Independent Auditors' Report
issued on the 2013 Consolidated Annual Report
and Consolidated Business Report
of Budapest Hitel és Fejlesztési Bank Zrt.

This is an English translation of the statutory Consolidated Annual Report and the Consolidated Business Report, and the Independent Auditors' Report thereon issued in Hungarian. In case of any differences, the Hungarian language original prevails.

Table of Contents

KPMG Hungária Kft.
Váci út 99.
H-1139 Budapest
Hungary

Tel.: +36 (1) 887 71 00
Fax: +36 (1) 887 71 01
E-mail: info@kpmg.hu
Internet: kpmg.hu

This is an English translation of the Independent Auditors' Report on the 2013 statutory Consolidated Annual Report of Budapest Hitel és Fejlesztési Bank Zrt. 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 shareholder of Budapest Hitel és Fejlesztési Bank Zrt.

Report on the Consolidated Annual Report

We have audited the accompanying 2013 consolidated annual report of Budapest Hitel és Fejlesztési Bank Zrt. (hereinafter referred to as "the Bank") and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2013, which shows total assets of MHUF 905,371 and retained profit for the year of MHUF 13,095, 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 Hungarian Act on Accounting, 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

In our opinion, the consolidated annual report gives a true and fair view of the consolidated financial position of Budapest Hitel és Fejlesztési Bank Zrt. and its subsidiaries as at 31 December 2013 and of its consolidated financial performance for the year then ended in accordance with the provisions of the Hungarian Act on Accounting.

Report on the Consolidated Business Report

We have audited the accompanying 2013 consolidated business report of Budapest Hitel és Fejlesztési Bank Zrt. and its subsidiaries.

Management is responsible for the preparation of the consolidated business report in accordance with the provisions of the Hungarian Act on Accounting. Our responsibility is to assess whether this consolidated business report is consistent with the consolidated annual report prepared for the same business year. 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 2013 consolidated business report of Budapest Hitel és Fejlesztési Bank Zrt. and its subsidiaries is consistent with the data included in the 2013 consolidated annual report of Budapest Hitel és Fejlesztési Bank Zrt. and its subsidiaries.

Budapest, 25 March 2014

KPMG Hungária Kft.
Registration number: 000202

Agócs Gábor
Agócs Gábor
Partner, Professional Accountant
Registration number: 005600

Budapest Bank Group

CONTENTS

BUDAPEST BANK
A GE Capital tagja

Budapest Bank Group

Budapest Bank Zrt.
and subsidiaries

Consolidated Financial Statements

(Translation from Hungarian original)

31 December 2013

Budapest, 25 March, 2014

György Zolnai	Edit Pálcza
Chief Executive Officer	Chief Finance Officer

Statistic code: 10196445641911401

Budapest Bank Group

BALANCE SHEET (FINANCIAL INSTITUTIONS)

in million HUF

		Description	31/12/2012	Previous year Adjustments	31/12/2013
a		b	c	d	e
01	I.	**FINANCIAL ASSETS**	31 380	-	29 761
02	II.	**SECURITIES (03+04)**	218 016	-	209 982
03	a)	available for sale	191 926	-	201 524
04	b)	for investment purposes	26 090	-	8 458
05	II/A.	**valuation difference of securities**	-	-	-
06	III.	**RECEIVABLES FROM FINANCIAL INSTITUTIONS (07+08+19)**	48 090	-	58 879
07	a)	on sight	4 402	-	3 624
08	b)	other receivables from financial services	43 688	-	55 255
09	ba)	due within one year	43 688	-	55 255
10		Of which: - subsidiaries	-	-	-
11		- affiliated companies	-	-	-
12		- National Bank of Hungary	8 500	-	8 200
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)**	586 625	-	566 560
25	a)	from financial services	583 116	-	566 307
26	aa)	due within one year	266 815	-	277 998
27		Of which: - subsidiaries	-	-	-
28		- affiliated companies	-	-	-
29	ab)	due more than one year	316 301	-	288 309
30		Of which: - subsidiaries	-	-	-
31		- affiliated companies	-	-	-
32	b)	receivables against customers from investment services	3 509	-	253
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	3 509	-	253
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)**	20	-	20
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	20	-	20
46	ba)	available for sale	20	-	20
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)**	6 272	-	7 641
55	a)	shares available for sale	-	-	-
56		Of which: -issued by subsidiaries	-	-	-
57		- issued by affiliated companies	-	-	-
58	b)	securities with variable yield	6 272	-	7 641
59	ba)	available for sale	6 272	-	7 641
60	bb)	for investment purposes	-	-	-
61	VI/A.	**valuation difference of shares and other securities**	-	-	-
62	VII.	**SHARES FOR INVESTMENT PURPOSES (63+65)**	401	-	401
63	a)	shares for investment purposes	401	-	401
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)**	3 489	-	4 334
77	a)	intangible assets	3 489	-	4 334
78	b)	revaluation of intangible assets	-	-	-

