market share of Erste Befektetési Zrt. in (duplicated) stock turnover in the spot section of the Budapest

Stock Exchange increased to 21.95 per cent in 2009 from 17.22 per cent in the previous year. The company registered an all-time high turnover in the section of listed shares last year (HUF 2,277,149 million).

At Tőzsdei Legek Gála [Gala for the Stock Market's Best], the most prestigious awards of the equity market community, Erste Befektetési Zrt. was honoured with three awards on the basis of sales figures of the year 2009:

- Equity Market Brokerage of the Year in the Spot Market
- Equity Market Brokerage of the Year in the Derivatives Market
- Most Dynamically Developing Data Provider of the Year

The company concluded the year 2009 with HUF 4,106 million after-tax profit and its total assets increased by 98.96 per cent (to HUF 71,975 million).

Trading results in 2007-2009 in HUF million	2007 TOTAL	2008 TOTAL	2009 TOTAL
Trading volume in shares in the BSE (Erste)	2,523,669	1,791,496	2,220,541
Total trading volume in shares in the BSE	17,383,639	10,568,527	10,276,332
Market share	14.52%	16.95%	21.61%
Ranking	2	2	1
Total initial issue in market (nominal value)	5,904,991	4,803,196	2,015,786
Of which: Subscribed by Erste (nominal value)	570,497	449,036	307,696
Market share	9.70%	9.35%	15.26%
Ranking	5	6	4
Futures trading volume (total)	2,126,885	782,161	1,196,018
Futures trading volume (BUX)	279,273	241,662	244,135
Futures trading volume (shares)	759,361	310,604	506,791
Futures trading volume (FX)	1,088,251	229,895	445,093
Number of contracts (total)	6,231,487	2,495,048	3,645,908
Number of contracts (BUX)	1,039,097	1,209,949	1,450,480
Number of contracts (shares)	484,036	285,975	545,848
Number of contracts (FX)	4,708,354	999,124	1,649,580
Market share (BUX)	13.28%	16.45%	25.28%
Market share (stocks)	16.24%	12.16%	23.85%
Market share (FX)	16.67%	5.58%	10.9%
Ranking (BUX)	3	1	1
Ranking (shares)	3	4	1
Ranking (FX)	3	8	3

Erste Leasing

Members of Erste Leasing Group are:

- Erste Leasing Autófinanszírozási Zrt.
[Erste Leasing Car Finance]
- Erste Leasing Eszközfinanszírozási Zrt.
[Erste Leasing Asset Finance]
- Erste Leasing Bérlet Kft.
[Erste Leasing Lease]

Beginning at the end of the second quarter of 2009, when a new management was appointed, a new strategy was developed, which also brought gradual changes in the operation and organisational structure of the corporate group.

Erste Leasing operated amid harsh market conditions in 2009, as well. All previous attempts at increasing the company's market share were relegated to the backseat by efforts to adapt to the consequences of the financial crisis, and the group's market share in new auto and motorbike finance dropped to 9.4 per cent.

Due to a tightening liquidity and rising margin of the Swiss franc, the group in the last quarter of 2008 already limited (priced in) its financing offers denominated in the Alpine currency, marketing euro-based designs alone, as forex finance schemes.

In 2009, the company established 9,914 finance contracts, totaling HUF 20 billion. The average customer-financed down payment of contracts amounted to 27.7 per cent and the average maturity of contracts was 56.2 months.

Recent changes in the capital position of Erste Leasing made it necessary in the third quarter of 2009 to strengthen and manage the capital position of the company. A capital boost of HUF 2,375 million was decided, out of which HUF 2,050 million was drawn in 2009 to improve the company's capital position.

Erste Ingatlanlízning Zrt.

Erste Ingatlanlízning Zrt. [Erste Real Estate Leasing] was founded in the summer of 2006 with HUF 50 million equity. The target scope of Erste Ingatlanlí-

zing includes natural persons, as well as micro businesses and small enterprises. Access to the target groups is ensured through the bank's network of branches and agents operating as a sales channel.

Rising funding costs, disruptions in real estate market, and shrinking sales, all triggered by the economic crisis, made a mark in the new disbursements of the company in the first three quarters of 2009. However, things returned to normalcy in the last quarter of the year, and the company managed to meet the volume target defined for 2009, closing the year with a profit that was close to the company's target.

Erste Lakáslízning Zrt.

As the legislative environment changed in 2008, Erste Bank Hungary and Erste Leasing Autófinanszírozási Zrt. decided to establish Erste Lakáslízning Zrt. [Erste Housing Leasing] by partitioning it off from Erste Ingatlanlízning Zrt. Registered on 15 July 2009, the company specialises in leasing used real estate, offering the target market a full scale of financial leasing products in collaboration with Erste Ingatlanlízning Zrt. The company concluded its operation in the first half of the year with a profit already.

