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This is an English translation of the Independent Auditors' Report on the 2010 statutory Consolidated Annual Report of Budapest Hitel és Fejlesztési Bank Nyrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete statutory Consolidated Annual Report it refers to.

Independent Auditors' Report

To the shareholders Budapest Hitel és Fejlesztési Bank Nyrt.

Report on the Consolidated Annual Report

We have audited the accompanying 2010 consolidated annual report of Budapest Hitel és Fejlesztési Bank Nyrt. (hereinafter referred to as "the Bank"), which comprise the consolidated balance sheet as at 31 December 2010, which shows total assets of MHUF 911,005 and retained profit for the year of MHUF 9,421, and the consolidated income statement for the year then ended, and consolidated supplementary notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Annual Report

Management is responsible for the preparation and fair presentation of this consolidated annual report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary, and for such internal control as management determines is necessary to enable the preparation of consolidated annual report are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated annual report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated annual report 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 annual report.

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

Opinion

We have audited the consolidated annual report of Budapest Hitel és Fejlesztési Bank Nyrt., its components and elements and their accounting and documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the consolidated annual report has been prepared in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. In our opinion, the consolidated annual report gives a true and fair view of the financial position of Budapest Hitel és Fejlesztési Bank Nyrt. and its consolidated subsidiaries as of 31 December 2010, and of its financial performance and of the result of its operations for the year then ended.

Report on the Consolidated Business Report

We have audited the accompanying 2010 consolidated business report of Budapest Hitel és Fejlesztési Bank Nyrt.

Management is responsible for the preparation of the consolidated business report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. Our responsibility is to assess whether this consolidated business report is consistent with the 2010 consolidated annual report. Our work with respect to the consolidated business report was limited to the assessment of the consistency of the consolidated business report with the consolidated annual report, and did not include a review of any information other than that drawn from the audited accounting records of the Bank.

In our opinion, the 2010 consolidated business report of Budapest Hitel és Fejlesztési Bank Nyrt. is consistent with the data included in the 2010 consolidated annual report of Budapest Hitel és Fejlesztési Bank Nyrt.

Budapest, 24 March 2011

KPMG Hungária Kft.
Registration number: 000202

John Varsanyi
John Varsanyi
Partner

Zoltán Mádi-Szabó
Zoltán Mádi-Szabó
Professional Accountant
Registration number: 003247

Budapest Bank Group

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Budapest Bank Nyrt.
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31 December 2010

Budapest, 24 March 2011

Sean Morrissey Chief Executive Officer	Pálcza Edit Chief Finance Officer

Statistic code: 10196445641911401

Budapest Bank Group

BALANCE SHEET (FINANCIAL INSTITUTIONS)

in million HUF

			Description	31/12/2009	Previous year Adjustments	31/12/2010
a			b	c	d	e
01	**I.**		**FINANCIAL ASSETS**	**23 544**	-	**34 440**
02	**II.**		**SECURITIES (03+04)**	**132 177**	-	**135 193**
03		a)	available for sale	106 087	-	109 103
04		b)	for investment purposes	26 090	-	26 090
05	**II/A.**		**valuation difference of securities**	**-**	-	-
06	**III.**		**RECEIVABLES FROM FINANCIAL INSTITUTIONS (07+08+19)**	**41 315**	-	**46 361**
07		a)	on sight	909	-	1 313
08		b)	other receivables from financial services	40 406	-	45 048
09		ba)	due within one year	40 406	-	45 048
10			Of which: - subsidiaries	-	-	-
11			- affiliated companies	-	-	-
12			- National Bank of Hungary	40 342	-	44 383
13			- receivables to KELER	-		-
14		bb)	due more than one year	-	-	-
15			Of which: - subsidiaries	-	-	-
16			- affiliated companies	-	-	-
17			- National Bank of Hungary	-	-	-
18			- receivables to KELER	-		-
19		c)	receivables against financial institutions from investment services	-	-	-
20			Of which: - subsidiaries	-	-	-
21			- affiliated companies	-	-	-
22			- receivables to KELER	-		-
23	**III/A.**		**valuation difference of receivables to financial institutions**	**-**	-	-
24	**IV.**		**RECEIVABLES FROM CUSTOMERS (25+32)**	**665 569**	-	**652 277**
25		a)	from financial services	665 480	-	652 204
26		aa)	due within one year	230 123	-	229 273
27			Of which: - subsidiaries	-	-	-
28			- affiliated companies	-	-	-
29		ab)	due more than one year	435 357	-	422 931
30			Of which: - subsidiaries	-	-	-
31			- affiliated companies	-	-	-
32		b)	receivables against customers from investment services	89	-	73
33			Of which: - subsidiaries	-	-	-
34			- affiliated companies	-	-	-
35		ba)	receivables to investment in stock exchange activity	-	-	-
36		bb)	receivables to OTC investments	-	-	-
37		bc)	receivables to customers from investment services	89	-	73
38		bd)	receivables to KELER	-	-	-
39		be)	receivables to other investment services	-	-	-
40	**IV/A.**		**valuation difference of receivables to customers**	**-**		-
41	**V.**		**BONDS AND OTHER SECURITIES (42+45)**	**25**	-	**22**
42		a)	securities issued by municipalities and other government institution (excluding government securities)	-	-	-
43		aa)	available for sale	-	-	-
44		ab)	for investment purposes	-	-	-
45		b)	securities issued by others	25	-	22
46		ba)	available for sale	25	-	22
47			Of which: -issued by subsidiaries	-	-	-
48			- issued by affiliated companies	-	-	-
49			- repurchased own shares	-		-
50		bb)	for investment purposes	-	-	-
51			Of which: -issued by subsidiaries	-	-	-
52			- issued by affiliated companies	-	-	-
53	**V/A.**		**valuation difference of bonds and other securities**	**-**	**-**	-
54	**VI.**		**SHARES AND OTHER SECURITIES (55+58)**	**3 252**	**-**	**3 747**
55		a)	shares available for sale	-	-	-
56			Of which: -issued by subsidiaries	-	-	-
57			- issued by affiliated companies	-	-	-
58		b)	securities with variable yield	3 252	-	3 747
59		ba)	available for sale	3 252	-	3 747
60		bb)	for investment purposes	-	-	-
61	**VI/A.**		**valuation difference of shares and other securities**	**-**	**-**	-
62	**VII.**		**SHARES FOR INVESTMENT PURPOSES (63+65)**	**405**	**-**	**404**
63		a)	shares for investment purposes	405	-	404
64			of which: - shares in financial institutions	-	-	-
65		b)	revaluation of shares for investment purposes	-	-	-
66			of which: - shares in financial institutions	-	-	-
67	**VII/A.**		**valuation difference of shares for investment purposes**	**-**	**-**	-
68	**VIII.**		**SHARES IN AFFILIATED COMPANIES FOR INVESTMENT PURPOSES (69+71+73)**	**-**	**-**	**-**
69		a)	shares for investment purposes	-	-	-
70			of which: - shares in financial institutions	-	-	-
71		b)	revaluation of shares for investment purposes	-	-	-
72			of which: - shares in financial institutions	-	-	-
73		c)	Share consolidation difference (73+74)	-	-	-
74		ca)	Of which: - subsidiaries	-	-	-
75		cb)	- affiliated companies	-	-	-
76	**IX.**		**INTANGIBLE ASSETS (77+78)**	**4 696**	-	**3 744**
77		a)	intangible assets	4 696	-	3 744
78		b)	revaluation of intangible assets	-	-	-

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

	Description			31/12/2009	Previous year Adjustments	31/12/2010
a	b			c	d	e
79	**X.**		**TANGIBLE ASSETS (80+85+90)**	**25 131**	-	**20 935**
80	a)		tangible assets serving the activities of financial institutions	12 965	-	11 178
81		aa)	real estate	8 411	-	7 822
82		ab)	technical equipment, machinery and vehicles	4 536	-	3 345
83		ac)	construction-in-progress	18	-	11
84		ad)	prepayments on construction-in-progress	-	-	-
85	b)		tangible assets serving the non-financial activities	12 166	-	9 757
86		ba)	real estate	-	-	-
87		bb)	technical equipment, machinery and vehicles	12 160	-	9 757
88		bc)	construction-in-progress	6	-	-
89		bd)	prepayments on construction-in-progress	-	-	-
90	c)		revaluation of tangible assets	-	-	-
91	**XI.**		**OWN SHARES**	-	-	-
92	**XII.**		**OTHER ASSETS (93+94+97)**	**6 821**	-	**7 058**
93	a)		inventories	1 604	-	1 575
94	b)		other receivables	5 217	-	5 483
95			Of which: - subsidiaries	-	-	-
96			- affiliated companies	-	-	-
97	c)		Receivables from consolidated Tax	-		-
98	**XII/A.**		**valuation difference of other receivables**	**-**	**-**	-
99	**XII/B.**		**positiv valuation difference of derivatives**	**447**	**-**	**146**
100	**XIII.**		**PREPAYMENTS AND ACCRUALS (101+102+103)**	**6 457**	-	**6 678**
101	a)		income accruals	6 200	-	6 485
102	b)		expense accruals	257	-	193
103	c)		deferred expenses	-	-	-
104	**TOTAL ASSETS (01+02+06+24+41+54+62+68+76+79+91+92+100)**			**909 839**	-	**911 005**
105			**-CURRENT ASSETS (I.+II.a)+III.c)+III.a)+III.ba)+IV.aa)+IV.b)+V.aa)+V.ba)+VI.a)+VI.ba)+XI.+XII.+II/A.)+III/A.)+IVA.)+VA.)+VI/A.)+XII/A.)+XII/B.) items of which related to current assets)**	**411 703**		**430 223**
106			**- FIXED ASSETS (II.b)+III.bb)+IV.ab)+V.ab)+V.bb)+VI.bb)+VII.+VIII.+IX.+X.+II/A.)+III/A.)+IVA.)+VA.)+VI/A.)+XII/A.)+XII/B.) items of which related to fixed assets)**	**491 679**	-	**474 104**

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

		Description	31/12/2009	Previous year Adjustments	31/12/2010
a		b	c	d	e
107	**I.**	**LIABILITIES TO FINANCIAL INSTITUTIONS (108+109+120)**	**28 889**	-	**26 359**
108	a)	on sight	174	-	96
109	b)	liabilities deposited for a set period of time	28 714	-	26 262
110	ba)	due within one year	3 231	-	1 845
111		Of which: - subsidiaries	-	-	-
112		- affiliated companies	-	-	-
113		- National Bank of Hungary	-	-	-
114		- receivables to KELER	-		-
115	bb)	due more than one year	25 483	-	24 417
116		Of which: - subsidiaries	-	-	-
117		- affiliated companies	-	-	-
118		- National Bank of Hungary	-	-	-
119		- receivables to KELER	-		-
120	c)	liabilities from investments services	1	-	1
121		Of which: - subsidiaries	-	-	-
122		- affiliated companies	-	-	-
123		- receivables to KELER	-		-
124	**I/A.**	**valuation difference of liabilities to financial institutions**	**-**		-
125	**II.**	**LIABILITIES TO CUSTOMERS (126+130+140)**	**732 781**	**-**	**726 566**
126	a)	saving deposit	**-**	-	-
127	ba)	on sight	-	-	-
128	ab)	due within one year	-	-	-
129	ac)	due more than one year	-	-	-
130	b)	other liabilities from financial services	732 024	-	725 541
131	ba)	on sight	218 440	-	222 020
132		Of which: - subsidiaries	-	-	-
133		- affiliated companies	-	-	-
134	bb)	due within one year	292 477	-	245 287
135		Of which: - subsidiaries	126	-	141
136		- affiliated companies	-	-	-
137	bc)	due more than one year	221 107	-	258 234
138		Of which: - subsidiaries	206 337	-	247 133
139		- affiliated companies	-	-	-
140	c)	liabilities from investments services	757	-	1 025
141		Of which: - subsidiaries	-	-	-
142		- affiliated companies	-	-	-
143	ca)	liabilities to investment in stock exchange activity	-	-	-
144	cb)	liabilities to OTC investments	-	-	-
145	cc)	liabilities to customers from investment services	757	-	1 025
146	cd)	liabilities to KELER	-	-	-
147	ce)	liabilities to other investment services	-	-	-
148	**II/A.**	**valuation difference of liabilities to customers**	**-**	**-**	-
149	**III.**	**ISSUED BONDS AND OTHER, INTEREST-BEARING SECURITIES (150+157+164)**	-	**-**	-
150	a)	issued bonds	-	-	-
151	aa)	due within one year	-	-	-
152		Of which: - subsidiaries	-	-	-
153		- affiliated companies	-	-	-
154	ab)	due more than one year	-	-	-
155		Of which: - subsidiaries	-	-	-
156		- affiliated companies	-	-	-
157	b)	other issued negotiable, interest-bearing securities	-	-	-
158	ba)	due within one year	-	-	-
159		Of which: - subsidiaries	-	-	-
160		- affiliated companies	-	-	-
161	bb)	due more than one year	-	-	-
162		Of which: - subsidiaries	-	-	-
163		- affiliated companies	-	-	-
164	c)	Securities according to the accounting standards, but according to the Securities Law other negotiable, interest-bearing documents	-	-	-
165	ca)	due within one year	-	-	-
166		Of which: - subsidiaries	-	-	-
167		- affiliated companies	-	-	-
168	cb)	due more than one year	-	-	-
169		Of which: - subsidiaries	-	-	-
170		- affiliated companies	-	-	-
171	**IV.**	**OTHER LIABILITIES (172+176+179)**	**7 663**	-	**7 138**
172	a)	due within one year	7 663	-	7 138
173		Of which: - subsidiaries	-	-	-
174		- affiliated companies	-	-	-
175		- other contributions of members of saving societies	-	-	-
176	b)	due more than one year	-	-	-
177		Of which: - subsidiaries	-	-	-
178		- affiliated companies	-	-	-
179	c)	Liabilities from consolidated Tax	-	-	-
180	**IV/A.**	**negativ valuation difference of derivatives**	**2 196**	**-**	**7 249**
181	**V.**	**ACCRUALS (182+183+184)**	**21 514**	-	**17 342**
182	a)	income accruals	524	-	520
183	b)	expense accruals	20 990	-	16 822
184	c)	deferred income	-	-	-
185	**VI.**	**PROVISIONS (186+187+188+189)**	**6 031**	-	**5 372**
186	a)	provision for pension and severance payments	398	-	96
187	b)	provision on contingent and future liabilities	3 122	-	2 766
188	c)	general risk provision	2 511	-	2 510
189	d)	other provision	-	-	-
190	**VII.**	**SUBORDINATED DEBT (191+196+197)**	**4 011**	-	**4 011**
191	a)	subordinated loan	3 861	-	3 861
192		Of which: - subsidiaries	-		-
193		- affiliated companies	-		-
194	aa)	Equity consolidation difference	150	-	150
195		Of which: - subsidiaries	150	-	150
196	b)	other contributions of members of saving societies	-	-	-
197	c)	other subordinated debt	-	-	-
198		Of which: - subsidiaries	-	-	-
199		- affiliated companies	-	-	-