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

			Description	31/12/2012	Previous year Adjustments	31/12/2013
a			b	c	d	e
79	X.		**TANGIBLE ASSETS (80+85+90)**	15 504	-	16 347
80	a)		tangible assets serving the activities of financial institutions	11 072	-	11 998
81		aa)	real estate	7 842	-	8 065
82		ab)	technical equipment, machinery and vehicles	3 129	-	3 761
83		ac)	construction-in-progress	101	-	172
84		ad)	prepayments on construction-in-progress	-	-	-
85	b)		tangible assets serving the non-financial activities	4 432	-	4 349
86		ba)	real estate	-	-	-
87		bb)	technical equipment, machinery and vehicles	4 432	-	4 349
88		bc)	construction-in-progress	-	-	-
89		bd)	prepayments on construction-in-progress	-	-	-
90	c)		revaluation of tangible assets	-	-	-
91	XI.		**OWN SHARES**	-	-	-
92	XII.		**OTHER ASSETS (93+94+97)**	8 929	-	7 168
93	a)		inventories	386	-	562
94	b)		other receivables	8 543	-	6 606
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**	94	-	149
100	XIII.		**PREPAYMENTS AND ACCRUALS (101+102+103)**	6 789	-	4 129
101	a)		income accruals	6 617	-	3 873
102	b)		expense accruals	172	-	256
103	c)		deferred expenses	-	-	-
104	**TOTAL ASSETS**		**(01+02+06+24+41+54+62+68+76+79+91+92+100)**	925 609	-	905 371
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)**	557 035		583 393
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)**	361 785	-	317 849

Statistic code: 10196445641911401

Budapest Bank Group

					in million HUF
		Description	31/12/2012	Previous year Adjustments	31/12/2013
a		b	c	d	e
107	I.	**LIABILITIES TO FINANCIAL INSTITUTIONS (108+109+120)**	29 522	-	73 015
108	a)	on sight	15	-	11
109	b)	liabilities deposited for a set period of time	29 506	-	73 003
110	ba)	due within one year	993	-	2 598
111		Of which: - subsidiaries	-	-	-
112		- affiliated companies	-	-	-
113		- National Bank of Hungary	-	-	1 908
114		- receivables to KELER	-		-
115	bb)	due more than one year	28 513	-	70 405
116		Of which: - subsidiaries	-	-	-
117		- affiliated companies	-	-	-
118		- National Bank of Hungary	-	-	42 424
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)**	715 094	-	643 494
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	707 648	-	640 876
131	ba)	on sight	212 773	-	259 644
132		Of which: - subsidiaries	-	-	-
133		- affiliated companies	-	-	-
134	bb)	due within one year	247 591	-	182 775
135		Of which: - subsidiaries	23 303	-	2 255
136		- affiliated companies	-	-	-
137	bc)	due more than one year	247 284	-	198 457
138		Of which: - subsidiaries	222 635	-	167 583
139		- affiliated companies	-	-	-
140	c)	liabilities from investments services	7 446	-	2 618
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	7 446	-	2 618
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)**	11 891	-	11 893
172	a)	due within one year	11 891	-	11 893
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**	31	-	53
181	**V.**	**ACCRUALS (182+183+184)**	18 719	-	14 187
182	a)	income accruals	948	-	718
183	b)	expense accruals	17 771	-	13 469
184	c)	deferred income	-	-	-
185	**VI.**	**RESERVES (186+187+188+189)**	8 950	-	4 577
186	a)	Reserves for pension and severance payments	22	-	-
187	b)	Reserves on contingent and future liabilities	6 418	-	4 577
188	c)	general risk reserve	2 510	-	-
189	d)	other reserve	-	-	-
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	31/12/2012	Previous year Adjustments	31/12/2013
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		9 848	-	10 814
207	XII.	RETAINED EARNINGS		86 192	-	97 759
208	XIII.	CAPITAL ENGAGED		2	-	2
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 (+-)		9 934	-	13 095
213	XVI.	CHANGES IN SUBSIDIARIES' EQUITY (+,-)		12 069	-	13 125
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.)			925 609	-	905 371
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.)		480 741	-	459 593
220		- LONG TERM LIABILITIES (I.bb)+II.ac)+II.bc)+III.ab)+III.bb)+III.cb)+IV.b)+VII.)		279 808	-	272 873
221		- SHAREHOLDER'S FUNDS (VIII.-IX.+X.+XI.+-XII.+XIII.+XIV.+-XV.)		137 391	-	154 141