Erste Faktor Zrt.

Erste Faktor Zrt. [Erste Factoring] started its operation in the third quarter of 2005.

In 2009, the company's factoring sales amounted to HUF 48 billion, a substantial increase compared to HUF 29.6 billion registered in the previous year. According to the ranking of Hungarian factoring companies compiled by Magyar Faktoring Szövetség [Hungarian Factoring Association], the company advanced from previous 7th place to 4th spot, as a result.

Erste Ingatlan Kft.

Business activities of Erste Ingatlan Kft. [Erste Real Estate] comprise of selling, letting, managing and developing real estates. The company has concluded real estate development projects launched in the

past two years, and sales of those properties were completed with success. Total assets and profitability of the company have been defined by development projects and related sales. The company's business activity includes the operation of Europe Tower, headquarter of the Hungarian Erste group.

The company boasts a stable capital position, because, owing to closed-structure projects, neither its operation, nor liquidity has been affected adversely by the crisis.

E-Dat Kft.

The operation of E-Dat Kft. is in line with targets, the company's financial position is stable. Its core activity comprises of ensuring IT support for banking services. Its business profile did not change in the year surveyed.

Erste Kereskedőház Kft.

Erste Kereskedőház Kft. [Erste Trading House] conducts wholesale activities in listed commodities and other standard commodities that have liquid secondary markets. The trading activities are carried out with financing from Erste Bank. Occasionally the company participates in managing the inventories obtained by the bank, and also becomes involved in consignment sales and buyer recruiting.

Due to the negative effects of the crisis on commodities markets, as well as to damages occurring to inventories, the company suffered heavy losses in 2009. As a consequence, its sales income fell below HUF 8 billion, a sharp contrast to more than HUF 17 billion earned in 2008. The losses were covered by the owner by a non-refundable transfer of HUF 1 billion in December 2009.

The strategy of Erste Kereskedőház Kft. is being modified. The company will no longer participate in new contracts independently in the future, its activities will focus on supporting the bank's workout processes.

Erste Pénztárszervező Kft.

The activities of Erste Pénztárszervező Kft. [Erste Pension Fund] include acquiring new fund members and organising the sale tasks of Erste Bank Önkéntes- és Magánnyugdíjpénztárak [Erste Bank Voluntary and Private Pension Funds].



Consolidated report

I. Balance sheet

Assets

HUF million			
Items		2008	2009
1	Cash and balances	32,936	36,905
2	Government securities (issued by Hungarian State)	384,245	629,576
	a for trading purposes	204,546	355,383
	b for investment purposes	179,457	273,805
2/A	Valuation difference of government securities	242	388
3	Loans and advances to credit institutions	62,232	65,351
	a sight	11,807	6,275
	b other loans from financial services	49,472	48,599
	ba with a maturity within one year	45,960	46,530
	of which:		
	from affiliated companies	1,072	2,735
	from other participations	0	0
	from National Bank of Hungary	44,400	34,391
	from clearing house	0	0
	bb with a maturity more than one year	3,512	2,069
	of which:		
	from affiliated companies	0	0
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
	c from investment services	953	10,477
	of which:		
	from affiliated companies	676	9,797
	from other participations	0	0
	from clearing house	0	250
3/A	Valuation difference of loans to credit institutions	0	0
4	Loans to customers	1,913,483	1,905,672
	a from financial services	1,900,812	1,888,260
	aa with a maturity within one year	291,377	262,633
	of which:		
	from affiliated companies	15	0
	from other participations	0	0
	ab with a maturity more than one year	1,609,435	1,625,627
	of which:		
	from affiliated companies	16	0
	from other participations	437	424
	b from investment services	12,671	17,412
	of which:		
	from affiliated companies	1	0
	from other participations	0	0
	ba receivables from services on stock exchange	3,533	4,757
	bb receivables from services outside of stock exchange	464	2,276
	bc receivables from customers deriving from investment services	8,669	10,379
	bd receivables from clearing houses	5	0