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

		Description	31/12/2009	Previous year Adjustments	31/12/2010
a		b	c	d	e
200	**VIII.**	**SHARE CAPITAL**	**19 346**	-	**19 346**
201		from which: - repurchased own shares on face value	-	-	-
202	**IX.**	**ISSUED, UNPAID SHARE CAPITAL (-)**	-	-	-
203	**X.**	**SHARE PREMIUM (204+205)**	**-**	-	-
204	a)	premium from issue of shares	-	-	-
205	b)	other	-	-	-
206	**XI.**	**GENERAL RESERVE**	**7 711**	-	**8 505**
207	**XII.**	**RETAINED EARNINGS**	**65 872**	-	**74 898**
208	**XIII.**	**CAPITAL ENGAGED**	**12**	-	**22**
209	**XIV.**	**VALUATION RESERVE**	**-**	-	**-**
210	a)	valuation reserve of revaluation	**-**	-	-
211	b)	valuation reserve of valuation at fair market value	**-**	-	-
212	**XV.**	**NET PROFIT (LOSS) FOR THE YEAR (+-)**	**11 952**	-	**9 421**
213	**XVI.**	**CHANGES IN SUBSIDIARIES' EQUITY (+,-)**	**1 861**	-	**4 776**
214	**XVII.**	**CHANGES DUE TO THE CONSOLIDATION (+,-)**	**-**	-	**-**
215	**a)**	**from debt consolidation**	-	-	-
216	**b)**	**from internal profit consolidation**	-	-	-
217	**XVIII.**	**MINORITY INTEREST**	**-**	-	-
218	**TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS (107.+125.+149.+171.+181.+185.+190.+200.+202.+203.+206.+207.+208.+209.+212.+213.+217.)**		**909 839**	-	**911 005**
219		**- SHORT TERM LIABILITIES (I.a)+I.ba)+I.c)+1/A.)+II.aa)+II.ab)+II.ba)+II.bb)+II.c)+II/A.)+III.aa)+III.ba)+III.ca)+IV.a)+IV/A.)**	**524 939**	-	**484 661**
220		**- LONG TERM LIABILITIES (I.bb)+II.ac)+II.bc)+III.ab)+III.bb)+III.cb)+IV.b)+VII.)**	**250 601**	-	**286 662**
221		**- SHAREHOLDER'S FUNDS (VIII.-IX.+X.+XI.+-XII.+XIII.+XIV.+-XV.)**	**106 754**	-	**116 968**

Off-Balance Sheet Items

		Description	31/12/2009	Previous year Adjustments	31/12/2010
01		Commitments and contingent liabilities	192 274	-	155 152
02		Futures liabilities	177 891	-	132 680
03		**Total off-balance sheet liabilities**	**370 165**	-	**287 832**
04		**Total off-balance sheet receivables**	**177 299**	-	**127 138**

Budapest, 24 March 2011

Sean Morrissey
Chief Executive Officer

Edit Pálcza
Chief Finance Officer

Statistic code: 10196445641911401

Budapest Bank Group

PROFIT AND LOSS STATEMENT (FINANCIAL INSTITUTIONS)

in million HUF

		Description	2009	Previous year Adjustments	2010
a		b	c	d	e
1	**1.**	*Interest income (02+05)*	**101 094**		**86 114**
2	a)	a) interest income from fixed interest-bearing securities	6 419		7 340
3		Of which: - subsidiaries	-		-
4		- affiliated companies	-		-
5	b)	b) other interest income	94 675		78 774
6		Of which: - subsidiaries	-		-
7		- affiliated companies	-		-
8	**2.**	*Interest expense*	**43 129**		**19 847**
9		Of which: - subsidiaries	2 928		2 123
10		-affiliated companies	-		-
11		**Net interest income (01-08)**	**57 965**		**66 267**
12	**3.**	**Dividend received (13+14+15)**	**176**		**151**
13	a)	a) joint ventures	-		-
14	b)	b) affiliated companies	-		-
15	c)	c) other	176		151
16	**4.**	**Fee income (17+20)**	**19 708**		**18 845**
17	a)	a) fee income of other financial services	18 357		17 088
18		Of which: - subsidiaries	-		-
19		- affiliated companies	-		-
20	b)	b) fee income of investment services	1 351		1 757
21		Of which: - subsidiaries	-		-
22		- affiliated companies	-		-
23	**5.**	**Fee expense (24+27)**	**6 139**		**4 406**
24	a)	a) fee expense of other financial services	6 099		4 369
25		Of which: - subsidiaries	-		-
26		- affiliated companies	-		-
27	b)	b) fee expense of investment services (excluding expense of trading activities)	40		37
28		Of which: - subsidiaries	-		-
29		- affiliated companies	-		-
30	**6.**	**Net income of financial services (31-35+39-44)**	**20 369**		**11 789**
31	a)	a) income of other financial services	34 246		47 506
32		Of which: - subsidiaries	-		-
33		- affiliated companies	-		-
34		- valuation difference	9 820		2 342
35	b)	b) expense of other financial services	13 893		35 717
36		Of which: - subsidiaries	-		-
37		- affiliated companies	-		-
38		- valuation difference	3 607		7 696
39	c)	c) income of investment services (income of trading activities)	642		8
40		Of which: - subsidiaries	-		-
41		- affiliated companies	-		-
42		- release of provision on securities available for sale	-		-
43		- valuation difference	-		-
44	d)	d) expense of investment services (income of trading activities)	626		8
45		Of which: - subsidiaries	-		-
46		- affiliated companies	-		-
47		- provision charge on securities available for sale	-		-
48		- valuation difference	1		-
49	**7.**	**Other income (50+53)**	**27 298**		**28 522**
50	a)	a) income of non-financial and non-investment services	22 222		24 225
51		Of which: - subsidiaries	-		-
52		- affiliated companies	-		-
53	b)	b) other income	5 076		4 297
54		Of which: - subsidiaries	-		-
55		- affiliated companies	-		-
56		- release of provision on inventories	41		338
57	ba)	c) profit increasing item due to consolidation	-		-

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

			Description	2009	Previous year Adjustments	2010
a			b	c	d	e
58	**8.**		**Operating costs (59+67)**	**39 778**		**35 773**
59		a)	a) personal type costs	24 403		22 384
60		aa)	aa) salaries and wages	16 582		15 782
61		ab)	ab) other personal type costs	1 998		1 568
62			of which: - social securities	515		360
63			- pension related costs	350		226
64		ac)	ac) affix of wages	5 823		5 034
65			of which: - social securities	4 796		4 180
66			- pension related costs	4 887		4 366
67		b)	b) other operating costs (materials)	15 375		13 389
68	**9.**		**Depreciation**	**4 311**		**3 870**
69	**10.**		**Other expenses (70+73)**	**30 335**		**34 720**
70		a)	a) expenses of non-financial and non-investment services	19 093		20 384
71			Of which: - subsidiaries	-		-
72			- affiliated companies	-		-
73		b)	b) other expenses	11 242		14 336
74			Of which: - subsidiaries	-		-
75			- affiliated companies	-		-
76			Provision charge on inventory	257		120
77		ba)	c) profit decreasing item due to consolidation	-		-
78	**11.**		**Provision charge on receivables and on contingent and future liabilities (73+74)**	**36 490**		**41 911**
79		a)	a) provision charge on receivables	35 899		41 071
80		b)	b) provision charge on contingent and future liabilities	591		840
81	**12.**		**Release of provision on receivables and on contingent and future liabilities (82+83)**	**6 890**		**7 342**
82		a)	a) release of provision on receivables	5 740		5 983
83		b)	b) release of provision on contingent and future liabilities	1 150		1 358
84	12/A.		A) General risk reserve difference of charge and release	-		1
85	**13.**		**Provision charge on securities portfolio**	**-**		1
86	**14.**		**Release of provision on securities portfolio**	**3**		-
87	**15.**		**NET INCOME OF FINANCIAL SERVICES**	**15 356**		**12 235**
88			**of which: - NET INCOME OF FINANCIAL AND INVESTMENT SERVICES (11+12+16-23+30+49-58-68-69-78+81-85+87)**	**12 227**		**8 394**
89			**- NET INCOME OF NON-FINANCIAL AND NON-INVESTMENT SERVICES (50-70)**	**3 129**		**3 841**
90	16.		Extraordinary revenues	45		**68**
91	17.		Extraordinary expenditures	193		**110**
92	**18.**		**Net profit (loss) of extraordinary items (90-91)**	**- 148**		**- 42**
93	**19.**		**Profit before taxation (±87±92)**	**15 208**		**12 193**
94	**20.**		Taxation	2 246		1 970
95		a)	Tax difference due to consolidation	-		-
96	**21.**		**Profit after taxation (±93-94)**	**12 962**		**10 223**
97	**22.**		Charge and release of general reserves (+,-)	1 002		794
98	**23.**		Dividend and profit-sharing payable	8		8
99			Of which: - subsidiaries	-		-
100			- affiliated companies	-		-
101	**24.**		**Net profit (loss) for the year (±96±97-98)**	**11 952**		**9 421**

Budapest, 24 March 2011

Sean Morrissey
Chief Executive Officer

Pálcza Edit
Chief Finance Officer

Budapest Bank Group

Budapest Bank Nyrt.
and Subsidiaries

Notes to the Consolidated Financial Statements

31 December 2010

Budapest, 24 March 2011

Sean Morrissey Chief Executive Officer	Pálcza Edit Chief Finance Officer

This is the translation of the Financial Statements that were prepared by the Bank.

BUDAPEST BANK GROUP

IV. GENERAL NOTES

IV/1. A BRIEF OVERVIEW OF BUDAPEST BANK AND BUDAPEST BANK GROUP

Budapest Hitel és Fejlesztési Bank Nyrt. ("Budapest Bank", or the "Bank" located: 1138 Budapest, Váci út 193., http://www.budapestbank.hu/) was established on January 1, 1987, when the two-tier banking system emerged in Hungary. Budapest Bank was established as a joint venture by the government, state - owned enterprises as well as co-operatives.
In December 1995 Budapest Bank was privatised and acquired by General Electric Capital, EBRD as well as the State Privatisation and Asset Management Company Ltd. (ÁPV Rt.)

During the year 2001, General Electric Capital became the majority shareholder of the Bank by purchasing 33.57% equity stake owned by EBRD and 23.76% equity stake held by ÁPV Rt., as well as 13.44% equity stake owned by the small shareholders holding less than 5% stake each. The GE Capital International Financing Corporation (Stamford 777 Long Ridge Road) is the first direct mother company of the Bank, which prepares consolidated annual report including Budapest Bank as well. The ultimate consolidating legal entity is the General Electric Company (Fairfield 3135 Easton Turnpike). Its consolidated Annual Report is available on http://www.ge.com/.

Additional shares were purchased over time from the minority shareholders of less then 5% ownership. At the end of 2010, GE ownership was 99.73 %.

The bank has been operating as a company public limited by shares. The subscribed capital of the bank as of December 31, 2010 amounted to HUF 19,346 million.

The Bank is licensed to conduct the full range of the activities of a credit institution including transactions denominated in Hungarian Forint and foreign currency alike.

With a view to increasing the number of its customers as well as the scope of its services, the bank expanded its network of branch offices both in Budapest and in provincial areas. Currently, the bank has a network of 101 branch offices, 1 Money Plus center.

Budapest Bank performs a part of its services via wholly owned subsidiary companies that comprise members of the Bank Group and carry out specialised activities in their capacity as independent business organisations.

Budapest Auto Finance Ltd. is engaged to provide consumer auto loans and finance lease.

Budapest Fleet Management Ltd. offers combined operative lease deals and fleet services.

Budapest Equipment Finance Ltd. provides operative leases to corporate customers.

Budapest Leasing Ltd. pursues finances leases to corporate customers.

Budapest Fund Management Ltd. manages mutual investment funds.

SBB Solution Ltd. (Former Budapest Értékpapír és Befektetési Rt.) which activity currently is limited to property rent and training service.