Off-Balance Sheet Items

		Description	31/12/2012	Previous year Adjustments	31/12/2013
01		Commitments and contingent liabilities	211 413	-	241 257
02		Futures liabilities	18 519	-	28 183
03		Total off-balance sheet liabilities	229 932	-	269 440
04		Total off-balance sheet receivables	25 378	-	32 814

Budapest, 25 March, 2014

György Zolnai
Chief Executive Officer

Edit Pálcza
Chief Finance Officer

BUDAPEST BANK
A GE Capital tagja

Statistic code: 10196445641911401

Budapest Bank Group

PROFIT AND LOSS STATEMENT (FINANCIAL INSTITUTIONS) in million HUF

		Description	2012	Previous year Adjustments	2013
a		b	c	d	e
1	1.	*Interest income (02+05)*	**88 466**		**73 877**
2	a)	a) interest income from fixed interest-bearing securities	13 445		8 985
3		Of which: - subsidiaries	-		-
4		- affiliated companies	-		-
5	b)	b) other interest income	75 021		64 892
6		Of which: - subsidiaries	-		-
7		- affiliated companies	-		-
8	2.	*Interest expense*	**21 649**		**16 773**
9		Of which: - subsidiaries	4 161		3 942
10		-affiliated companies	-		-
11		**Net interest income (01-08)**	**66 817**		**57 104**
12	3.	**Dividend received (13+14+15)**	**137**		**140**
13	a)	a) joint ventures	-		-
14	b)	b) affiliated companies	-		-
15	c)	c) other	137		140
16	4.	**Fee income (17+20)**	**18 638**		**27 211**
17	a)	a) fee income of other financial services	16 883		25 062
18		Of which: - subsidiaries	-		-
19		- affiliated companies	-		-
20	b)	b) fee income of investment services	1 755		2 149
21		Of which: - subsidiaries	-		-
22		- affiliated companies	-		-
23	5.	**Fee expense (24+27)**	**6 041**		**5 827**
24	a)	a) fee expense of other financial services	6 006		5 787
25		Of which: - subsidiaries	-		-
26		- affiliated companies	-		-
27	b)	b) fee expense of investment services (excluding expense of trading activities)	35		40
28		Of which: - subsidiaries	-		-
29		- affiliated companies	-		-
30	6.	**Net income of financial services (31-35+39-44)**	**4 235**		**3 053**
31	a)	a) income of other financial services	19 272		14 703
32		Of which: - subsidiaries	-		-
33		- affiliated companies	-		-
34		- valuation difference	3 412		180
35	b)	b) expense of other financial services	15 061		11 646
36		Of which: - subsidiaries	-		-
37		- affiliated companies	-		-
38		- valuation difference	148		147
39	c)	c) income of investment services (income of trading activities)	35		7
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)	11		11
45		Of which: - subsidiaries	-		-
46		- affiliated companies	-		-
47		- provision charge on securities available for sale	-		-
48		- valuation difference	-		-
49	7.	**Other income (50+53)**	**45 794**		**45 050**
50	a)	a) income of non-financial and non-investment services	40 862		40 396
51		Of which: - subsidiaries	-		-
52		- affiliated companies	-		-
53	b)	b) other income	4 932		4 654
54		Of which: - subsidiaries	-		-
55		- affiliated companies	-		-
56		- release of provision on inventories	47		98
57	ba)	c) profit increasing item due to consolidation	-		-