HUF million			
Items		2008	2009
be	receivables from other investments services	0	0
4/A	Valuation difference of loans to customers	0	0
5	Securities representing debt claim, including fixed income securities	75,700	91,256
a	securities issued by local authorities or other state-organizations (government securities are excluded)	57,481	70,094
aa	for trading purposes		0
ab	for investment purposes	57,481	70,094
b	securities issued by other issuer	18,939	21,749
ba	for trading purposes	7,383	6,555
	of which:		
	issued by affiliated companies	0	0
	issued by other participations	0	0
	repurchased own-issued securities	0	82
bb	for investment purposes	11,556	15,194
	of which:		
	issued by affiliated companies	0	0
	issued by other participations	0	0
5/A	Valuation difference of securities representing debt claim	-720	-587
6	Shares and other non-fixed income securities	4,316	2,163
a	shares, participations for trading purposes	3,934	2,150
	of which:		
	issued by affiliated companies	0	0
	issued by other participations	4,556	
b	variable-income securities	437	302
ba	for trading purposes	437	302
bb	for investment purposes	0	0
6/A	Valuation difference of shares and non-fixed income securities	-55	-289
7	Shares and participations for investment purposes	872	869
a	shares, participations for investment purposes	872	869
	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	0	0
a	shares, participations for investment purposes	0	0
	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	Capital consolidation difference	0	0
	from affiliated companies	0	0
	from associated companies	0	0
9	Intangible assets	10,399	9,941
	Intangible assets	10,399	9,941
	Value adjustments of intangible assets	0	0
10	Tangible assets	17,477	14,296
a	tangible assets for financial and investment purposes	11,985	11,476
aa	real estates	4,191	4,397
ab	technical equipments, machinery, appliances, vehicles	6,400	5,821
ac	investments	1,394	1,258
ad	advances paid for investments	0	0
b	tangible assets not directly for financial and investment purposes	5,492	2,820
ba	real estates	5,173	2,664
bb	technical equipments, machinery, appliances, vehicles	319	155

HUF million		2008	2009
Items			
	bc investments	0	0
	bd advances paid for investments	0	1
	c value adjustments of tangible assets	0	0
11	Own shares	0	0
12	Other assets	67,705	30,474
	a inventories	20,021	7,876
	b other receivables	10,607	11,087
	of which: from affiliated companies	3,014	3,091
	from other participations	0	0
	c (Calculated) corporate tax receivable arising from consolidation	178	343
12/A	Valuation difference of other receivables	0	0
12/B	Positive valuation difference of derivative instruments	36,899	11,168
13	Deferred expenses and accrued income	67,194	58,687
	a accrued income	49,753	42,636
	b accrued expense	17,441	16,051
	c deferred expense	0	
TOTAL ASSETS		2,636,559	2,845,190
	of which: Current assets	679,175	774,608
	Invested assets	1,890,190	2,011,895

Liabilities

HUF million		2008	2009
Items			
1	Amounts owed to credit institutions	1,333,766	1,358,748
	a sight	3,613	3,464
	b liabilities from fixed term financial services	1,327,236	1,327,205
	ba with a maturity within one year	147,404	92,536
	of which: from affiliated companies	100,705	66,180
	from other participations	0	0
	from National Bank of Hungary	10,000	0
	from clearing house	0	0
	bb with a maturity more than one year	1,179,832	1,234,669
	of which: from affiliated companies	1,088,139	1,138,793
	from other participations	0	0
	from National Bank of Hungary	0	0
	from clearing house	0	0
	c from investment services	2,917	28,079
	of which: from affiliated companies	2,150	26,735
	from other participations	0	0
1/A	Valuation difference of amounts owed to credit institutions	80	349
2	Amounts owed to customers	935,752	1,135,072
	a saving deposits	2,580	2,494
	aa sight	2,580	2,494
	ab with a maturity within one year	0	0
	ac with a maturity more than one year	0	0
	b other liabilities from financial services	920,914	1,103,782
	ba sight	281,048	261,672
	of which: from affiliated companies	3	1
	from other participations	201	414

HUF million		2008	2009
Items			
bb	with a maturity within one year	602,249	787,855
	of which: from affiliated companies	0	0
	from other participations	2,198	5,817
bc	with a maturity more than one year	37,617	54,255
	of which: from affiliated companies	0	1
	from other participations	0	0
c	from investment services	12,258	28,796
	of which: from affiliated companies	0	0
	from other participations	0	0
ca	liabilities from services on stock exchange	2,505	1,033
cb	liabilities from services outside of stock exchange	1,248	10,538
cc	liabilities against customers deriving from investment services	8,370	17,204
cd	liabilities against clearing houses	112	0
ce	liabilities from other investments services	23	21
2/A	Valuation difference of amounts owed to customers	0	0
3	Trading liabilities	17,449	31,928
a	bonds issued	17,449	31,928
aa	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
ab	with a maturity more than one year	17,449	31,928
	of which: from affiliated companies	0	0
	from other participations	0	0
b	securities issued representing other debt claim	0	0
ba	with a maturity within one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
bb	with a maturity more than one year	0	0
	of which: from affiliated companies	0	0
	from other participations	0	0
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	92,641	51,877
a	with a maturity within one year	39,400	28,062
	of which: from affiliated companies	19,208	13,949
	from other participations	0	0
b	with a maturity more than one year	15	0
	of which: from affiliated companies	15	0
	from other participations	0	0
c	(Calculated) corporate tax payable arising from consolidation	0	0
4/A	Negative valuation difference of derivative instruments	53,226	23,815
5	Accrued expenses and deferred income	70,051	47,971
a	accrual of income	495	418
b	accrual of expenses	69,533	47,535