A brief overview of the business activities of the subsidiary companies is set forth below:

1) **Budapest Auto Finance Ltd. (Budapest Autófinanszírozási Zrt.)** was established by the Bank in 1997 with a registered capital of HUF 50 million as a wholly - owned subsidiary company of Budapest Bank. The company provides private persons as well as business organizations with credit and leasing facilities for the purchase of new and second - hand cars. As of the end of 2010 the balance sheet total of Budapest Auto Finance Ltd. was HUF 135,020 million, its registered capital was HUF 180 million, the company's shareholders' equity was HUF 4,574 million, and the 2010 net profit was HUF 2,135 million.

2) The Bank established the **Budapest Fleet Management Ltd. (Autóparkkezelõ Zrt.)** in 1997. The Fleet Management Ltd. purchases larger vehicle fleets, including the vehicles of the Bank Group and leases operationally these vehicles to corporate customers. The company also maintains the fleets and performs a full range of administrative tasks. As of the end of 2010 the balance sheet total of the Budapest Fleet Management Ltd. was HUF 8,115 million, its registered capital amounted to HUF 53 million, its shareholders' equity was HUF 825 million and 2010 net profit was HUF 211 million.

3) **Budapest Equipment Finance Ltd (Budapest Eszközfinanszírozó Kft)** was created at the end of December 2000 by 2B Ltd. merged with the asset leasing division of Budapest Fleet Management Ltd. (Autópark-kezelő Zrt.). As at the end of 2010 the balance sheet total of Budapest Equipment Finance Ltd. was HUF 5,850 million, company's registered capital amounted to HUF 11 million, its shareholders' equity was HUF 1,602 million, and its 2010 result was a HUF 162 million profit.

4) The principal activity of **Budapest Leasing Company Ltd. (Budapest Lízing Zrt.)** is to purchase and lease long-life assets (mainly production equipment) to corporate customers on a long-term basis. The Bank established Budapest Leasing Company Ltd. in 1992. At the end of 2010 the balance sheet total was HUF 37,349 million, the company's registered capital amounted to HUF 60 million, its shareholders' equity was HUF 487 million, and its 2010 result was HUF 1,541 million loss.

5) **Budapest Fund Management Ltd. (Budapest Alapkezelõ Zrt.)** was established in 1992. The company manages investment funds, establishing new ones in each year. As of the end of 2010 the balance sheet total of Budapest Fund Management Ltd. amounted to HUF 3,945 million, its registered capital was HUF 500 million, its shareholders' equity was HUF 2,727 million, the company's 2010 net profit is HUF 1,323 million.

6) In line with strategic objectives in 2000 the activity of **SBB Solution Ltd. (SBB Solution Zrt.)** (previous Budapest Securities and Investment Ltd.) was integrated into Budapest Bank Ltd. and, as a result, the securities market services to customers are now provided by the Bank. As of the end of 2010 the balance sheet total of SBB Ltd. was HUF 256 million, its registered capital amounting to HUF 170 million, its shareholders' equity was HUF 252 million and its result was a loss of HUF 11 million.

IV/2. THE PRINCIPLES OF THE ACCOUNTING POLICY OF BUDAPEST BANK GROUP

The Banking Group performs its activities, keeps its books and records pursuant to the provisions of the laws and regulations set forth below:

Act CXII. of 1996 on credit institutions and financial enterprises,
Act IV. of 2006 on corporates,
Act C. of 2000 on accounting (Law),
Act CXX. of 2001 on capital market,
Government Decree no. 250/2000 (XII.24.) about the specific aspects of the financial statements and accounting responsibilities of credit institutions and financial enterprises,

The Accounting Policy of the Banking Group is based upon the 14 basic principles of accounting as set forth in the Act on Accounting. Independent audit is obligatory for the Banking Group based on the 155. § of the Act of Accounting. The official auditor of the Bank is the KMPG Hungary Kft. (1139 Budapest Váci út 99.), Mádi-Szabó Zoltán (id. number: 003247). The Annual report of the Bank is available on http://www.budapestbank.hu/.

The Bank set its balance sheet preparation day to January 12 of the year following the statement date, except the day of the dividend payment of the subsidiaries, which is March 24th.

Pursuant to the provisions of relevant laws, errors identified in the course of audits performed by external bodies, or the internal audit department of the Banking Group shall be considered to be material for the Banking Group, if the aggregate impact of such errors, either positive or negative ones, are in excess of HUF 500 million. Changes in previously published data shall be considered to be material for the Banking Group if such errors impact the true and fair view of the Banking Group’s financial position through a material changes in the Banking Group’s shareholders' equity, i.e. if the shareholders' equity of the prior year changes with at least 20 % (increases or decreases).

Valuation principles:

Cash and equivalents

The Banking Group aggregates the amount of cash on hand, (including foreign currency), the electronic money, the checks, bank deposits at National Bank of Hungary and at other banks and the cash settlements accounts amongst the cash balances in the balance sheets.

Securities

The Bank Group includes here securities for trading purpose and securities representing lending relations as well as investments by shares.
The securities bought for trading purposes are recorded at purchase value less the accumulated interest which is part of the purchase price. The interest included in the purchase price is charged against interest income.

For trading securities (treasury bills and government bonds) the bank uses ***mark to market valuation***. For these papers a reserve is not allowed to accumulate.

The valuation of securities available for sale and held for investment is based on purchase price. For these papers individual rating of the securities is made. For long time and significant negative difference between the book value and the market value a reserve is made. For long time and material positive difference a reserve release is made.

Receivables from financial institutions and customers

In this line, the Bank Group sets forth the following:

- Placements at other banks,
- Receivables customers,

The receivables denominated in HUF are recorded at historical cost. The valuation of the receivables denominated in foreign currency is disclosed in the Accounting Policy of the Bank (see later in this chapter).
In case of participation in syndicated loans, the Bank Group sets forth only the amount of the loan extended by itself (without the obligation of counterclaim).
On the basis of debtor rating, the Bank Group accounts for reserve if, the loss difference between the book value of the receivables and the amount expected to be recovered proves to be long lasting and significant. If the amount of the receivables expected to be recovered significantly exceeds the book value less reserve of the receivables, the difference will be released from the reserve.

Inventories

The Bank Group includes inventories in the other assets of the balance sheet. Amongst the inventories, it sets forth the assets that directly or indirectly serve the financial activity (for less than one year).
The Banking Group sets forth the inventories at historical cost in the relevant inventory accounts.

Repossessed assets for receivables that became the property of the Bank Group and are kept for future resale purposes are accounted at a value at which the Bank Group settled the value of the receivables with the customer before write off.

Reserve for inventory is accounted by the Bank Group if net book value of the asset is higher than the expected return. The reserve on inventories received by the Banking Group as settlement of receivables is accounted as other expense. The release of this reserve is accounted for as decrease of other expense, as these assets are classified and reserved during the year.

Investments

Financial assets (investments by shares, securities, fixed long term bank deposit) that the Bank Group acquires with the purpose to gain long term income (dividend, interest) or to achieve influencing, controlling or directing positions shall be stated as investments in the Bank Group's balance sheet. Valuation adjustments of the invested financial assets are also included in investments.

The Bank Group capitalises the invested financial assets at historical acquisition cost in its books. The interest included in the purchase price is charged against interest income of the invested financial assets.
The Bank Group recognizes reserve for the difference between the book value of the asset and its market value if it is long term and significant. According to the accounting policy the significant amount is defined as a difference exceeding 25% and minimum 100 million HUF between the book value and the market value, for a period of more than one year.

Intangible assets

The Bank Group classifies hereto the intangible assets, the advances provided for intangible assets as well as the valuation adjustment of the intangible assets. The intangible assets comprise the value of rights, business goodwill and intellectual property. The Bank Group sets forth the capitalized value of the foundation, reorganisation and the capitalized value of research and development as well among the intangible assets.
The calculation of the amortisation is carried out with the straight-line method, based on the useful life. The Banking Group uses the write off timing stipulated by the Law in the case of the business goodwill, the capitalized value of the foundation and of the reorganisation.

Fixed Assets

The fixed assets of the Bank Group are accounted at gross acquisition cost less the residual value that can be expected at the end of the useful service life, the accumulated depreciation of tangible assets under the plan and the over-plan depreciation. In addition to this, it shall be increased with the amount of the release of the over-plan depreciation.

As the credit institutes are exempt from VAT, the acquisition cost of fixed assets items includes the VAT, which was included in the purchase price of the items and was not reclaimed. Since 2008, the Bank and it subsidiaries created a VAT group and these entities partially reclaim VAT based on a predefined ratio. Non reclaimed VAT is expensed.
The fixed assets that have not been put into operation are accounted for as capital projects in progress.

The depreciation charges under the plan shall be determined and accounted for in considering the expected useful life of the relevant assets by using the straight-line depreciation method.
The expected depreciation keys of individual types of are as follows:

Buildings, fixtures	2 %
Real estate not owned by the Banking Group	6 %
Machines, equipment	14.5 %
Computer equipment	33 %
Vehicles	20 %

The Banking Group accounts for over-plan depreciation as other expenditure, if the book value of the tangible assets remains considerably higher than the market value of these assets.

Liabilities to credit institutions and customers

These include liabilities originating from financial services arisen from liquidity and risk management activity.

Accrual

The Banking Group records the interest, the interest type income and the fees for the year as accruals, if received before the balance sheet preparation day.
The interest and interest type fees for the period, that are not due before the balance sheet preparation day, can only be recorded as accrual in the balance sheet, if the debtor that they are related to are classified as performing or watch.

The interests and interest type expenses related to the reporting year and due by the balance sheet cut-off date but not yet paid out, are stated as accrued interest expense.

Valuation of the receivables and liabilities denominated in foreign currencies

The cash on hand balances, the foreign exchange nostro accounts, the receivables, the securities, other financial assets and the liabilities denominated in foreign currency are recorded by the Bank Group in the original currencies and converted into HUF each day at the official foreign exchange rates disclosed by the National Bank of Hungary.

The above assets and liabilities are stated in the balance sheet at the HUF values converted at the official foreign exchange middle rates specified by the NBH, as of the balance sheet cut-off date for the reporting year. When the difference between the book value before the evaluation on the balance sheet cut-off date and the HUF amount of the evaluation on the balance sheet cut-off date adds up to a loss or gain, this balance is recorded in the “net income of financial services” as exchange rate gain or loss.

Allowances for losses and risk reserve

In accordance with the provisions of the Act on Credit Institutions and Financial Enterprises (Hpt.) the Bank Group generate risk provision for the identified interest and exchange rate risks as well as for the off-balance sheet risk.
The Bank Group calculates the allowance for losses in accordance with its debtors’ rating and receivable valuation (as specified in the related CEO directives in effect) each month, in its so-called debtors’ rating and portfolio system and books the increase/decrease to the allowance in order to arrive at the amount specified by the rating and valuation.
During the valuation the Bank Group reduces the value of the risk-weighted assets and off-balance sheet items by the value of the accepted collaterals. The resulting net risk multiplied by the reserve % assigned to the worst receivable of the debtor will provide the necessary amount of allowance for losses.

According to the Government Decree no. 250/2000 (Appendix 7, chapter II.11.), the bank calculates the allowance of losses for small value receivables on a pool basis. Receivables on a pool basis are individually recorded, allowance for losses for them is accounted individually and assigned to the receivable. At the end of receivable they are cancelled together from the books. Small-amount receivables by debtors are determined in HUF 200 million by the bank.

In the future the Bank Group will not generate the so-called General Risk Provision any more but will use the existing amount on an ongoing basis, as a coverage for future losses.

The Bank Group has made all, the necessary allowance for losses and risk reserve. Balance sheet preparation day is set as of January 12th for reserving.

Shareholders' equity

The shareholders' equity is comprised of the registered (subscribed) capital, the capital reserve, the retained earning, the capital engaged, the general reserve and the profit of the year (as per the balance sheet).

The shareholders' equity includes also the general reserve retained from the profit after taxes, prior to the payment of dividends. This reserve is generated in accordance with the rules laid out in Article 75 of the Htp. Constitution of the 10% General Reserve is considered individually on a yearly basis. The Bank made the 10 % General Reserve in 2010. No additional reserve is made to the mandatory 10 % reserve.
The components of the Banking Group's shareholders' equity are stated in the balance sheet at book (carrying) value.

Derivatives

The Bank applies a mark to market valuation in the accounting policy since 1st January 2008, for off balance sheet receivables and liabilities arisen from non-hedge trading derivatives. No risk reserve is made in addition to the mark to market valuation. The Bank Group pursued only forward deals on a settlement basis with its customers, and foreign currency swaps on a delivery basis during 2009. From 1st of January 2010 the Bank makes also delivery forwards, besides the non delivery forwards and delivery swaps.

Contingent and future liabilities

The contingent and future liabilities of the Banking Group are recorded as off-balance sheet items (in the '0'-account class).
Contingent liabilities are mostly liabilities assumed with respect to third parties, which are already in effect on the balance sheet cut-off date but their recognition in the balance sheet depends on future events.
The certain (future) liabilities are comprised of irrevocable commitments that are already in effect on the balance sheet cut-off date but relevant conditions of the contracts have not yet been met, as a consequence, they are not stated in the balance sheet.

Suspension of interests

Interests and other financial service fees due by the balance sheet cut-off date but not received by the balance sheet preparation date are not stated by the Bank Group as revenues, they are stated as suspended items and recorded only in off balance sheet accounts. The same suspending procedure is applied for interests receivable for the reporting period but not yet due by the balance sheet date where the underlying receivable is assigned to any valuation category of other than 'problem-free' (performing) or 'to be monitored' (watchlisted). No specific provisions are made for suspended interest.