Statistic code: 10196445641911401

Budapest Bank Group

in million HUF

			Description	2012	Previous year Adjustments	2013
a			b	c	d	e
58	8.		**Operating costs (59+67)**	**38 781**		**35 639**
59	a)		a) personal type costs	24 026		22 076
60		aa)	aa) salaries and wages	17 051		15 776
61		ab)	ab) other personal type costs	1 578		1 355
62			of which: - social securities	319		242
63			- pension related costs	226		148
64		ac)	ac) affix of wages	5 397		4 945
65			of which: - social securities	4 615		4 216
66			- pension related costs	4 409		4 082
67	b)		b) other operating costs (materials)	14 755		13 563
68	9.		**Depreciation**	**2 949**		**3 061**
69	10.		**Other expenses (70+73)**	**61 672**		**59 421**
70	a)		a) expenses of non-financial and non-investment services	38 077		38 034
71			Of which: - subsidiaries	-		-
72			- affiliated companies	-		-
73	b)		b) other expenses	23 595		21 387
74			Of which: - subsidiaries	-		-
75			- affiliated companies	-		-
76			Provision charge on inventory	84		17
77		ba)	c) profit decreasing item due to consolidation	-		-
78	11.		**Provision charge on receivables and on contingent and future liabilities (73+74)**	**30 780**		**23 312**
79	a)		a) provision charge on receivables	26 956		20 788
80	b)		b) provision charge on contingent and future liabilities	3 824		2 524
81	12.		**Release of provision on receivables and on contingent and future liabilities (82+83)**	**20 683**		**15 943**
82	a)		a) release of provision on receivables	20 115		11 561
83	b)		b) release of provision on contingent and future liabilities	568		4 382
84	12/A.		A) General risk reserve difference of charge and release	-		-
85	13.		**Provision charge on securities portfolio**	**-**		**-**
86	14.		**Release of provision on securities portfolio**	**-**		**-**
87	15.		**NET INCOME OF FINANCIAL SERVICES**	**16 081**		**21 241**
88			**of which: - NET INCOME OF FINANCIAL AND INVESTMENT SERVICES (11+12+16-23+30+49-58-68-69-78+81-85+87)**	**13 296**		**18 879**
89			**- NET INCOME OF NON-FINANCIAL AND NON-INVESTMENT SERVICES (50-70)**	**2 785**		**2 362**
90	16.		Extraordinary revenues	2		45
91	17.		Extraordinary expenditures	295		150
92	18.		**Net profit (loss) of extraordinary items (90-91)**	**- 293**		**- 105**
93	19.		**Profit before taxation (±87±92)**	**15 788**		**21 136**
94	20.		Taxation	4 940		7 076
95	a)		Tax difference due to consolidation	-		-
96	21.		**Profit after taxation (±93-94)**	**10 848**		**14 060**
97	22.		Charge and release of general reserves (+,-)	914		965
98	23.		Dividend and profit-sharing payable	-		-
99			Of which: - subsidiaries	-		-
100			- affiliated companies	-		-
101	24.		**Net profit (loss) for the year (±96±97-98)**	**9 934**		**13 095**

Budapest, 25 March, 2014

György Zolnai
Chief Executive Officer

Edit Pálcza
Chief Finance Officer

Budapest Bank Group

Budapest Bank Zrt. and Subsidiaries

Notes to the Consolidated Financial Statements

31 December 2013

Budapest, 25 March, 2014

György Zolnai	Edit Pálcza
Chief Executive Officer	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 Zrt. ("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 from 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 Budapest Bank Zrt is consolidated to the General Electric Company (Fairfield 3135 Easton Turnpike). Its consolidated Annual Report is available on http://www.ge.com/.

After 2001 additional shares were purchased over time from the minority shareholders of less than 5% ownership. At December 07, 2011 the majority shareholder made a voluntary public bid for purchasing the minority equity stake, which has increased the shareholding of GE Capital International Financing Corporation to 99.84 % in 2012. During 2012 the majority shareholder has bought out the remaining minority shareholders stake based on pre-emption right described in the capital market act 76/D § 1, becoming 100 % shareholder of the Bank. During 2013 GE Capital International Financing Corporation merged to the GE Global Financing Holdings Inc, which became the 100% shareholder of the Bank.

The annual general meeting has changed the Bank's operational form to private limited company. The share capital of the bank as of December 31, 2013 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.
The branch network of the Bank currently consists of 101 branches and 1 Money Plus centre.

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 Equipment Finance Ltd. (formerly known as SBB Solution Ltd.) provides operative leases to corporate customers. During 2013 the Budapest Fleet Ltd and the Equipment Finance Ltd. merged to the firm.

Budapest Leasing Ltd. pursues finances leases to corporate customers.

Budapest Fund Management Ltd. manages mutual investment funds.

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 2013 the balance sheet total of Budapest Auto Finance Ltd. was HUF 85,696 million, its registered capital was HUF 180 million, the company's shareholders' equity was HUF 13,229 million, and the net profit was HUF 2,137 million.

2) **Budapest Equipment Finance Ltd (Budapest Eszközfinanszírozó Zrt.)** was created at August 2013 by merging Budapest Fleet Ltd. (Budapest Flotta Zrt.) and Equipment Finance Ltd (Eszközfinanszírozó Kft.) to SBB Solution Ltd. (SBB Solution Zrt.). The company deals with operative equipment financing. As at the end of 2013 the balance sheet total of Budapest Equipment Finance Ltd. was HUF 7,521 million, company's registered capital amounted to HUF 9 million, its shareholders' equity was HUF 4,048 million, and the net profit was HUF 36 million. As at the date of merging in 2013 net profit of Budapest Fleet Ltd. was HUF 52 million, and the net profit of Equipment Ltd. was HUF 128 million.

3) 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. The Bank established Budapest Leasing Company Ltd. in 1992. At the end of 2013 the balance sheet total was HUF 34,449 million, the company's registered capital amounted to HUF 62 million, its shareholders' equity was HUF 5,808 million, and its result was HUF 356 million profit.