HUF million		2008	2009
Items			
c	deferred income	23	18
6	Provisions	4,268	5,017
a	provision for pension and for severance payments	5	0
b	risk provision for pending and future liabilities	2,839	3,315
c	general risk provision	1,422	1,422
d	other provision	2	280
7	Subordinated liabilities	53,800	73,793
a	subordinated capital	53,800	73,793
	of which: from affiliated companies	51,314	70,906
	from other participations	0	0
	aa: Capital consolidation difference	796	724
	- from subsidiaries	796	724
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	53,410	60,910
	of which: nominal value of repurchased ownership shares	0	0
9	Subscribed but 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	10,694	11,845
12	Profit reserve (Retained earnings)	41,827	50,071
13	Fixed reserve	0	0
14	Revaluation reserve	110	71
	Reserve for value adjustment on fixed assets and inventories	0	0
	Reserve for valuation at fair value	110	71
15	Balance-sheet profit	9,511	2,631
16	Equity change of subsidiary (+-)	2,842	4,836
17	Changes due to consolidation (+-)	0	0
	- from the difference of debt consolidation	0	0
	- from the difference of the interim result	0	0
18	Shares of external members	21	3
TOTAL LIABILITIES		2,636,559	2,845,190
	of which: Short-term liabilities	1,144,696	1,256,773
	Long-term liabilities	1,288,712	1,394,645
	Shareholders' equity	128,832	140,784

OFF-BALANCE SHEET ITEMS:

HUF million		2008	2009
	Pending liabilities	248,271	197,013
	Future liabilities	1,285,313	967,162
	Total pending and future liabilities	1,533,584	1,164,175

		2008	2009
	Pending receivables	2,886,238	3,014,787
	Future receivables	1,279,493	947,715
	Total pending and future receivables	4,165,731	3,962,502

II. Profit&Loss account

HUF million			
Items		2008	2009
1	Interest and other interest-type revenues earned	169,801	190,958
a	fixed-income securities representing debt-claim	17,319	20,500
	of which: from affiliated companies	0	0
	from other participations	0	0
b	other interest and interest-type revenues	152,482	170,458
	of which: from affiliated companies	6,095	11,648
	from other participations	453	29
2	Interest paid and other interest-type expenses	101,731	119,001
	of which: to affiliated companies	42,300	41,171
	to other participations	93	356
	Net interest income	68,070	71,957
3	Revenues from securities	1,288	848
a	revenues from shares and participations held for trading purposes (dividend, participations)	806	671
b	revenues from affiliated companies (dividend, participations)	0	0
c	revenues from other participations (dividend, participations)	482	177
4	Fees and commissions earned	33,463	37,286
a	revenues from other financial services	26,331	27,148
	of which: from affiliated companies	2,005	2,626
	from other participations	3	11
b	revenues from investment services (excluding trading activity)	7,132	10,138
	of which: from affiliated companies	1,328	2,506
	from other participations	0	0
5	Fees and commissions paid (due)	17,503	15,016
a	expenses of other financial services	15,013	12,139
	of which: to affiliated companies	26	149
	to other participations	2	0
b	expenses of investment services (excluding trading activities)	2,490	2,877
	of which: to affiliated companies	58	108
	to other participations	0	0
6	Net trading result	26,393	49,653
a	revenues from other financial services	66,148	51,237
	of which: from affiliated companies	476	2,577
	from other participations	0	0
	valuation difference of other financial services	0	0
b	expenses of other financial services	21,916	26,694
	of which: to affiliated companies	3	669
	to other participations	0	0
	valuation difference of other financial services	0	0
c	revenues of investment services (trading activities)	172,220	193,954
	of which: from affiliated companies	5,800	8,179
	from other participations	8	0
	retrieval of value-loss on securities held for trading	0	0
	valuation difference of investment services	49,241	51,466
d	expenses of investment services (trading activities)	190,059	168,844
	of which: to affiliated companies	6,803	8,320
	to other participations	50	0
	value loss of securities held for trading	0	0