THE CONSOLIDATION ACCOUNTING POLICY OF BUDAPEST BANK GROUP

According to Government Decree 250/2000. (XII.24.) about the annual reporting and book keeping of financial institutions, Budapest Bank Nyrt. is required - since 1994 - to prepare consolidated annual reports as well as a Consolidation Accounting Policy.

The Consolidation Accounting Policy of Budapest Bank is based on the provisions of the Act, on the management objectives of Budapest Bank and on the basic accounting principles. The Bank Group developed a reporting and accounting information system that ensures the provision of a true and fair view of the joint financial, equity and income position of the parent company and its subsidiaries.

The consolidated annual report is comprised of the following elements:

- consolidated balance sheet,
- consolidated profit and loss statement,
- consolidated footnotes.

The objective of the preparation of the consolidated balance sheet is to provide information - by eliminating assets and liabilities resulting from the relationships between the parent company and the subsidiaries - for the shareholders of the Bank Group and its management, the business partners, customers, investors and creditors, on the actual equity and financial position of the Bank Group and on subsequent changes in this position.

The consolidated profit and loss statement provides information - by eliminating the revenues and expenditures between the members of the Banking Group - on the performance (profitability) of the Banking Group.

The consolidated footnotes contains numerical data and narrative explanations and analyses which, in addition to the balance sheet and the profit and loss statement in line with the international requirements, are necessary for the shareholders, management, investors and creditors of the Banking Group.

The following special balance sheet items are required in the consolidated report:

Goodwill

This is the line where the calculated goodwill is stated. If the amount paid for an acquisition is larger than the amount of the shareholders' equity purchased, the resulting difference is the goodwill.
Items can be booked hereto only at the first acquisition or at the first step in case of a step by step acquisition.

Corporate tax receivable originating from consolidation

Where the amount of the tax payable according to the profit and loss statements of the entities involved in consolidation is larger than the tax payable according to the consolidated profit and loss statement the difference is stated by the Banking Group in this line, as carried-over tax receivable.

Change of subsidiaries' shareholders' equity (+/-)

The Bank Group includes here the changes of the shareholders' equity of subsidiaries subsequent to the first consolidation.

Changes resulting from consolidation (+/-)

During the consolidation the difference, if any, between the receivable of one entity involved in consolidation and the liability of another entity involved in consolidation is to be stated in the "difference from debt consolidation" line in the consolidated annual balance sheet.

The gain or loss originating from a transaction between two entities involved in consolidation is to be stated in the "the difference in internal profit" line of the consolidated annual balance sheet.

Minority shares

The Bank Group states here the amounts of shares in the shareholders' equity of subsidiaries which - as of the balance sheet date - are not held by the Bank as parent company.
The shareholders' equity of a subsidiary is divided in accordance with the relevant percentage of the shares held by the shareholders.

At present Budapest Bank holds 100 % of each of the subsidiaries involved in consolidation.

Negative goodwill

Where the difference between the purchase price of the investment and the share of the shareholders' equity of the subsidiary is a negative figure, a negative goodwill is recorded.

Corporate tax liability originating from consolidation

Where the amount of the tax payable according to the profit and loss statements of the entities involved in consolidation is smaller than the tax payable according to the consolidated profit and loss statement the difference is stated as carried-over tax liability arisen from consolidation.

The following special net income items are required in the consolidated report:

Consolidation difference - increasing the profit - resulting from debt consolidation

If receivables and liabilities are eliminated under identical titles that originate from business transactions between entities involved in consolidation, and the amounts are different due to different evaluation rules laid out in the accounting act, a positive consolidation difference is recorded.

Consolidation difference - decreasing the profit - resulting from debt consolidation

The amount originating from the results described above, in terms of a negative difference is stated in this line.

Dividends, profit sharing received from associated companies

Here are included the amounts of the dividends received (receivable) by the parent company (in this case the Bank) during the current year from its participation in associated entities along with the changes of the shareholders' equity of the associated companies during the current year.

Dividends and profit sharing received from other equity investments

This line of the consolidated profit and loss statement shows the amounts of dividends received (receivable) from equity investments other than subsidiaries or associated companies.

Corporate tax difference originating from consolidation (+/-)

The difference between the sum of the individual corporate taxes and the tax calculated on the tax base in the consolidated profit and loss statement is to be stated here either it is a positive or negative difference.

Use of retained earnings for dividends, profit sharing

The use of the retained earnings for dividends, profit sharing’ is excluded in the consolidated profit and loss statement.

Footnotes:

As established in the Accounting Policy of Budapest Bank Nyrt. the following specific tables covering consolidation in the consolidated footnotes:

- the subsidiaries of Budapest Bank Nyrt. involved in consolidation,
- the (direct and indirect) capital share of Budapest Bank Nyrt. in the subsidiaries involved in consolidation
- the share belonging to Budapest Bank Nyrt. as parent company.

Definition of consolidation:

In the course of consolidation the Bank carries out the following steps:

- 'preparation' of individual balance sheets and profit and loss statements
- capital consolidation
- debt consolidation
- elimination of internal profits
- consolidation of revenues and expenditures - capital consolidation of associated companies
- establishment of tax difference originating from consolidation

IV/3. CHANGES AND MAJOR ECONOMIC EVENTS IN 2010

In 2010 Budapest Bank has not made additional general risk reserve.

The Bank Group made 10 % General Reserve on the profit after tax of the Bank in 2010.

The Bank Group's management has reviewed the legal cases and where losses seem to be likely, the appropriate provisions have been made. The management considers that the provision generated for the major legal cases provides a sufficient coverage.

The HUF 101 million due for year 2010 has been transferred to the National Deposit Insurance Fund.

In year 2010 Budapest Bank transferred HUF 84 million to the Investor Protection Fund.

The year 2010 report of Budapest Bank Group is signed by Mr. Sean Morissey, Chief Executive Officer of the Bank (Budapest, 1062 Izabella utca 62) and Mrs. Edit Pálcza, Chief Finance Officer of the Bank (Budapest, 1046 Szőnyi István utca 48.).

Zoltán Szűcs is responsible for managing and leading the accounting duties. (Registry number: MK17849 in the Registry of the Accountant listed by Ministry of Finance.)

Budapest Bank Group

V / 1. Subsidiaries, owned directly or indirectly by Budapest Bank Rt., which are involved in the consolidation,

associated and other companies, not involved in the consolidation

31 December 2010

	Company			
	Name	Address (seat)	Purchase value (in HUF MM)	Voting rights
1. Participation in subsidiaries involved in the consolidation	Budapest Autófinanszírozási Zrt.	1138 Budapest, Váci út 139.	250	100%
	Budapest Flotta Zrt.	1138 Budapest, Váci út 139.	558	100%
	Budapest Eszközfinanszírozó Kft.	1138 Budapest, Váci út 139.	29	100%
	Budapest Lízing Zrt.	1138 Budapest, Váci út 139.	280	100%
	Budapest Alapkezelő Zrt.	1138 Budapest, Váci út 139.	10	100%
	SBB Solution Zrt.	1138 Budapest, Váci út 139.	2 117	100%
2. Other companies, not involved in the consolidation	GIRO Elszámolásforgalmi Központ Zrt.	1205 Budapest, Mártonffy u. 25-29.	156	8,33%
	Garantiqa Hitelgarancia Zrt.	1052 Budapest, Bárczy István u. 3-5.	190	3,95%
	Kisvállalkozás-fejlesztő Pénzügyi Zrt.	1052 Budapest, Szép u. 2.	50	1,47%
	Swift	Avenue Adele 1 B 1310 La Hulpe Belgium	10	0,02%
	Magyar Sepa Egyesület	1051 Budapest, József Nádor tér 5-6.	0	9,09%
	Park Teniszklub Zrt.	1114 Budapest, Bartók Béla út 15/d.	0	0,30%

Budapest Bank Group

V / 2. Budapest Bank Rt. equity participation in the subsidiaries, which are involved in the consolidation

31 December 2010

Subsidiary	BB Rt. direct participation in the subsidiary		Share capital	Shareholder's fund	Net profit (loss) for the year / *
	HUF MM	%	HUF MM	HUF MM	HUF MM
Budapest Autófinanszírozási Zrt.	250	100	180	4 574	2 135
Budapest Flotta Zrt.	558	100	53	825	211
Budapest Eszközfinanszírozó Kft.	29	100	11	1 602	162
Budapest Lízing Zrt.	280	100	60	487	(1 541)
Budapest Alapkezelő Zrt.	10	100	500	2 727	1 323
SBB Solution Zrt.	2 117	100	170	252	(11)
Total:	**3 244**		**974**	**10 467**	**2 279**

Notes:
*According to approval of General Assembly of the Bank the subsidiaries will not pay dividend from Profit after Taxes for the current year (2010).

Budapest Bank Group

V / 3. Equity consolidation adjustments of Budapest Bank Nyrt. as parent company

31 December 2010

Subsidiary	BB Rt' s participation in the subsidiary % (a)	The subsidiaries' equity without the profit of the year after payment of Dividend 31 december 2010 HUF MM (b)	Participation due to BB NyRt. after payment of Dividend 31 december 2010 HUF MM (c= a x b)	Purchase price of the shares HUF MM (d)	Equity consolidation difference 1994 HUF MM (e)	Modification of positive equity consolidation difference due to new shares új részesedés miatt HUF MM (f)	Depreciation of positive equity consolidation HUF MM (g)	Equity consolidation difference HUF MM (h=e+f-g)	Changes in the shareholders' equity of subsidiary after payment of Dividend /* 31 december 2010 HUF MM (i=c-d+h)
Budapest Autófinanszírozási Zrt.	100,00%	2 439	2 439	250	0			0	2 189
Budapest Flotta Zrt.	100,00%	614	614	558	0			0	56
Budapest Eszközfinanszírozó Kft.	100,00%	1 440	1 440	29	0			0	1 411
Budapest Lízing Zrt.	100,00%	2 028	2 028	280	133		133		1 748
Budapest Alapkezelő Zrt.	100,00%	1 404	1 404	10	-4			-4	1 390
SBB Solution Zrt.	100,00%	263	263	2 117	-146			-146	-2 000
Total:		**8 188**	**8 188**	**3 244**	**-17**	**0**	**133**	**-150**	**4 794**

Positive equity consolidation difference:	**0**
Negative equity consolidation difference:	-150

Note:
The changes in the shareholders' equity of subsidiary contain the amount of 18,000 THUF Capital Engaged.

Budapest Bank Group

V / 4.a. Gross value of intangible and tangible assets in 2010

in HUF MM

Description	Changes in Gross Value			
	Opening value	Increase during the year	Decrease during the year	Closing value
I. Total intangible assets:	**16 550**	**1 241**	**1 814**	**15 977**
a/ Rights and titles	830	-	-	830
b/ Intellectual property	15 386	1 241	1 814	14 813
c/ Capitalised value of foundation/restructuring	334	-	-	334
II.1. Tangible assets serving financial institutions' activities	**26 900**	**1 249**	**3 745**	**24 404**
a/ Real properties	11 682	382	753	11 311
b/ Technical equipment, machinery and vehicles	15 200	621	2 739	13 082
c/ Assets under construction	18	246	253	11
d/ Advances for assets under construction	-	-	-	-
II.1. Tangible assets related to non-financial services	**19 934**	**2 443**	**4 703**	**17 674**
a/ Real estates	-	-	-	-
b/ Technical equipment, machinery and vehicles	19 928	1 867	4 121	17 674
c/ Assets under construction	6	576	582	-
d/ Advances for assets under construction	-	-	-	-

Budapest Bank Group

V / 4.b. Accumulated depreciation and current year depreciation on intangible and tangible assets in 2010.

in HUF MM

Description	Accumulated depreciation					
	Opening value	Increase during the year	Decrease during the year	Planned depreciation	Over the plan	Closing balances
I. Total intangible assets:	**11 854**	**1 747**	**1 368**	**1 747**	**-**	**12 233**
a/ Rights and titles	830	-	-	-	-	830
b/ Intellectual property	10 690	1 747	1 368	1 747	-	11 069
c/ Capitalised Value of foundation/ restructuring	334	-	-	-	-	334
II.1. Tangible assets serving financial institutions' activities	**13 935**	**2 158**	**2 867**	**2 157**	**1**	**13 226**
a/ Real estates	3 271	468	250	468	-	3 489
b/ Technical equipment, machinery and vehicles	10 664	1 690	2 617	1 689	1	9 737
c/ Assets under construction	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-
II.2 Tangible Assets not directly used in banking activities	**7 768**	**3 358**	**3 209**	**3 358**	**-**	**7 917**
a/ Real estates	-	-	-	-	-	-
b/ Technical equipment, machinery and vehicles	7 768	3 358	3 209	3 358	-	7 917
c/ Assets under construction	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-

Note: The depreciation of non-financial companies is included in the Expenses of non-financial and non-investment services P/L line.
The depreciation charges under the plan and accounted for in light of the expected useful life of the relevant assets by using the straight-line depreciation method.