4) **Budapest Fund Management Ltd. (Budapest Alapkezelõ Zrt.)** was established in 1992. Manages the increasing number of investment funds grounded by the company. As of the end of 2013 the balance sheet total of Budapest Fund Management Ltd. amounted to HUF 7,861 million, its registered capital was HUF 500 million, its shareholders' equity was HUF 7,698 million, the company's net profit is HUF 2,451 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 Banking Group accounted HUF 82 million audit fee for the financial year 2013.

The Bank set its balance sheet preparation day to January 12 of the year following the statement date, except for the dividend payment of the subsidiaries, which is March 25th.

Pursuant to the provisions of relevant laws, errors identified in the course of audits performed by external bodies, or the internally 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 no provision can be made.

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 material negative difference between the book value and the market value a reserve is made. For long time and material positive value the difference is released from the reserve.

Receivables from financial institutions and customers

In this category only the receivables from the banking activity are recorded in the Bank Group consolidated financial statement. In this line the following are included:

- Placements at other banks,
- Receivables customers,

The Bank Group records the receivables denominated in HUF at historical cost. The valuation rules of the receivables denominated in foreign currency is disclosed in the chapter called Valuation of the receivables and liabilities denominated in foreign currencies
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, if these assets are classified and reserved during the year.

Investments

Financial assets (investments by shares, securities, long term loans, 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.
In compliance with the law 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 material. According to the accounting policy the material 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 amortisation periods 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.

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 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, as well as liabilities originating from investment services.

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 special watch.

The interests and interest type expenses related to the reporting year paid till the balance sheet preparation day and also the interest due by the balance sheet cut-off date but not yet paid out are recorded as accrued interest expense by the Bank Group.

Valuation of the receivables and liabilities denominated in foreign currencies

The foreign currency 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 can make 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. The Bank has transferred the General Risk Provision to the retained earnings as of 31st December 2013, which was allowed by the 234/Q paragraph of the credit institutions and financial enterprises law. Also the tax was accounted for the transaction.

The Bank Group applies the rules regulated by the 7 appendix of the government decree 250/2000 for determination the impairment amount for restructured loans. In summary these loans are not reclassified into better qualification category, which is better than the category used before restructuring.

The outstanding contractual restructured receivable was 119.4 billion HUF, the book value was 81.3 billion of as of 31st December 2013.

During 2013 based on the 107 paragraph (3) of Act CXII. on credit institutions and financial enterprises, on 7 paragraph (11) of Government Decree no. 250/2000 and on 41 paragraph (1) of Act C. of 2000 on accounting (Law), the members of the Bank Group have created a general reserve for the preforming commercial loans/leases to cover future losses.

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 2013. 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 or provision is made in addition to the mark to market valuation.
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.

Interests accrual and suspension

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 performing or special watch . 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 Zrt. 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 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 reports here the Bank' share of the changes of the shareholders' equity – regulated by the Law - 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 – different from the stand alone financials - 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.

Additional Footnotes:

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

- the subsidiaries of Budapest Bank Zrt. involved in consolidation,
- the (direct and indirect) capital share of Budapest Bank Zrt. in the subsidiaries involved in consolidation
- the share belonging to Budapest Bank Zrt. 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 2013

During 2013 some long lasting legal cases were closed in favor of the Banking Group. Significant reserves were released.

In 2013 The Banking Group paid 11.4 billion HUF transactional tax. From this amount 3.8 billion HUF was a retrospective tax based on the first quarter transactions.

The Bank participated in the Funding for Lending program of the Hungarian National Bank. The total loan volume granted to companies was 44.3 billion HUF as of the end of the year.

The Bank in accordance with the relevant legislation also made the FX fixing for the FX mortgage customers available.

The Bank Group signed a contract in December 2012 to purchase nearly 1.5 billion HUF receivable. The deal was realized in 2013.

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 279 million due for year 2013 has been transferred to the National Deposit Insurance Fund.

In year 2013 Budapest Bank transferred HUF 33 million to the Investor Protection Fund.

As of 13th of March 2014 the National Bank of Hungary penalized 35 banks in the total sum of 1.2 billion HUF, for charging unlawful fees and charges. Budapest Bank received 93 million HUF penalty from the National Bank of Hungary, the also was sentenced the Bank to repay the unlawful fees and charges to the consumer customers by the end of April. The decision is for consumer customers only, not for micro or corporate clients. The refund liability is required only for the transactional fee related fee increases. The financial statement does not contain the impact of this decision.

The year 2013 report of Budapest Bank Group is signed by Mr. György Zolnai, Chief Executive Officer of the Bank (1026 Budapest, Orsó u. 35.)) 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: MK178499 in the Registry of the Accountant listed by Ministry of Finance.)