HUF million		2008	2009
Items			
	valuation difference of investment services	70,840	48,125
7	Other revenues from business activity	62,630	46,976
a	revenues from non-financial and investment activities	49,406	40,176
	of which: from affiliated companies	3	674
	from other participations	0	0
b	other revenues	13,224	6,800
	of which: from affiliated companies	0	78
	from other participations	0	0
	retrieval of value loss of inventories	131	33
ba	Consolidation difference increasing profits arising from debt consolidation	0	0
8	General administrative expenses	60,430	59,909
a	personnel expenses	31,386	32,531
aa	wages	20,433	21,190
ab	other personal expenses	2,994	3,260
	of which: social insurance	754	795
	pensions	751	791
ac	wage contributions	7,959	8,081
	of which: social insurance	5,961	5,984
	pensions	3,536	3,585
b	other administrative expenses (material-type)	29,044	27,378
9	Depreciation	5,206	5,443
10	Other expenses from business activity	66,595	55,498
a	expenses of non-financial and investment services	43,461	22,998
	of which: to affiliated companies	1	3
	to other participations	0	0
b	other expenses	23,134	32,500
ba	Consolidation difference decreasing profits arising from debt consolidation	0	0
	of which: to affiliated companies	10	2,737
	to other participations	0	0
	value loss of inventories	896	1,054
11	Value loss of receivables and risk provisions for future and pending liabilities	21,887	59,273
a	value loss of receivables	20,124	57,948
b	risk provisions for future and pending liabilities	1,763	1,325
12	Retrieval of value loss of receivables and use of risk provision for future and pending liabilities	13,395	10,937
a	retrieval of value loss of receivables	12,399	10,227
b	use of risk provision for future and pending liabilities	995	710
12/A	Change in general risk provision	0	0
13	Value loss of securities representing debt-claim, held for investments purposes and for shares in affiliated companies and other participations	2	3
14	Retrieval of value loss of securities representing debt-claim, held for investments purposes and for shares in affiliated companies and other participations	5	0
15	Ordinary result of business activities	33,621	22,515
	of which: Result of financial and investment services	27,676	5,337
	Result of non-financial and investment services	5,945	17,178
16	Extraordinary income	7	64
17	Extraordinary expense	405	390
18	Extraordinary profit	-398	-326
19	Pre-tax profit	33,223	22,189

HUF million			
Items		2008	2009
20	Tax on income	6,109	3,817
	a (Calculated) corporate tax difference arising from consolidation	-178	-343
21	Profit/loss after taxes	27,114	18,372
22	Allocation (-) or use (+) of general risk reserves	2,583	1,878
23	Transfer from profit reserve (retained earnings) for dividend payment	0	0
24	Approved dividends	15,020	13,921
	of which: to affiliated companies	15,011	13,914
	to other participations		0
24b	After tax profit/loss due to external members (other holders)	1	-58
25	Balance sheet profit/loss	9,511	2,631

III. Cash-Flow statement

HUF million			
Items		2008	2009
1	Interest income	169,801	190,958
2	+ Income from other financial services (excluding retrieval of provision on securities)	92,479	78,181
3	+ Other income (excluding use of provision, retrieval of surplus of provision, provision of inventories, retrieval of extraordinary depreciation)	13,224	6,556
4	+ Income from investment services (excluding retrieval of provision on securities)	179,357	152,603
5	+ Income from non – financial and non-investment services	49,406	40,176
6	+ Income from dividend	1,288	848
7	+ Extraordinary income	7	64
8	– Interest expenses	101,731	119,001
9	– Other financial expenses (excluding provision on securities)	36,929	38,833
10	– Other expenses (excluding provision and value loss on inventories, and extraordinary depreciation)	22,993	29,083
11	– Expenses from investment services (excluding provision on securities)	192,549	123,596
12	– Expenses of non-financial and non-investment services	43,461	22,998
13	– General administrative expenses	65,636	65,352
14	– Extraordinary expenses (excluding the company tax liability of the current year)	405	390
15	– Corporate tax liability of the current year	6,109	3,817
16	– Dividend paid	15,020	13,921
17	Operating cash-flow	20,729	52,395
18	± Change in liabilities (+ if increase, - if decrease)	556,988	218,005
19	± Change in receivables (+ if increase, - if decrease)	-387,580	-17,634
20	± Change in inventories (+ if increase, - if decrease)	-4,929	11,124
21	± Change in securities registered among current assets (+ if increase, - if decrease)	-165,284	-148,090
22	± Change in securities registered among invested assets (+ if increase, - if decrease)	-67,576	-110,599
23	± Change in investments (including advances paid (+ if increase, - if decrease)	-713	135
24	± Change in intangible assets (+ if increase, - if decrease)	-659	459
25	± Change in net value of fixed assets (excluding investments and advances paid) (+ if increase, - if decrease)	2,370	4,265
26	± Change in active deferrals (+ if increase, - if decrease)	-19,891	8,507
27	± Change in passive deferrals (+ if increase, - if decrease)	35,279	-22,080
28	+ Shares issued at sales price	0	0
29	+ Consolidated net assets of the absorbed Postabank as of 1st January 2004		
30	± Modification based on consolidation of subsidiaries (+ if increase, - if decrease)		
31	+ Change in profit reserve (in retained earnings)		
32	- Change equity of subsidiaries		
33	+ Financial assets received		
34	– Financial assets transferred		
35	Nominal value of own issue withdrawn		7,500
36	Change of other holders' participation	3	-18
37	Net cash-flow	-31,264	3,969
38	– change in cash in hand (banknotes, cheques)	2,904	-259
39	– 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)	-34,168	4,228



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Cg. 01-09-267553

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

To the Shareholders of Erste Bank Hungary Nyrt.