Rights related to real estates:	Gross Value (HUF MM)	Cumulated Depreciation (HUF MM)
Right of lease	93	76
Right of usage	2	2

Budapest Bank Group

V / 5. Inventory

in HUF MM

Description	As of 31 December 2009	As of 31 December 2010
Precious metals for sale	-	-
Office materials	2	-
Printed materials	1	9
Stock	23	14
Mediated services	61	101
Stock purchased in the scope of Lease contracts	114	999
Take back of cars, leased assets	1 866	665
Provision on Stock/Equipment against receivables	-468	-214
Other	5	1
Total :	**1 604**	**1 575**

Budapest Bank Group

V / 6. Receivables to financial institutions and customers in maturity split

in HUF MM

Description	Total of 31 Dec 2009	Total of 31 Dec 2010	Breakdown of the portfolio of 31 December 2010 in maturity split				
			On sight	within 3 months	within 3 months and 1 year	within 1 year and 5 years	5 years
		1 = 2+3+4+5+6	2	3	4	5	6
I. Receivables to financial institutions	**41 315**	**46 361**	**1 313**	**45 048**	**0**	**0**	**0**
On sight	**909**	**1 313**	**1 313**	**0**	**0**	**0**	**0**
Other receivables to financial institutions	**40 406**	**45 048**	**0**	**45 048**	**0**	**0**	**0**
- Within one year	**40 406**	**45 048**	-	45 048	-	-	-
National Bank of Hungary	40 342	44 383	-	44 383	-	-	-
- Over one year	**0**	**0**	-	-	-	-	-
National Bank of Hungary	0	0	-	-	-	-	-
II. Receivables against customers	**665 569**	**652 277**	**69 739**	**44 617**	**114 990**	**179 359**	**243 572**
Receivables from financial services	**665 480**	**652 204**	**69 666**	**44 617**	**114 990**	**179 359**	**243 572**
- Within one year	**230 123**	**229 273**	*69 666*	44 617	114 990	-	-
- Over one year	**435 357**	**422 931**	-	-	-	179 359	243 572
Receivables from investment services	**89**	**73**	73	-	-	-	-
Total	**706 884**	**698 638**	**71 052**	**89 665**	**114 990**	**179 359**	**243 572**

Budapest Bank Group

V / 7. Assets in Euro and non-Euro currencies expressed in HUF

in HUF MM

Description	31 December 2010					31 December 2009
	EUR	USD	HUF	Other	Total	Total
1. Cash	**598**	**68**	**33 670**	**104**	**34 440**	**23 544**
2. Securities	**-**	**-**	**135 193**	**-**	**135 193**	**132 177**
a) State Bonds	-	-	135 193	-	135 193	132 177
b) Shares and other securuties	-	-	-	-	-	-
3. Receivables :	**147 869**	**9 550**	**232 810**	**313 892**	**704 121**	**712 101**
a) On sight	781	-	-	532	1 313	909
b) Maturing within one year	109 885	8 184	158 888	2 847	279 804	275 746
- to financial institutions	23 415	6 468	14 500	665	45 048	40 406
- to customers	86 470	1 700	138 921	2 182	229 273	230 123
- other receivables	-	16	5 467	-	5 483	5 217
c) Maturing over one year	37 203	1 366	73 849	310 513	422 931	435 357
- to financial institutions	-	-	-	-	-	-
- to customers	37 203	1 366	73 849	310 513	422 931	435 357
d) From investment services	-	-	73	-	73	89
4. Securities (bonds)	**-**	**-**	**22**	**-**	**22**	**25**
5. Shares and other securitites	**-**	**-**	**3 134**	**613**	**3 747**	**3 252**
6. Shares for sale/ for investment purposes	**10**	**-**	**394**	**-**	**404**	**405**
7. Shares in affiliated companies	**-**	**-**	**-**	**-**	**-**	**-**
8. Intangible Assets	**-**	**-**	**3 744**	**-**	**3 744**	**4 696**
9. Tangible Assets	**-**	**-**	**20 935**	**-**	**20 935**	**25 131**
10. Inventories	**-**	**-**	**1 575**	**-**	**1 575**	**1 604**
11. Positive valuation difference of derivatives	**-**	**-**	**146**	**-**	**146**	**447**
12. Prepayments	**54**	**2**	**5 934**	**688**	**6 678**	**6 457**
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12)	**148 531**	**9 620**	**437 557**	**315 297**	**911 005**	**909 839**

Budapest Bank Group

V / 8. Provisions movements from 1 January 2010 to 31 December 2010

in HUF MM

Description	Opening balance	Provision (write-off)	Charge	Provision (release)	Closing balance
1. Provision for pension and severence	398	-219	96	-179	96
2. Provision on contingent and future liabilities	3 122	0	1 002	-1 358	2 766
3. General risk provision	2 511	-1	0	0	2 510
4. Other provision	0	0	0	0	0
Total:	**6 031**	**-220**	**1 098**	**-1 537**	**5 372**

Budapest Bank Group

V / 9. Provision charge/release on assets from 1 January 2010 to 31 December 2010

in HUF MM

	Description	Opening balance	Charge	Release	Closing Balance
1.	Provision on securities	17	3	-17	3
2.	Provision on other financial investments	2	1	0	3
3.	Provision on receivables	59 489	42 006	-7 983	93 512
	of which:				
	Financial Institutions	0	0	-	-
	Customers	55 564	36 174	-4 726	87 012
	Receivables on Finance lease	3 408	5 364	-3 112	5 660
	Other Receivables	385	415	-98	702
	Inventory financing related receivables	132	53	-47	138
4.	Provison on inventories, which were received against receivables	468	129	-382	214
	Total:	**59 976**	**42 139**	**-8 382**	**93 732**

The gross value of the restructured loans was HUF 77.3 billion, while the net book value was HUF 58,3 billion as at 31st December 2010.

Budapest Bank Group

V / 10. Securities breakdown and custody securities

31 December 2010

in HUF MM

Descreption	Securities fully owned by BB Nyrt.							Securities owned by third parties		
	Balance Sheet line	Face Value	Book Value	Listed	Market Value*	Form	Place	Face Value	Form	Place
Government bonds	II. Securities	26 091	26 090	-	26 044	DEMAT	KELER	892	DEMAT	KELER
Discount T-bills	II. Securities	357	346	346	356	DEMAT	KELER	960	DEMAT	KELER
Bonds of National Bank of Hungary	II. Securities	109 000	108 757	-	108 828	DEMAT	KELER	-	DEMAT	KELER
Pawnletters	V. Bonds and other securities	-	-	-	-	-	-	-	DEMAT	KELER
Investment fund quotas	VI. Shares and other securities	3 749	3 746	-	3 920	DEMAT	KELER	62 907	DEMAT	KELER
Compensation Coupon	VI. Shares and other securities	49	22	-	22	FIZIKAI	ÉRTÉKTÁR	1	FIZIKAI	ÉRTÉKTÁR
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	398	346	-	346	FIZIKAI	ÉRTÉKTÁR	1 432	DEMAT	KELER
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	26	58	-	58	DEMAT	KELER	293	FIZIKAI	ÉRTÉKTÁR
Other security	V. Bonds and other securities	1	1	-	14	FIZIKAI	ÉRTÉKTÁR	1 563	-	-
Total:		**139 671**	**139 366**	**346**	**139 588**			**68 048**		

Note: the financial assets due to customers regarding to commission invenstment activity is 1025 HUF MM at 31 December 2010.

* In case of Shares Market Value equals to Book Value deducted by Provision.

Budapest Bank Group

V / 11. Liabilities to financial institutions and cutomers in maturity split

in HUF MM

Description	Total of 31 Dec 2009	Total of 31 Dec 2010	Breakdown of the portfolio of 31 December 2010 in maturity split				
			On sight	within 3 months	within 3 months and 1 year	within 1 year and 5 years	5 years
		1 = 2+3+4+5+6	2	3	4	5	6
I. Liabilities to financial institutions	**28 889**	**26 359**	**97**	**292**	**1 553**	**12 190**	**12 227**
On sight	**174**	**96**	96	-	-	-	-
Deposited from financial services	**28 714**	**26 262**	**0**	**292**	**1 553**	**12 190**	**12 227**
- Within one year	3 231	1 845	-	292	1 553	-	-
- Over one year	25 483	24 417	-	-	-	12 190	12 227
From investment services	**1**	**1**	**1**	**-**	**-**	**-**	**-**
II. Liabilities to customers	**732 781**	**726 566**	**223 045**	**178 721**	**66 566**	**258 234**	**0**
Other liabilities from financial services	**732 024**	**725 541**	**222 020**	**178 721**	**66 566**	**258 234**	**0**
- On sight	218 440	222 020	222 020	-	-	-	-
- Within one year	292 477	245 287	-	178 721	66 566	-	-
- Over one year	221 107	258 234	-	-	-	258 234	-
From investment services activity	**757**	**1 025**	**1 025**	**-**	**-**	**-**	**-**
VII. Subordinated Debt	**4 011**	**4 011**	**-**	**-**	**-**	**4 011**	**-**
Total:	**765 681**	**756 936**	**223 142**	**179 013**	**68 119**	**274 435**	**12 227**

Budapest Bank Group

V / 12. Liabilities in Euro and non-Euro currencies, expressed in HUF

in HUF MM

Description	31 December 2010					31 December 2009
	EUR	Non EUR				
	EUR	USD	HUF	Other	Total	Total
1. Liabilities on sight	**33 903**	**4 232**	**182 597**	**1 384**	**222 116**	**218 614**
- to financial institutions	23	52	16	5	**96**	**174**
- to customers	33 880	4 180	182 581	1 379	**222 020**	**218 440**
2. Short-term liabilities	**47 351**	**7 712**	**195 471**	**3 736**	**254 270**	**303 371**
- to financial institutions	693	20	40	1 092	**1 845**	**3 231**
- to customers	46 616	7 644	188 391	2 636	**245 287**	**292 477**
- on issued securities	-	-	-	-	**-**	-
- other liabilities	42	48	7 040	8	**7 138**	**7 663**
3. Long-term liabilities	**25 681**	**-**	**34 958**	**222 012**	**282 651**	**246 590**
- to financial institutions	550	-	23 867	-	**24 417**	**25 483**
- to customers	25 131	-	11 091	222 012	**258 234**	**221 107**
- on issued securities	-	-	-	-	**-**	-
- other liabilities	-	-	-	-	**-**	**-**
4. Liabilities from Investments services	**53**	**-**	**973**	**-**	**1 026**	**758**
- to financial institutions	-	-	1	-	**1**	**1**
- to customers	53	-	972	-	**1 025**	**757**
5. Negative valuation difference of derivatives	**-**	**-**	**7 249**	**-**	**7 249**	**2 196**
6. Accruals	**281**	**40**	**16 214**	**807**	**17 342**	**21 514**
7. Provision	**-**	**-**	**5 372**	**-**	**5 372**	**6 031**
8. Subordinated debt	**-**	**-**	**4 011**	**-**	**4 011**	**4 011**
9. Shareholders' fund	**-**	**-**	**116 968**	**-**	**116 968**	**106 754**
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	**107 269**	**11 984**	**563 813**	**227 939**	**911 005**	**909 839**

Budapest Bank Group

V / 13. Breakdown of Prepayments and Accruals

in HUF MM

Nr.	Description	As of 31 December 2009	As of 31 December 2010	Nr.	Description	As of 31 December 2009	As of 31 December 2010
	Prepaymanets				**Accruals**		
1.	Accrued interest	4 533	5 094	1.	Accrued interest	15 514	12 315
2.	Accrued commission	396	399	2.	Accrued commission	84	46
3.	Accrued costs and expenses	257	193	3.	Accrued costs and expenses	5 913	4 972
4.	Accured interest on Securities	1 150	740	4.	Accured interest on Securities	3	9
5.	Accrued dividend from subsidiaries	-	-	5.	Accured Income	-	0
6.	Other	121	252	6.	Other	-	0
	Total:	**6 457**	**6 678**		**Total:**	**21 514**	**17 342**

Budapest Bank Group

V / 14. Income and expenditure of investment related services

in HUF MM

Nr.	Description	Income		Expenditure	
		2009	2010	2009	2010
1.	Commissionnaire activities	1 262	1 691	29	34
2.	Commercial activities	642	8	625	8
3.	Safe custody activities	89	66	11	3
4.	Other activities	-	-	1	-
	Total:	**1 993**	**1 765**	**666**	**45**

Non-delivery forward deals were booked on gross basis until 2009 as standalones.

From 2010 the booking changed to net basis to meet hedges requirement. This resulted huge impact on both income and expenditure compared to 2009.

Budapest Bank Group

V / 15. Changes in issued own shares

31 December 2010

Description	Type of share	Face value HUF	Number of shares	Value HUF MM
Opening total January 1, 2010				19 346,0
Closing total December 31, 2010				19 346,0
Breakdown of closing total:				
Ordinary common stock	registered	1 000 000	18 546	18 546,0
	registered	10 000	37 338	373,4
	registered	1 000	344 295	344,3
Interest earning shares	registered	10 000	8 227	82,3

Notes:

Preference shares were withdrawn and 1 HUF'000 nominal value ordinary common stock were issued .

GECIFC shares means 99,73% ownership.