Budapest Bank Group

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

associated and other companies, not involved in the consolidation

31 December 2013

	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 193.	250	100%
	Budapest Lízing Zrt.	1138 Budapest, Váci út 193.	6 380	100%
	Budapest Alapkezelő Zrt.	1138 Budapest, Váci út 193.	10	100%
	Budapest Eszközfinanszírozó Zrt.	1138 Budapest, Váci út 193.	5 887	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.	1082 Budapest, Kisfaludy utca 32.	190	2,42%
	Kisvállalkozás-fejlesztő Pénzügyi Zrt.	1052 Budapest, Szép u. 2.	50	1,14%
	Swift	Avenue Adele 1 B 1310 La Hulpe Belgium	11	0,02%
	Magyar Sepa Egyesület	1051 Budapest, József Nádor tér 5-6.	-	9,09%
	Park Teniszklub Zrt.	1114 Budapest, Bartók Béla út 15/d.	-	0,30%

Budapest Bank Group

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

31 December 2013

Subsidiary	BB Zrt. 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	13 229	2 137
Budapest Lízing Zrt.	6 380	100	62	5 808	356
Budapest Alapkezelő Zrt.	10	100	500	7 698	2 451
Budapest Eszközfinanszírozó Zrt.	5 887	100	9	4 048	36
Total:	**12 527**		**751**	**30 784**	**4 980**

Notes:
Shareholder's fund includes the net profit for the year.
*In Aug 2013 Budapest Flotta Zrt. and Budapest Eszközfinanszírozási Kft. have merged into SBB Zrt, the merged company was renamed to Budapest Eszközfinanszírozó Zrt.

Budapest Bank Group

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

31 December 2013

Subsidiary	BB Zrt' s participation in the subsidiary % (a)	The subsidiaries' equity without the profit of the year before payment of Dividend 31 december 2013 HUF MM (b)*	Purchase price of the shares HUF MM (c)	Equity consolidation difference 1994 HUF MM (d)	Modification of positive equity consolidation difference due to new shares HUF MM (e)	Depreciation of positive equity consolidation HUF MM (f)	Equity consolidation difference HUF MM (g=d+e-f)	Changes in the shareholders' equity of subsidiary before payment of Dividend /* 31 december 2013 HUF MM (h*=b*-c+g)
Budapest Autófinanszírozási Zrt.	100,00%	11 092	250	-	-	-	-	10 842
Budapest Lízing Zrt.	100,00%	5 452	6 380	133	-	133	-	(928)
Budapest Alapkezelő Zrt.	100,00%	5 247	10	(4)	-	-	(4)	5 233
SBB Solution Zrt.	100,00%	4 013	5 887	(146)	-	-	(146)	(2 020)
Total:		25 804	12 527	-17	0	133	-150	13 127

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

Note:
The changes in the shareholders' equity of subsidiary contains the amount of 2,000 THUF Capital Engaged. Also includes

Budapest Bank Group

V / 4.a. Gross value of intangible and tangible assets in 2013

in HUF MM

Description	Changes in Gross Value			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
I. Total intangible assets:	**17 919**	**2 229**	**71**	**20 077**
a/ Rights and licenses	856	-	-	856
b/ Intellectual properties	16 729	2 229	71	18 887
c/ Capitalised value of foundation/restructuring	334	-	-	334
II.1. Tangible assets serving financial institutions' activities	**25 924**	**2 873**	**730**	**28 067**
a/ Properties and related rights	12 165	718	-	12 883
b/ Technical equipment, machinery and vehicles	13 658	1 915	561	15 012
c/ Assets under construction	101	240	169	172
d/ Advances for assets under construction	-	-	-	-
II.1. Tangible assets related to non-financial services	**9 191**	**2 008**	**3 734**	**7 465**
a/ Properties and related rights	-	-	-	-
b/ Technical equipment, machinery and vehicles	9 191	2 008	3 734	7 465
c/ Assets under construction	-	-	-	-
d/ Advances for assets under construction	-	-	-	-

Budapest Bank Group

V / 4.b. Accumulated depreciation and current year depreciation on intangible and tangible assets in 2013

in HUF MM

Description	Accumulated depreciation					
	Opening balance	Increase during the year	Decrease during the year	Planned depreciation	Extraordinary depreciaton	Closing balance
I. **Total intangible assets:**	**14 430**	**1 384**	**71**	**1 384**	-	**15 743**
a/ Rights and licenses	830	20	-	20	-	850
b/ Intellectual properties	13 266	1 364	71	1 364	-	14 559
c/ Capitalised Value of foundation/ restructuring	334	-	-	-	-	334
II.1. Tangible assets serving financial institutions' activities	**14 852**	**1 699**	**482**	**1 699**	-	**16 069**
a/ Properties and related rights	4 323	495	-	495	-	4 818
b/ Technical equipment, machinery and vehicles	10 529	1 204	482	1 204	-	11 251
c/ Assets under construction	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-
II.2 Tangible Assets not directly used in banking activities	**4 759**	**1 514**	**3 157**	**1 512**	2	**3 116**
a/ Properties and related rights	-	-	-	-	-	-
b/ Technical equipment, machinery and vehicles	4 759	1 514	3 157	1 512	2	3 116
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	92
Right of usage	2	2