1.) We have audited the accompanying 2009 consolidated annual financial statements of Erste Bank Hungary Nyrt. ("the Company"), which comprises the consolidated balance sheet as at 31 December 2009 - showing a balance sheet total of HUF 2,845,190 million and a profit for the year of HUF 2,631 million -, the related consolidated profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes.

2.) We issued an unqualified opinion on the Company's 2008 consolidated annual financial statements on 4 March 2009.

Management's Responsibility for the Consolidated Financial Statements

3.) Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

5.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our work regarding the consolidated business report is restricted to assessing whether the consolidated business report is consistent with the consolidated financial statements and does not include reviewing other information originated from non-audited financial records.

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



Opinion

7.) 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 Nyrt. 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 Nyrt. as at 31 December 2009 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, 12 March 2010

Except for the effect of the resolution of the shareholders on the dividend of HUF 13,921 million, which is dated 23 April 2010.

(The original Hungarian language version has been signed)

Ernst & Young Kft.
Registration No.: 001165

Sulyok Krisztina
Registered Auditor
Chamber membership No.: 006660

Branch network

Budapest branches

Alkotás út Branch	1123	Budapest	Alkotás út 15.
Andrássy út 2. Branch	1061	Budapest	Andrássy út 2.
Andrássy út 33. Branch	1061	Budapest	Andrássy út 33.
Aréna Corner Branch	1085	Budapest	Hungária krt. 40-44.
Aréna Plaza Branch	1087	Budapest	Kerepesi út 9.
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.
Baross tér Branch	1077	Budapest	Baross Gábor tér 15.
Bartók Béla út 92-94. Branch	1115	Budapest	Bartók Béla út 92-94.
Bartók-Ház Branch	1114	Budapest	Bartók Béla út 43-47.
Batthyány tér HitelCentrum	1011	Budapest	Batthyány tér 5-6.
Bécsi út Branch	1036	Budapest	Bécsi út 52-54.
Béke tér Branch	1139	Budapest	Lehel út 70-72. F1 épület
Boráros tér Branch	1095	Budapest	Lechner Ödön fasor 1-2.
Bosnyák tér Branch	1149	Budapest	Bosnyák tér 8.
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.
CBA Újhegy Branch	1103	Budapest	Gyömrői út 99.
Csepel Plaza HitelCentrum	1211	Budapest	II. Rákóczi Ferenc út 154-170.
Csepel Branch	1211	Budapest	Kossuth Lajos utca 47-49.
Csillaghegy Branch	1038	Budapest	Vasútsor u. 1.
Danubius Ház Branch	1138	Budapest	Váci út 141.
Delta Üzletház Branch	1183	Budapest	Üllői út 442.
Dózsa György út Branch	1071	Budapest	Dózsa György út 78.
Duna Plaza LoanCentre	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.
Erzsébeti Tesco Branch	1204	Budapest	Mártírok útja 281.
Eurocenter LoanCentre	1032	Budapest	Bécsi út 154. (Eurocenter)
Európa Torony Branch	1138	Budapest	Népfürdő utca 24-26.
Fehérvári út 130. Branch	1116	Budapest	Fehérvári út 130.
Fehérvári út 168. Branch	1119	Budapest	Fehérvári út 168-178.
Fehérvári út 28. Branch	1117	Budapest	Fehérvári út 28.
Ferenc körút Branch	1090	Budapest	Ferenc körút 25.
Flórián tér Branch	1033	Budapest	Flórián tér 3.
Haller utca Branch	1096	Budapest	Haller u. 23-25.
Heltai Jenő tér Branch	1039	Budapest	Heltai Jenő tér 15.
Hermina Residence	1141	Budapest	Nagy Lajos király útja 214.
Hunyadi Üzletház	1195	Budapest	Üllői út 283.
Hűvösvölgy Branch	1021	Budapest	Hűvösvölgyi út 138. (StopShop)
IP West Branch	1111	Budapest	Budafoki út 91-93.