Budapest Bank Group

V / 16. Interest and fees on non-performing loans which have not been credited as income

in HUF MM

Description	Interest, fees and commissions in suspense As of 31 December 2009	Interest, fees and commissions in suspense As of 31 December 2010
Base interest	7 048	11 746
Late payment interest	1 185	2 236
Fees	1 344	1 815
Commissions	936	1 139
Total:	**10 513**	**16 936**

Budapest Bank Group

V / 17. Open position of currency and interest rate SWAP deals

As of 31 December 2010

Currency swaps - matured after closing day - for hedging the Bankgroup's Balance Sheet position, non-exchange traded

Buy Opening amount		Sell Opening amount		Buy Maturity amount		Sell Maturity amount		Starting date	Maturity date	Fair Market Value HUF MM
CHF	2	HUF	369	HUF	378	CHF	2	2010.09.07	2011.03.07	-5
CHF	4	HUF	930	HUF	951	CHF	4	2010.09.08	2011.03.08	6
CHF	5	HUF	1 108	HUF	1 134	CHF	5	2010.09.08	2011.03.08	9
CHF	5	HUF	1 108	HUF	1 134	CHF	5	2010.09.08	2011.03.08	9
CHF	4	HUF	792	HUF	811	CHF	4	2010.09.09	2011.03.09	23
CHF	4	HUF	792	HUF	811	CHF	4	2010.09.09	2011.03.09	23
CHF	0	HUF	55	HUF	57	CHF	0	2010.09.10	2011.03.10	0
CHF	5	HUF	1 088	HUF	1 113	CHF	5	2010.09.13	2011.03.11	-13
CHF	3	HUF	723	HUF	740	CHF	3	2010.09.14	2011.03.16	-4
CHF	4	HUF	948	HUF	971	CHF	4	2010.09.15	2011.03.17	2
CHF	5	HUF	1 102	HUF	1 129	CHF	5	2010.09.15	2011.03.17	2
CHF	4	HUF	875	HUF	886	CHF	4	2010.09.24	2011.01.03	-27
CHF	5	HUF	1 067	HUF	1 081	CHF	5	2010.09.24	2011.01.03	-33
CHF	4	HUF	936	HUF	947	CHF	4	2010.09.27	2011.01.04	-33
CHF	4	HUF	850	HUF	861	CHF	4	2010.09.27	2011.01.04	-30
CHF	4	HUF	850	HUF	861	CHF	4	2010.09.27	2011.01.04	-30
CHF	6	HUF	1 237	HUF	1 252	CHF	6	2010.09.28	2011.01.05	-63
CHF	6	HUF	1 258	HUF	1 273	CHF	6	2010.09.28	2011.01.05	-64
CHF	6	HUF	1 257	HUF	1 273	CHF	6	2010.09.28	2011.01.05	-64
CHF	4	HUF	755	HUF	764	CHF	4	2010.09.29	2011.01.07	-38
CHF	4	HUF	839	HUF	849	CHF	4	2010.09.29	2011.01.07	-43
CHF	6	HUF	1 253	HUF	1 268	CHF	6	2010.10.01	2011.01.10	-70
CHF	5	HUF	1 044	HUF	1 057	CHF	5	2010.10.01	2011.01.10	-58
CHF	7	HUF	1 411	HUF	1 428	CHF	7	2010.10.04	2011.01.11	-109
CHF	7	HUF	1 412	HUF	1 429	CHF	7	2010.10.04	2011.01.11	-109
CHF	4	HUF	885	HUF	895	CHF	4	2010.10.05	2011.01.12	-64
CHF	5	HUF	1 029	HUF	1 041	CHF	5	2010.10.05	2011.01.12	-74
CHF	6	HUF	1 290	HUF	1 306	CHF	6	2010.10.06	2011.01.13	-99
CHF	5	HUF	1 012	HUF	1 024	CHF	5	2010.10.07	2011.01.14	-92
CHF	4	HUF	789	HUF	798	CHF	4	2010.10.07	2011.01.14	-72
CHF	5	HUF	1 016	HUF	1 028	CHF	5	2010.10.08	2011.01.17	-88
CHF	5	HUF	935	HUF	946	CHF	5	2010.10.08	2011.01.17	-81
CHF	6	HUF	1 126	HUF	1 139	CHF	6	2010.10.12	2011.01.19	-89
CHF	6	HUF	1 126	HUF	1 139	CHF	6	2010.10.12	2011.01.19	-89
CHF	5	HUF	1 108	HUF	1 121	CHF	5	2010.10.13	2011.01.20	-85
CHF	5	HUF	1 025	HUF	1 037	CHF	5	2010.10.13	2011.01.20	-80
CHF	5	HUF	957	HUF	968	CHF	5	2010.10.15	2011.01.21	-81
CHF	4	HUF	814	HUF	824	CHF	4	2010.10.15	2011.01.21	-70
CHF	4	HUF	814	HUF	824	CHF	4	2010.10.15	2011.01.21	-70
CHF	7	HUF	1 368	HUF	1 384	CHF	7	2010.10.18	2011.01.24	-112
CHF	5	HUF	1 021	HUF	1 033	CHF	5	2010.10.18	2011.01.24	-84
CHF	5	HUF	1 021	HUF	1 033	CHF	5	2010.10.18	2011.01.24	-84
CHF	4	HUF	889	HUF	900	CHF	4	2010.10.19	2011.01.25	-61
CHF	5	HUF	1 034	HUF	1 046	CHF	5	2010.10.19	2011.01.25	-71
CHF	5	HUF	992	HUF	1 003	CHF	5	2010.10.20	2011.01.26	-69
CHF	4	HUF	827	HUF	836	CHF	4	2010.10.20	2011.01.26	-58
CHF	4	HUF	827	HUF	836	CHF	4	2010.10.20	2011.01.26	-58
CHF	4	HUF	870	HUF	889	CHF	4	2010.10.21	2011.04.21	-61
CHF	4	HUF	870	HUF	890	CHF	4	2010.10.21	2011.04.21	-61
CHF	4	HUF	835	HUF	854	CHF	4	2010.10.22	2011.04.26	-74
CHF	4	HUF	835	HUF	854	CHF	4	2010.10.22	2011.04.26	-74
CHF	4	HUF	835	HUF	854	CHF	4	2010.10.22	2011.04.26	-74
CHF	7	HUF	1 363	HUF	1 392	CHF	7	2010.10.25	2011.04.27	-123
CHF	4	HUF	891	HUF	910	CHF	4	2010.10.27	2011.04.28	-86
CHF	4	HUF	891	HUF	910	CHF	4	2010.10.27	2011.04.28	-86
CHF	6	HUF	1 228	HUF	1 255	CHF	6	2010.10.28	2011.05.02	-126
CHF	5	HUF	1 006	HUF	1 028	CHF	5	2010.10.28	2011.05.02	-103
CHF	1	HUF	262	HUF	268	CHF	1	2010.10.29	2011.05.04	-26
CHF	4	HUF	789	HUF	806	CHF	4	2010.11.03	2011.05.05	-100
CHF	4	HUF	828	HUF	846	CHF	4	2010.11.03	2011.05.05	-104
CHF	4	HUF	752	HUF	769	CHF	4	2010.11.04	2011.05.06	-91
CHF	3	HUF	594	HUF	607	CHF	3	2010.11.04	2011.05.06	-73
CHF	5	HUF	988	HUF	999	CHF	5	2010.11.05	2011.02.04	-119
CHF	4	HUF	790	HUF	799	CHF	4	2010.11.05	2011.02.04	-96
CHF	4	HUF	789	HUF	798	CHF	4	2010.11.05	2011.02.04	-97
CHF	5	HUF	912	HUF	923	CHF	5	2010.11.08	2011.02.07	-85
CHF	5	HUF	912	HUF	923	CHF	5	2010.11.08	2011.02.07	-85
CHF	5	HUF	913	HUF	923	CHF	5	2010.11.08	2011.02.07	-85
CHF	4	HUF	755	HUF	764	CHF	4	2010.11.09	2011.02.09	-64
CHF	4	HUF	755	HUF	764	CHF	4	2010.11.09	2011.02.09	-64
CHF	4	HUF	755	HUF	764	CHF	4	2010.11.09	2011.02.09	-64
CHF	5	HUF	1 090	HUF	1 103	CHF	5	2010.11.10	2011.02.10	-85
CHF	5	HUF	1 090	HUF	1 103	CHF	5	2010.11.10	2011.02.10	-85
CHF	4	HUF	840	HUF	849	CHF	4	2010.11.11	2011.02.11	-69
CHF	4	HUF	840	HUF	850	CHF	4	2010.11.11	2011.02.11	-69
CHF	4	HUF	840	HUF	850	CHF	4	2010.11.11	2011.02.11	-69
CHF	4	HUF	827	HUF	837	CHF	4	2010.11.16	2011.02.14	-60
CHF	4	HUF	827	HUF	837	CHF	4	2010.11.16	2011.02.14	-60
CHF	4	HUF	828	HUF	837	CHF	4	2010.11.16	2011.02.14	-59
CHF	4	HUF	829	HUF	839	CHF	4	2010.11.17	2011.02.14	-58
CHF	4	HUF	827	HUF	846	CHF	4	2010.11.18	2011.05.18	-62
CHF	4	HUF	827	HUF	846	CHF	4	2010.11.18	2011.05.18	-62
CHF	4	HUF	827	HUF	846	CHF	4	2010.11.18	2011.05.18	-62
CHF	4	HUF	827	HUF	846	CHF	4	2010.11.18	2011.05.18	-62
CHF	4	HUF	830	HUF	840	CHF	4	2010.11.22	2011.02.22	-80

Budapest Bank Group

V / 17. Open position of currency and interest rate SWAP deals

As of 31 December 2010

Currency swaps - matured after closing day - for hedging the Bankgroup's Balance Sheet position, non-exchange traded

Buy Opening amount		Sell Opening amount		Buy Maturity amount		Sell Maturity amount		Starting date	Maturity date	Fair Market Value HUF MM
CHF	5	HUF	1 012	HUF	1 024	CHF	5	2010.11.22	2011.02.22	-97
CHF	3	HUF	603	HUF	610	CHF	3	2010.11.23	2011.02.23	-63
CHF	4	HUF	703	HUF	712	CHF	4	2010.11.23	2011.02.23	-74
CHF	4	HUF	717	HUF	733	CHF	4	2010.11.24	2011.05.25	-62
CHF	3	HUF	614	HUF	629	CHF	3	2010.11.24	2011.05.25	-53
CHF	3	HUF	563	HUF	575	CHF	3	2010.11.26	2011.05.26	-39
CHF	5	HUF	1 139	HUF	1 163	CHF	5	2010.11.29	2011.05.27	-65
CHF	2	HUF	318	HUF	324	CHF	2	2010.11.30	2011.05.30	-17
CHF	6	HUF	1 329	HUF	1 359	CHF	6	2010.12.01	2011.06.01	-31
CHF	5	HUF	1 064	HUF	1 076	CHF	5	2010.12.02	2011.03.01	-47
CHF	5	HUF	1 128	HUF	1 141	CHF	5	2010.12.02	2011.03.01	-50
CHF	4	HUF	846	HUF	866	CHF	4	2010.12.03	2011.06.03	-45
CHF	4	HUF	910	HUF	931	CHF	4	2010.12.03	2011.06.03	-49
CHF	5	HUF	1 059	HUF	1 084	CHF	5	2010.12.06	2011.06.06	-56
CHF	5	HUF	1 059	HUF	1 084	CHF	5	2010.12.06	2011.06.06	-56
CHF	5	HUF	1 017	HUF	1 040	CHF	5	2010.12.06	2011.06.06	-53
CHF	6	HUF	1 279	HUF	1 308	CHF	6	2010.12.09	2011.06.08	-59
CHF	5	HUF	1 129	HUF	1 155	CHF	5	2010.12.09	2011.06.08	-53
CHF	4	HUF	852	HUF	863	CHF	4	2010.12.10	2011.03.18	-38
CHF	4	HUF	852	HUF	863	CHF	4	2010.12.10	2011.03.18	-38
CHF	4	HUF	852	HUF	863	CHF	4	2010.12.10	2011.03.18	-38
CHF	4	HUF	852	HUF	863	CHF	4	2010.12.10	2011.03.18	-38
CHF	5	HUF	1 090	HUF	1 115	CHF	5	2010.12.13	2011.06.09	-48
CHF	4	HUF	858	HUF	878	CHF	4	2010.12.14	2011.06.10	-34
CHF	3	HUF	665	HUF	680	CHF	3	2010.12.14	2011.06.10	-27
CHF	6	HUF	1 293	HUF	1 324	CHF	6	2010.12.16	2011.06.14	-46
CHF	5	HUF	1 099	HUF	1 125	CHF	5	2010.12.16	2011.06.14	-39
CHF	5	HUF	964	HUF	986	CHF	5	2010.12.17	2011.06.15	-41
CHF	3	HUF	642	HUF	657	CHF	3	2010.12.20	2011.06.16	-28
CHF	3	HUF	643	HUF	657	CHF	3	2010.12.20	2011.06.16	-27
CHF	5	HUF	1 083	HUF	1 108	CHF	5	2010.12.21	2011.06.17	-34
CHF	5	HUF	1 083	HUF	1 108	CHF	5	2010.12.21	2011.06.17	-34
CHF	2	HUF	460	HUF	471	CHF	2	2010.12.22	2011.06.20	-9
CHF	2	HUF	529	HUF	542	CHF	2	2010.12.23	2011.06.21	-7
CHF	2	HUF	486	HUF	497	CHF	2	2010.12.27	2011.06.22	-6
CHF	4	HUF	947	HUF	967	CHF	4	2010.12.28	2011.06.23	-16
CHF	4	HUF	881	HUF	900	CHF	4	2010.12.28	2011.06.23	-15
CHF	4	HUF	881	HUF	900	CHF	4	2010.12.28	2011.06.23	-15
CHF	4	HUF	880	HUF	900	CHF	4	2010.12.28	2011.06.23	-15
CHF	5	HUF	1 026	HUF	1 049	CHF	5	2010.12.29	2011.06.28	-4
CHF	4	HUF	891	HUF	911	CHF	4	2010.12.29	2011.06.28	-4
CHF	4	HUF	893	HUF	912	CHF	4	2010.12.29	2011.06.28	-3
CHF	4	HUF	941	HUF	962	CHF	4	2010.12.30	2011.06.29	0
CHF	1	HUF	113	HUF	115	CHF	1	2010.12.31	2011.07.01	1
CHF	6	GBP	4	GBP	4	CHF	6	2010.12.01	2011.01.04	-88
CHF	4	USD	4	USD	4	CHF	4	2010.12.30	2011.01.28	-13
CHF	5	USD	5	USD	5	CHF	5	2010.12.30	2011.01.28	-17
										-7 103

Budapest Bank applies swap contracts to manage foreign currency liquidity. Typically HUF surplus is exchanged to CHF, within 3-6-month, short-term contracts, which have been done with its parent company.