Budapest Bank Group

V / 5. Inventory

in HUF MM

Description	As of 31 December 2012	As of 31 December 2013
Precious metals for sale	-	-
Office materials	-	-
Printed materials	5	6
Stock	31	17
Mediated services	23	39
Stock purchased in the scope of Lease contracts	159	441
Repossessed cars, leased assets	345	74
Provision on Stock/Equipment against receivables	(177)	(15)
Other	-	-
Total :	**386**	**562**

Budapest Bank Group

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

in HUF MM

Description	Total of 31 Dec 2012	Total of 31 Dec 2013	Breakdown of the portfolio of 31 December 2013 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	48 090	58 879	3 624	55 255	-	-	-
On sight	4 402	3 624	3 624	-	-	-	-
Other receivables to financial institutions	43 688	55 255	-	55 255	-	-	-
- Within one year	43 688	55 255	-	55 255	-	-	-
National Bank of Hungary	8 500	8 200	-	8 200	-	-	-
- Over one year	-	-	-	-	-	-	-
National Bank of Hungary	-	-	-	-	-	-	-
II. Receivables against customers	586 625	566 560	97 181	49 511	131 559	209 992	78 317
Receivables from financial services	583 116	566 307	96 928	49 511	131 559	209 992	78 317
- Within one year	266 815	277 998	96 928	49 511	131 559	-	-
- Over one year	316 301	288 309	-	-	-	209 992	78 317
Receivables from investment services	3 509	253	253	-	-	-	-
Total	634 715	625 439	100 805	104 766	131 559	209 992	78 317

Budapest Bank Group

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

in HUF MM

Description	31 December 2013					31 December 2012
	EUR	USD	HUF	Other	Total	Total
1. Cash	781	115	28 815	50	29 761	31 380
2. State Bonds	-	-	209 982	-	209 982	218 016
3. Receivables :	102 815	13 299	365 396	150 535	632 045	643 258
a) On sight	2 733	487	-	404	3 624	4 402
b) Maturing within one year	55 996	12 809	265 195	5 859	339 859	319 046
- to financial institutions	32 660	9 835	10 400	2 360	55 255	43 688
- to customers	23 325	2 974	248 200	3 499	277 998	266 815
- other receivables	11	-	6 595	-	6 606	8 543
c) Maturing over one year	44 085	3	99 949	144 272	288 309	316 301
- to financial institutions	-	-	-	-	-	-
- to customers	44 085	3	99 949	144 272	288 309	316 301
d) From investment services	1	-	252	-	253	3 509
4. Securities (bonds)	-	-	20	-	20	20
5. Shares and other securitites	-	-	7 641	-	7 641	6 272
6. Shares for sale/ for investment purposes	11	-	390	-	401	401
7. Shares in affiliated companies	-	-	-	-	-	-
8. Intangible Assets	-	-	4 334	-	4 334	3 489
9. Tangible Assets	-	-	16 347	-	16 347	15 504
10. Inventories	-	-	562	-	562	386
11. Positive valuation difference of derivatives	-	-	149	-	149	94
12. Prepayments	51	1	3 709	368	4 129	6 789
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12)	103 658	13 415	637 345	150 953	905 371	925 609

Budapest Bank Group

V / 8. Reserves movements from 1 January 2013 to 31 December 2013

in HUF MM

Description	Opening balance	Reserve (write-off)	Charge	Reserve (release)	Foreign Exchange	Closing balance
1. Reserve for pension and severence	22	-	-	(22)		-
2. Reserve on contingent and future liabilities	6 418	(366)	2 538	(4 016)	3	4 577
3. General risk reserve	2 510	-	-	(2 510)	-	-
4. Other reserve	-	-	-	-	-	-
Total:	**8 950**	**(366)**	**2 538**	**(6 548)**	**3**	**4 577**

Budapest Bank Group

V / 9. Provision charge/release on assets from 1 January 2013 to 31 December 2013

in HUF MM

	Description	Opening balance	Charge	Provision release of sold receivables	Provision release of written-off receivables	Release	Foreign Exchange	Closing balance
1.	Provision on securities	5	-	-	-	(5)	-	-
2.	Provision on other financial investments	6	-	-	-	-	-	6
3.	Provision on receivables	118 321	20 945	(4 551)	(4 588)	(11 639)	217	118 705
	of which against:							
	Financial Institutions	-	-	-	-	-	-	-
	Customers	112 966	20 174	(4 551)	(3 421)	(10 868)	217	114 517
	Receivables on Finance lease	4 611	703	-	(1 167)	(600)	-	3 547
	Other Receivables	644	16	-	-	(19)	-	641
	Inventory financing related receivables	100	52	-	-	(152)	-	-
4.	Provison on inventories, which were received against receivables	177	32	-	-	(116)	-	93
	Total:	**118 509**	**20 977**	**(4 551)**	**(4 588)**	**(11 760)**	**217**	**118 804**