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.
Kispesti Branch	1193	Budapest	Kossuth tér 23-24.
Kossuth tér Branch	1055	Budapest	Kossuth tér 13-15.
Kossuth tér VIP Branch	1055	Budapest	Kossuth tér 13-15.
Kőbánya Branch	1102	Budapest	Körösi Csoma sétány 9/B
Krisztina tér Branch	1013	Budapest	Krisztina tér 2.
Mammut II. Branch	1024	Budapest	Margit körút 87-89.
Margit körút Branch	1027	Budapest	Margit körút 48.
Maros utca Branch	1122	Budapest	Maros utca 19-21.
Multiplaza Branch	1119	Budapest	Fehérvári út 89-95.
Nagyvárad tér Branch	1091	Budapest	Üllői út 121. (Nagyvárad tér)
Napfény utca Branch	1098	Budapest	Napfény u. 7. (József A. ltp.)
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.
Rákóczi tér Branch	1085	Budapest	József körút 30-32.
Rákoskeresztúri Tesco Branch	1173	Budapest	Pesti út 5-7.
Savoya Park Branch	1117	Budapest	Hunyadi J. u. 19.
Soroksár Branch	1238	Budapest	Grassalkovich u. 150.
Soroksári út Tesco Branch	1097	Budapest	Koppány u. 2-4.
Szőcs Áron utca Branch	1152	Budapest	Szőcs Áron u. 2-4.
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, Váci út Branch	1047	Budapest	Váci út 15-19.
Újpest Branch	1042	Budapest	Árpád út 68.
Váci út 30. Branch	1132	Budapest	Váci út 30.
Váci út 33. Branch	1134	Budapest	Váci út 33.
Vízimolnár utca Branch	1031	Budapest	Vízimolnár u. 2-4.
Westend Branch	1062	Budapest	Váci út 1-3.

Countryside Branches

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.
Békéscsaba, Andrásy út Branch	5600	Békéscsaba	Andrásy út 20.
Békéscsaba, Munkácsy utca Branch	5600	Békéscsaba	Munkácsy u. 2.
Békés Branch	5630	Békés	Széchenyi tér 4.
Berettyóújfalu Branch	4100	Berettyóújfalu	Bajcsy-Zsilinszky u. 1.
Budakeszi Branch	2092	Budakeszi	Fő utca 43-45.
Budaörs Branch	2040	Budaörs	Szabadság u. 27.
Budaörs Tesco Branch	2040	Budaörs	Kinizsi út 1-3.
Cegléd Branch	2700	Cegléd	Népkör u. 2.
Csorna Branch	9300	Csorna	Szent István tér 29.
Curgó Branch	8840	Curgó	Széchenyi tér 16.
Debrecen, Belváros Branch	4025	Debrecen	Hatvan utca 1/B
Debrecen, Egyetem Branch	4032	Debrecen	Egyetem tér 1.
Debrecen, Fórum Branch	4042	Debrecen	Csapó u. 30.
Debrecen, Szent Anna utca Branch	4024	Debrecen	Szent Anna utca 14/B
Debrecen, Vár utca Branch	4024	Debrecen	Vár utca 4.
Dombóvár Branch	7200	Dombóvár	Hunyadi tér 19-21.
Dorog Branch	2510	Dorog	Bécsi út 76.
Dunaharaszti Branch	2330	Dunaharaszti	Dózsa György út 27.
Dunakeszi Branch	2120	Dunakeszi	Fő út 24.
Dunaújváros Branch	2400	Dunaújváros	Dózsa György utca 2/A
Dunaújváros Tesco Branch	2400	Dunaújváros	Aranyvölgyi út 6.
Eger, Dobó tér Branch	3300	Eger	Szt. János u. 13.
Eger, Kossuth utca 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.
Gyál Branch	2360	Gyál	Vak Bottyán u. 66.
Gyöngyös Branch	3200	Gyöngyös	Mikszáth Kálmán utca 4.
Győr Bajcsy-Zsilinszky út 74. Branch	9022	Győr	Bajcsy-Zsilinszky u. 74.
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.
Hévíz Branch	8380	Hévíz	Széchenyi u. 11.
Hódmezővásárhely Branch	6800	Hódmezővásárhely	Andrásy út 2-4.
Jászberény Branch	5100	Jászberény	Szabadság tér 20.
Kalocsa Branch	6300	Kalocsa	Szent István király utca 30.