Based on Accounting Policy Budapest Bank applies fair value accounting from 1st of Jan, 2008 regarding to off B/S items qualified as financial instruments for trading purposes, non-hedging derivative instruments. Write offs and provision can not be accounted on these deals. In 2009 Budapest Bank did only non-delivery forwards and delivery currrency swap deals. From 1st of January 2010 the Bank does also delivery forwards.

Non-delivery and delivery financial asset deals are regarded as derivative instruments. Derivative deals can be split into additional 2 groups, they can be trading purposing and for hedging activities. In case of applying fair value accounting non-hedging derivatives are qualified solely as trading purposing deals.

Fair value of forward legs of non-delivery forwards and delivery currency swaps is determined in the following way: The Bank determines the forward leg of each deals then the difference between spot rate and market rate of the discounted amount from maturity date to value date. Market rate is the officially announced HNB currency rate. The basis of the discount factor are market interests, which are BUBOR or LIBOR depending on currency and duration. The formula of the discount factor: 1 + k/36500*n (k=BUBOR or LIBOR, n=number of days from valuation to maturity). Discounted foreign currency amount is converted into HUF using HNB rates at valuation date. Differences between discounted amounts give the fair value of each deals.

The closed currency swap deals made 7 005 230 000 HUF positive cash flow in 2010. The Bank had a profit of 5 881 035 000 HUF due to these closed deals during the year (considering the revaluation effect for 2010 of spot legs of 2009's deals). Interest rate swaps and forwards did not have significant impact neither on cash flow or on the result.

Budapest Bank Group

V / 18. Changes of Shareholders' Equity in 2010

in HUF MM

Description	Opening value	Increase	Decrease	Transfer	Closing value
Share capital	19 346	-	-	-	19 346
Issued, unpaid share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Retained Earnings	65 872	11 952	2 926	-	74 898
Valuation Reserve	-	-	-	-	-
Capital Engaged	12	10	-	-	22
General Reserve	7 711	794	-	-	8 505
Profit for the year	11 952	9 421	11 952	-	9 421
Changes in Subsidiaries Equity	1 861	2 926	11	-	4 776
Changes due to Consolidation	-	-	-	-	-
SHAREHOLDERS' FUND	**106 754**	**25 103**	**14 889**	**-**	**116 968**

Note:
The Bankgroup has made 10% General Reserve on the Bank's Profit after taxation.

Budapest Bank Group

V / 19. Foreign currency receivables and liabilities from unsettled deals at year end

As of 31 December 2010

in HUF MM

Currency	Foreign currency receivables	Foreign currency liabilities
AUD	-	-
CHF	464	596
CZK	-	3
DKK	-	-
EUR	265	1 680
GBP	-	4
HUF	1 688	823
JPY	-	-
NOK	-	-
PLN	19	24
SEK	2	6
USD	757	66
Total	**3 195**	**3 202**

Budapest Bank Group

V / 20. Listed securities by Balance Sheet categories at book value

In HUF MM

Description	Listing value	
	31 December 2009	31 December 2010
I.) Securities	**345**	**346**
a) available for sale	345	346
b) for investment puposes	-	-
II.) Bonds and other securities	**25**	**22**
a) securities issued by municipalities and other government institution (excluding	-	-
aa) available for sale	-	-
ab) for investment purposes	-	-
b) securities issued by others	25	22
ba) available for sale	25	22
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
- repurchased own shares	-	-
bb) for investment purposes	-	-
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
III.) SHARES AND OTHER SECURITIES	-	**-**
a) shares available for sale	-	-
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
b) securities with variable yield	-	-
ba) available for sale	-	-
bb) for investment purposes	-	-
IV.) SHARES FOR INVESTMENT PURPOSES	-	**-**
a) shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
b) revaluation of shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
V.) SHARES IN AFFILIATED COMPANIES FOR INVESTMENT PURPOSES (69	-	**-**
a) shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
b) revaluation of shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
Listed securities total:	**370**	**368**

Budapest Bank Group

VI / 1. Financial ratios*

		2009			2010		
Profitability Ratios							
Marge	Profit after tax / Revenue	12 962 000 / 190 099 000	=	6,82%	10 223 000 / 188 556 000	=	5,42%
ROA	Profit after tax / Average total assets	12 962 000 / 923 940 000	=	1,40%	10 223 000 / 910 422 000	=	1,12%
ROE (1)	Profit after tax / Shareholders' funds	12 962 000 / 106 754 000	=	12,14%	10 223 000 / 116 968 000	=	8,74%
ROE (2)	Profit after tax / Share capital	12 962 000 / 19 346 000	=	67,00%	10 223 000 / 19 346 000	=	52,84%
ROE (3)	Net income of financial services / Shareholders' funds	12 227 000 / 106 754 000	=	11,45%	8 394 000 / 116 968 000	=	7,18%
Capital coverage Ratios							
Gearing	Balance sheet total / Shareholders' funds	909 839 000 / 106 754 000	=	8,52	911 005 000 / 116 968 000	=	7,79
Liquidity and Coverage							
Liquidity ratio	Liquid assets / Short term liabilities	411 703 000 / 524 939 000	=	0,78	430 223 000 / 484 661 000	=	0,89
Loans in percetage of deposits	Total loans and leases / Total deposits	706 884 000 / 761 670 000	=	92,81%	698 638 000 / 752 925 000	=	92,79%
Asset Quality Ratios							
Risk Provision %	Provision / Balance sheet total	66 006 455 / 909 839 000	=	7,25%	99 103 934 / 911 005 000	=	10,88%
Risk Provision Coverage	Provision / Shareholders' funds	66 006 455 / 106 754 000	=	61,83%	99 103 934 / 116 968 000	=	84,73%
Effectivity Ratios							
Profit per employee	Profit after taxation / Average no. of employees	12 962 000 / 3 176	=	4 081	10 223 000 / 2 922	=	3 499
Wage Cost effectiveness	Profit after taxation / Total salaries&wages	12 962 000 / 16 582 000	=	78,17%	10 223 000 / 15 782 000	=	64,78%

* Balances in HUF'000

Budapest Bank Group

VI / 2. Subordinated loans

As of 31 December 2010

in HUF MM

Description	Issued bonds			Bond portfolio
	Serial number	Quantity (pcs)	Face value (Th HUF)	
Composition	0001 - 0038	38	100	3 800
	0001 - 0061	61	1	61
Total:		**99**		**3 861**

Security type:	straight paper, registered bond
Interest:	variable interest regarding half year period from 01/01/2010 3.79%, from 20/06/2010 2.75%, from 20/12/2010 2.73%
Date of issue:	20 December 1994
Maturity:	20 December 2014
Currency:	HUF

Budapest Bank Group

VI / 3. Off-balance sheet items

in HUF MM

Description	As of 31 December 2009	As of 31 December 2010
Commitments and contingent liabilities	**192 274**	**155 152**
- unused overdraft facilities, non-disbursed approved loans	69 007	71 981
- guarantees of indebtedness	37 146	36 870
- other commitments	85 542	45 653
-of which yield guarantee	39 024	-
- letters of credit	579	648
Futures liabilities	**177 891**	**132 680**
- futures pension and severance payments	-	-
- payment liabilities on interest swap transactions	-	-
- of which subsidiaries	-	-
- forward transactions	-	-
- spot transactions	1 586	3 202
- transactions with securities	-	-
- liabilities on swap transactions	176 305	129 478
- of which subsidiaries	176 305	129 478
- HUF liabilities on forward transactions	-	-
- liabilities on forward transactions without transfering capital		-
Total off-balance sheet liabilities:	**370 165**	**287 832**
Off-balance sheet receivables		
- swap transactions (FX)	175 715	123 861
- spot transactions	1 584	3 195
- receivables on transaction without transfering capita	-	82
- receivables on interest rate swap transactions	-	-
Total off-balance sheet receivables:	**177 299**	**127 138**

Note
Value of assets obtained as collateral or guarantee deposit related to financial services is 547 459 Million HUF (excluding assigned revenue and receivable assignement) as of 31 December 2010.

Budapest Bank Group

VI / 4. Extraordinary income and expense

in HUF MM

Nr	Description	Amount	
		2009	2010
1.	Sundry donations	-149	-93
2.	Donations received	-	68
3.	Receivables written off, debt assume and released claims	-14	-17
4.	Other	15	0
	Total:	**-148**	**-42**

Budapest Bank Group

VI / 5. Corporate tax base adjustments in 2010

in HUF MM

Items decreasing the profit before taxes		Items increasing the profit before taxes	
1. Depreciation according to the Tax Law	7 096	1. Depreciation expense on the basis of the Accounting Law	8 661
2. Money contribution received without repayment	1 994	2. Subsidies provided, receivables forgiven	83
3. Funds contributed to foundations and other public institutions		3. Provision on receivables	463
4. The part of the provision accepted by taxation law	1 998	4. Uncollectable receivables forgiven	26
5. Tax audit correction items accounted as revenue	898	5. Tax audit correction items accounted as expense	334
6. Dividend received	151	6. Penalties and fines	60
7 Remitted liabilities	-	7. Provision for future liabilities and contigencies	236
8. Income from receivables previous dedicated as uncollectable	1	8. Write-off of inventory	-
9. Previous years' accured losses	58	9. Representation	48
10. Provision on contingent and future liabilities	375	10. Other	113
11. 100% of Local Business Tax	-		
12. Release on inventory provision	-		
13. Remitted penalties	17		
14. Other	820		
Total	**13 408**	**Total**	**10 024**

Budapest Bank Group

VI / 6. Corporate tax calculation

in HUF MM

Nr	Description	31 december 2009								
		Based on the single financial statements of the group members								Based on the consolidated income
		Budapest Bank Nyrt.	Budapest Autófinanszírozási Zrt.	Budapest Flotta Zrt.	Budapest Eszközfinanszírozó Kft.	Budapest Lízing Zrt.	Budapest Alapkezelő Zrt.	SBB Solution Zrt.	Total	
1.	**Profit before tax**	**11 369**	**3 548**	**243**	**190**	**1 236**	**1 617**	**-10**	**18 193**	**15 208**
2.	Decreasing items in the corporate tax base	11 895	1 844	3 414	2 746	764	60	8	20 732	17 732
3.	Increasing items in the corporate tax base	6 939	189	2 651	2 556	51	12	8	12 405	12 405
4.	**Tax base**	**6 413**	**1 892**	**-520**	**0**	**523**	**1 569**	**-10**	**9 867**	**9 881**
5.	**Corporate tax charge**	1 026	303	-	-	84	251	0	**1 664**	**1 581**
6.	**Tax incentives**	3	5	-	-	3	3	-	**14**	**14**
7.	**Corporate tax charge after deduction of incentives**	1 023	298	-	-	81	248	0	**1 650**	**1 567**
8.	**Solidarity Tax**	323	142	10	8	50	65	-	596	608
9.	**Total tax charge**	**1 346**	**440**	**10**	**8**	**130**	**313**	**0**	**2 246**	**2 175**

Comments:
The deviation of corporate tax is due to the negative tax base of Fleet, Asset Finance and SBB Soultion subsidiary and SBB's calculated minimum tax.
The variance of solidarity tax is caused by leaving out of consideration the tax base correctional items.

in HUF MM

Sorszám	Megnevezés	31 december 2010								
		Based on the single financial statements of the group members								Based on the consolidated income
		Budapest Bank Nyrt.	Budapest Autófinanszírozási Zrt.	Budapest Flotta Zrt.	Budapest Eszközfinanszírozó Kft.	Budapest Lízing Zrt.	Budapest Alapkezelő Zrt.	SBB Solution Zrt.	Total	
1.	**Profit before tax**	**9 376**	**2 358**	**211**	**162**	**-1 541**	**1 632**	**-11**	**12 187**	**12 193**
2.	Decreasing items in the corporate tax base	6 530	1 372	2 706	2 140	609	45	7	13 409	13 409
3.	Increasing items in the corporate tax base	4 889	359	2 473	1 978	138	180	7	10 024	10 024
4.	**Tax base**	**7 735**	**1 345**	**-22**	**-**	**-2 012**	**1 767**	**-11**	**8 802**	**8 808**
5.	**Corporate tax charge**	1 470	256	-	-	0	336	0	2 061	1 674
6.	**Tax incentives**	32	32	-	-	0	27	-	91	91
7.	**Corporate tax charge after deduction of incentives**	1 438	224	-	-	0	309	0	1 970	1 583
8.	**Solidarity Tax**	0	0	0	0	0	0	0	0	0
9.	**Total tax charge**	**1438**	**224**	**0**	**0**	**0**	**309**	**0**	**1970**	**1583**

Comments:
The deviation of corporate tax is due to the negative tax base of Fleet, Leasing and SBB Soultion subsidiary.

Budapest Bank Group

VI / 7. Breakdown of costs according to cost types

in HUF MM

Nr.	Description	2009	2010
1.	**Material expenses**	1 224	1 023
2.	Wage cost	16 582	15 782
3.	Other personal type payments	1 031	853
4.	Other fees	488	190
5.	Benefit in kind which do not increase the corporate tax base and representation cost	472	518
6.	Benefit in kind which increases the corporate tax base	4	4
7.	Other payments	3	3
8.	**Personal expenses (2.+3.+4.+5.+6.+7.)**	18 580	17 350
9.	Pension and health contribution	4 996	4 410
10.	Health contribution	74	9
11.	Employer contribution	390	-
12.	Educational contribution	247	232
13.	Other personal type expenses	116	383
14.	**Social security expenses (9.+10.+11.+12.+13.)**	5 823	5 034
15.	Cost of transport and storage	213	219
16.	Rental fees	2 350	1 916
17.	Maintenance cost	2 596	2 404
18.	Marketing cost	1 228	1 017
19.	Training cost	137	102
20.	Travelling and delegation cost	92	93
21.	Post and telephone costs	1 547	1 343
22.	Intellectual services	2 870	2 411
23.	Other services used	3 118	2 861
24.	**Material type services used (15.+16.+17.+18.+19.+20.+21.+22.+23.)**	14 151	12 366
25.	**Depreciation**	4 311	3 870
26.	**Other costs**	-	-
27.	Subcontructors performance	-	-
28.	Reinvoiced capital work in progress	2 120	2 040
29.	Loss related to injury	-	-
30.	Cost of good sold	11 840	14 078
31.	Depreciation	3 647	3 158
32.	Assets received against receivables	-	-
33.	Material cost	26	19
34.	Personal cost	540	446
35.	Social security type costs	173	123
36.	Cost of used services	317	225
37.	Other costs	430	295
38.	**Expenses of non-financial and non-investment services (27-37.)***	19 093	20 384
39.	**Total (1.+ 8.+ 14.+ 24.+ 25.+26.+38.) :**	**63 182**	**60 027**

*Breakdown of costs according to cost types of Non-Financial Subsidiaries. Costs of Non-Financial Subsidiaries are showed in the line of Expenses of non-financial and non-investment services in the Profit and Loss Account Statement.

Budapest Bank Group

VI / 8. Other income and expense

in HUF MM

Nr.	Description	2009	2010
1.	Sale of receivables	-2 649	-943
2.	Local taxes	-2 630	-2 628
3.	OBA and other membership fees	-483	-413
4.	Corporate Tax related to previous years	-92	-233
5.	Extraordinary depreciation	-758	-86
6.	Self-revision	-58	-49
7.	Movements in provision	2 970	1 001
8.	Fixed assets sold out	-114	-83
9.	Uncollectable receivables forgiven	-483	-1 046
10.	Banking Tax	-	-4 535
11.	Provision for stocks	-49	382
12.	Previous year's expediture	3	37
13.	Taxes paid for the state	76	-119
14.	Penalties and late payment fee	369	351
15.	Non-recoverable VAT	-130	-121
16.	Other	-2 138	-1 554
	Total	**-6 166**	**-10 039**

Budapest Bank Group

VI / 9. Cash-flow statement

in HUF MM

	Description	2009	2010
01.	Interest income	101 094	86 114
02.	+ Income on other financial services	52 604	64 594
03.	+ Other income (without provision)	4 382	3 523
04.	+ Income on investment related services	1 993	1 764
05.	+ Income on non-financial and non-investment related services	22 222	24 225
06.	+ Dividends received	176	151
07.	+ Extraordinary income	45	68
08.	- Interest expenses	-43 129	-19 847
09.	- Expenditures on of other financial services	-19 992	-40 085
10.	- Other expenditures (without provisions)	-7 974	-14 792
11.	- Expenditure on investment related services	-666	-45
12.	- Expenses on non-financial and non-investment related activity	-19 093	-20 384
13.	- Operating costs	-39 779	-35 773
14.	- Extraordinary expenditures	-193	-110
15.	- Taxes	-2 246	-1 970
16.	- Dividends paid	-8	-8
17.	**OPERATING CASH FLOW (Lines 1-16)**	**49 436**	**47 425**
18.	± Change in liabilities	-38 147	-4 218
19.	± Change in receivables	98 756	-25 942
20.	± Change in inventories	-777	247
21.	± Change in securities among current assets	-105 345	-3 508
22.	± Change in investments	30	0
23.	± Change in construction (including advances)	145	13
26.	± Change in intangible assets	-1 332	-777
24.	± Change in tangible assets (excluding constructions)	1 798	2 050
25.	± Change in prepayments	542	-222
27.	± Change in accruals	-2 246	-4 172
28.	+ Stock issue at selling price	-	-
29.	- Capital decrease	-	-
30.	+ Cash and cash equivalents received based on law	-	-
31.	+ Cash and cash equivalents given based on law	-	-
32.	- Cancelled own shares	-	-
33.	**NET CASH FLOW (Lines 18-34)**	**2 860**	**10 896**
34.	Of which: - change in cash (in HUF and foreign currency)	-1 517	-875
35.	- money in account	4 377	11 770

Budapest Bank Group

VI / 10. Loans to members of the Board of Directors, Management and Supervisory Board

31 December 2010

Megnevezés	Disbursement HUF MM	Repayment HUF MM	Outstanding debt at year end HUF MM	Main conditions
1. Interest free employee loans				
- Board of Directors	-	-	-	Long-term loan
- Management	-	-	-	with property pledge
- Supervisory Board	1	1	-	Insurance on Real Estate
1. Subtotal:	**1**	**1**	**0**	
2. Employee loans on preferential rate				
- Board of Directors	-	-	-	Long-term loan
- Management	-	-	-	with property pledge
- Supervisory Board	-	-	-	Insurance on Real Estate
2. Subtotal:	**-**	**-**	**-**	
3. Mortgage				
- Board of Directors	14	14	0	Long-term loan
- Management	-	-	-	with property pledge
- Supervisory Board	85	18	67	Insurance on Real Estate
3. Subtotal:	**99**	**32**	**67**	
Total:	**100**	**33**	**67**	

Budapest Bank Group

VI / 11. Salaries and Wages

31 December 2010

in HUF MM

Description	Type of employee		Total:
	Manual worker	White collar	
1. Salaries and wages	-	**17 350**	**17 350**
a. Payroll cost	-	15 782	15 782
b. Other personal type payments	-	1 568	1 568
2. Salaries and wages paid on sick leave	-	**126**	**126**
Total (1 + 2) :	**-**	**17 476**	**17 476**

Budapest Bank Group

VI / 12. Number of employees

31 December 2010

PERIOD	Number of employees (average figure)		
	Manual worker	White collar	Total
2009	0	3 176	**3 176**
2010	0	2 922	**2 922**

Budapest Bank Group

VI / 13. Large loans

in HUF MM

	31. december 2009.	31. decemer 2010.
The total of large loans as at balance sheet closing date	-	-
Number of clients, having large loans	-	-

Budapest Bank Group

VI / 14. Remuneration of the Board of Directors and the Supervisory Board

31 December 2010

Description	Number of people entitled to remuneration	Amount of remuneration in HUF MM
Work Council	-	-
Board of Directors	6	4
Supervisory Board	7	16
Total :	**13**	**20**

VII.
CONSOLIDATED BUSINESS REPORT

BUDAPEST BANK GROUP

31 DECEMBER 2010.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2010

CAPITAL POSITION OF THE BANK GROUP

The capital position of the Bank-group is stable. At the end of 2010, the shareholders' equity, together with the HUF 9,4 billion retained profit proposed for approval to the shareholders' meeting, amounted to HUF 117 billion.

At 31 December 2010 General Electric (GECIFC) held 99.73% of the shares.

In addition to the HUF 74,9 billion retained earnings accumulated in the course of the previous years, the Bank-group has a total general reserve of HUF 8,5 billion, created for unforeseeable risks in accordance with the effective provisions of law on credit institutions.

In 1994, the Bank issued, to the Hungarian State, HUF 3,8 billion bonds qualified as subordinated debt capital, maturing in 2014. The interest rate of the bond is repriceable every 6 months and is based on the average yield of the discount treasury bills of the 6-month period preceding the interest payment day. This is qualified as subordinated debt in comparison to all other payment obligations.

QUALITY OF ASSETS

The total assets of the Bank-group slightly increased and amounted to HUF 911 billion from HUF 909 billion in previous year.

The low-risk government securities, the inter-bank placements and cash represented a significant part of the assets of the Bank-group amounting to HUF 216 billion (24 % of the total assets on December 31, 2010).

Loan receivable decreased 2 % to HUF 652 billion at the end of the year. During 2010 the Bank-group focused on the consumer, small and medium size loan portfolio as in prior year. As a result, the Bank-group was able to maintain the portfolio level of the customer lending, namely in the area of sales finance, personal loans, mortgage, auto finance and credit cards products.
By the end of the year, the consumer portfolio achieved HUF 488 billion.

The small and medium-size loan decreased by 3% during 2010, and amounted to HUF 215 billion, indicating the importance of this segment in the Bank-group's strategy.

Reserves made on loan receivables increased from HUF 59 billion to HUF 94 billion, which reflects a still low level of credit risk reserve coverage of 12% at the end of the year.
The ratio of the delinquent loans increased during 2010 but the professional risk management tools of the Bank-group achieved that the actual losses below the growth of delinquency increase.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2010

MANAGEMENT AND BUSINESS POLICY

During 2010, especially after the introduction of the banking tax during the year, the Bank focused on rationalising the costs.

The management strictly monitored products' pricing, especially for interest and fee generation while emphasized compliance. The Bank also continued its "no-nonsense" strategy started in 2008, which resulted simple and transparent customer products and pricing.

In line with the annual targets, a flexible and competitive salary policy enhanced the quality of the service and customer relationship.

The consumer deposits slightly decreased under HUF 260 billion during 2010. The mortgage loans increased by 14% and amounted to more than HUF 220 billion, which was caused by the strengthening of the CHF and to the product innovation (offset mortgage).
The unsecured consumer portfolio (including credit card, private loan, sales finance) decreased to HUF 108 billion. Based on the management decision no new sales performed at Budapest Fleet subsidiary.

Budapest Autófinanszírozási Zrt. slightly increased its auto loan portfolio to 150 billion inspite of the strong recession of auto financing market in 2010.

The Budapest Bank network had 102 units at the end of the year including 101 branches and 1 Money Plus center which serves the private banking customers.
The branches are considered aera of operation (telephely in Budapest, and fióktelep outside Budapest).

The Bank made significant investments into the Békéscsaba Operation Centre in the last years. Including training expenditures, digitalization, office equipments and IT infrastructure. The number of employees was 632 at the end of 2010 in Békécsaba.

Pursuant to the relevant laws, Workers' Council (Üzemi Tanács) functions in the Budapest Bank Group. The employment decisions are made with the agreement of the Workers' Council.

In summary the Bank-group achieved its 2010 targets, mainly due to the successful maintenance of the consumer lending and SME portfolio.

The Bank-group maintained its reputation as of the most innovative financial service provider by mean of introducing innovative new products like HUF offset mortgage deposits, long term saving account and the Knowledge Centre for the micro entrepreneurs available on http://sikeres.hu .

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2010

PROFITABILITY

The annual net income after tax of Budapest Bank-group was HUF 10,2 billion, which is HUF 2,739 million lower than in prior year.

The decrease has several factors: The net interest income increased 14% by HUF 8,3 billion compared to prior year, generated by the higher HUF/CHF rate on in 2010.
While the net fee income increased slightly, the net financial income decreased significantly. The net result of the two decreased by 23%, causing HUF 7.7 billion decrease in the profit.

The Bank-group changed overall interest rates of both commercial and consumer saving deposits several times in line with the prime bank and competitive banks' rate changes, considering the existing and new customer's interest in the pricing strategy.

Interest rates of commercial loans followed the market trends (basically using reference rates in pricing), while in case of personal loans and mortgage products rates changes were performed on a selective way.

In the year 2010, operating expenses and depreciations decreased by 10%, HUF 4,4 billion compared to prior year. Within this, salary costs were reduced by HUF 2 billion. Also the marketing expenses were reduced despite that marketing is still an important element of sales support.

From the 1st of January, 2010 the Bank also provides delivery forwards, besides non delivery forwards and delivery currency swaps.

- the customer forwards are hedged with the Bank's parent company, and the settlement of the deals are made in accordance with the 250/2000 Government decree related to hedging
- the HUF – foreign currency swaps, not closed before the balance sheet cut off date, are not considered as hedges. The Bank applies a mark to market valuation for off balance sheet receivables and liabilities arisen from non-hedge trading derivatives since 01 January 2008.

During 2010 the Bank-group increased its loan loss allowance. The net change of reserves resulted in a loss of HUF 5 billion representing a negative 17 % net income change.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2010

ASSET-LIABILITY MANAGEMENT AND THE LIQUIDITY POSITION OF THE BANK-GROUP

In the course of the year, the volume of credits provided to customers decreased due to the economical slowdown.

52% of the total assets are denominated in currencies other than HUF mainly in CHF, EUR and USD.

In a lowering lending activity, the Bank-group continued to increase its high volume of liquidity and maintained a high liquidity reserve. As a result of its stable liquidity position, the Bank-group is an inter-bank lender in the Hungarian financial market.

38% of the total liabilities are denominated in currencies mainly in CHF, EUR and USD.

The funding gap of currency lending and the currency mismatch is fully covered by the HUF to currency swaps made with the parent company.

The Bank-group successfully managed its liquidity and the interest rate risk within the predetermined limits, primarily by pursuing a harmonious, risk-avoiding pricing, by portfolio management practice, and by executing hedging transactions.

Changes of the currency rates and HUF volatility did not effect adversely the Bank-group due to a lack of a material open position in the balance sheet and off balance sheet in accordance with its overall currency management.

Overall the Bank-group managed to maintain a very strong liquidity-, cash-flow- and interest rate risk management. The Bank-group has made all the necessary provisions and risk reserves.

There was no occurrence after 31 December 2010 that influences significantly the operation of the Bank-group.

Budapest, 24 March 2011

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