Kaposvár, Bereck S. utca Branch	7400	Kaposvár	Bereck S. utca 2.
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, Nagykőrösi utca Branch	6000	Kecskemét	Nagykőrösi utca 11.
Keszthely Branch	8360	Keszthely	Kossuth utca 45.
Kiskunfélegyháza Branch	6100	Kiskunfélegyháza	Mártírok útja 1.
Kiskunhalas Branch	6400	Kiskunhalas	Bethlen Gábor tér 4.
Kisvárdá Branch	4600	Kisvárdá	Szent László utca 26.
Komárom Branch	2900	Komárom	Gyár u. 2-6.
Komló Branch	7300	Komló	Pécsi út 1.
Kőszeg Branch	9730	Kőszeg	Rákóczi utca 1.
Lenti Branch	8960	Lenti	Zrínyi utca 3.
Makó Branch	6900	Makó	Csanád vezér tér 5.
Marcali Branch	8700	Marcali	Rákóczi utca 6-10.
Mátészalka Branch	4700	Mátészalka	Kölcsey utca 15.
Mezőkövesd Branch	3400	Mezőkövesd	Mátyás király út 129.
Mezőtúr Branch	5400	Mezőtúr	Földvári út 2.
Miskolc, Bajcsy-Zsilinszky utca Branch	3527	Miskolc	Bajcsy-Zsilinszky utca 1-3.
Miskolc, Egyetemváros Branch	3515	Miskolc	Egyetemváros C/1 épület
Miskolc, Mindszent tér Branch	3530	Miskolc	Mindszent tér 3.
Miskolc, Városház tér Branch	3525	Miskolc	Városház tér 9.
Mohács Branch	7700	Mohács	Szabadság út 16.
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, Belváros Branch	8800	Nagykanizsa	Fő utca 2.
Nagykanizsa, Fő utca Branch	8800	Nagykanizsa	Fő utca 24.
Nagykovácsi Branch	2094	Nagykovácsi	Kossuth L. u. 109.
Nyírbátor Branch	4300	Nyírbátor	Szabadság tér 10.
Nyíregyháza, Luther utca Branch	4401	Nyíregyháza	Luther u. 2.
Nyíregyháza, Vay Ádám krt. Branch	4400	Nyíregyháza	Vay Ádám körút 12.
Orosháza Branch	5900	Orosháza	Kossuth utca 2.
Ózd Branch	3600	Ózd	Gyújtó tér 1.
Paks Branch	7030	Paks	Barátság utca 1.
Pápa Branch	8500	Pápa	Fő tér 25-26.
Pécs, Alkotmány utca Branch	7624	Pécs	Alkotmány utca 12.
Pécs, Diana tér Branch	7632	Pécs	Diana tér 20.
Pécs, Rákóczi út Branch	7620	Pécs	Rákóczi út 62-64.
Pécs, Uránváros Branch	7633	Pécs	Ybl M. u. 7.
Pilisvörösvár Branch	2085	Pilisvörösvár	Fő u. 48.
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	Szent István tér 9.
Szeged, Kölcsey utca Branch	6720	Szeged	Kölcsey utca 13.
Szeged, Széchenyi tér Branch	6720	Szeged	Széchenyi tér 17.
Székesfehérvár, Budai út Branch	8000	Székesfehérvár	Budai út 32.
Székesfehérvár, Palotai út Branch	8000	Székesfehérvár	Palotai út 4.
Szekszárd Branch	7100	Szekszárd	Széchenyi utca 40.
Szentendre Branch	2000	Szentendre	Duna korzó 18.
Szentes Branch	6600	Szentes	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, Baross utca Branch	5000	Szolnok	Baross utca 8.
Szolnok, Nagy Imre krt. Branch	5000	Szolnok	Nagy Imre krt. 8/A
Szombathely, Fő tér Branch	9700	Szombathely	Fő tér 29.
Szombathely, Mártírok tere Branch	9700	Szombathely	Mártírok tere 12.
Tapolca Branch	8300	Tapolca	Deák Ferenc u. 7.
Tatabánya Branch	2800	Tatabánya	Fő tér 20.
Tata Branch	2890	Tata	Országgyűlés tér 3.
Tiszaújváros Branch	3580	Tiszaújváros	Bethlen Gábor utca 5/B
Tiszavasvári Branch	4440	Tiszavasvári	Kossuth utca 22.
Törökszentmiklós Branch	5200	Törökszentmiklós	Kossuth utca 125.
Vác Branch	2600	Vác	Széchenyi u. 14.
Várpalota Branch	8100	Várpalota	Szent István út 7-9.
Veszprém, Ádám Iván utca Branch	8200	Veszprém	Ádám Iván utca 2.
Veszprém, Egyetem Branch	8200	Veszprém	Egyetem utca 19.
Veszprém, Szabadság tér 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	Rákóczi tér 16.

Corporate Trade Centres

Corporate Trade Centres in Budapest

Budapest Projects
Budapest Small Enterprises
Budapest Medium Enterprises

Corporate Trade Centres in the countryside

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

Central Business Divisions

International and Austrian Clients
Large Corporates
Project and Property Financing
Structured Trade Financing
Local Councils

Supervisory Board, Board of Directors

Supervisory Board of Erste Bank Hungary 31 December 2009

Chairman:

Manfred Wimmer Erste Group Bank AG

Members:

Andreas Klingen Erste Group Bank AG
Bernhard Spalt Erste Group Bank AG
Peter Weiss Erste Group Bank AG
Várady Lászlóné Erste Bank Hungary
Bokor Béla Erste Bank Hungary

Board of Directors of Erste Bank Hungary 31 December 2009

Chairman:

Papp Edit Erste Bank Hungary

Members:

Sztanó Imre Erste Bank Hungary
Jonathan Till Erste Bank Hungary
Pelle László Erste Bank Hungary
Frederik Silzer external member
Szivi László external member
Rudnay János external member

Erste Bank Hungary hereby declares that its parent company, Erste Group Bank AG adheres to the Austrian Corporate Governance Code and Erste Bank Hungary's corporate management practice is based on the same principles and guidelines.