Budapest Bank Group

V / 10. Securities breakdown and custody securities

31 December 2013

in HUF MM

Descreption	Securities fully owned by BB Zrt.							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	10 859	10 864	-	10 896	DEMAT	KELER	526	DEMAT	KELER
Discount T-bills	II. Securities	40 642	40 324	40 324	287 953	DEMAT	KELER	917	DEMAT	KELER
Bonds of National Bank of Hungary	II. Securities	159 000	158 794	-	158 853	DEMAT	KELER	-	DEMAT	KELER
Pawnletters	V. Bonds and other securities	- -	- -	- -	- -	-	-	-	DEMAT	KELER
Investment fund quotas	VI. Shares and other securities	7 642	7 640	-	7 826	DEMAT	KELER	147 013	DEMAT	KELER
Compensation Coupon	VI. Shares and other securities	49	20	20	20	-	-	1	Physical	Vault
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	346	346	-	346	Physical	Vault	463	DEMAT	KELER
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	61	55	-	55	DEMAT	KELER	-	Physical	Vault
Other security	V. Bonds and other securities	1	1	-	16	Physical	Vault	3 189	-	-
Total:		**218 600**	**218 044**	**40 344**	**465 965**			**152 109**		

Note: the financial assets due to customers on the bankaccounts managed within the Bank regarding to commission investment activity is 2618 HUF MM at 31 December 2013.

Budapest Bank Group

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

in HUF MM

Description	Total of 31 Dec 2012	Total of 31 Dec 2013	Breakdown of the portfolio of 31 December 2013 in maturity split				
			On sight	within 3 months	within 3 months and 1 year	within 1 year and 5 years	Over 5 years
		1 = 2+3+4+5+6	2	3	4	5	6
I. Liabilities to financial institutions	29 522	73 015	12	128	2 470	27 583	42 822
On sight	15	11	11	-	-	-	-
Deposited from financial services	29 506	73 003	-	128	2 470	27 583	42 822
- Within one year	993	2 598	-	128	2 470	-	-
- Over one year	28 513	70 405	-	-	-	27 583	42 822
From investment services	1	1	1	-	-	-	-
II. Liabilities to customers	715 094	643 494	262 164	130 477	52 396	35 738	162 719
Other liabilities from financial services	707 648	640 876	259 546	130 477	52 396	35 738	162 719
- On sight	212 773	259 644	259 546	98	-	-	-
- Within one year	247 591	182 775	-	130 379	52 396	-	-
- Over one year	247 284	198 457	-	-	-	35 738	162 719
From investment services activity	7 446	2 618	2 618	-	-	-	-
VII. Subordinated Debt	4 011	4 011	-	-	3 861	-	150
Total:	748 627	720 520	262 176	130 605	58 727	63 321	205 691

Budapest Bank Group

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

in HUF MM

Description	31 December 2013					31 December 2012
	EUR	Non EUR				
	EUR	USD	HUF	Other	Total	Total
1. Liabilities on sight	**46 693**	**5 751**	**205 998**	**1 213**	**259 655**	**212 788**
- to financial institutions	10	-	-	1	11	15
- to customers	46 683	5 751	205 998	1 212	259 644	212 773
2. Short-term liabilities	**27 530**	**7 583**	**160 175**	**1 978**	**197 266**	**260 475**
- to financial institutions	-	-	2 598	-	2 598	993
- to customers	26 108	7 054	147 822	1 791	182 775	247 591
- on issued securities	-	-	-	-	-	-
- other liabilities	1 422	529	9 755	187	11 893	11 891
3. Long-term liabilities	**15 526**	**-**	**90 618**	**162 718**	**268 862**	**275 797**
- to financial institutions	10 535	-	59 870	-	70 405	28 513
- to customers	4 991	-	30 748	162 718	198 457	247 284
- on issued securities	-	-	-	-	-	-
- other liabilities	-	-	-	-	-	-
4. Liabilities from Investments services	**355**	**53**	**2 211**	**-**	**2 619**	**7 447**
- to financial institutions	-	-	1	-	1	1
- to customers	355	53	2 210	-	2 618	7 446
5. Negative valuation difference of derivatives	**-**	**-**	**53**	**-**	**53**	**31**
6. Accruals	**338**	**23**	**12 241**	**1 585**	**14 187**	**18 719**
7. Provision	**57**	**-**	**4 520**	**-**	**4 577**	**8 950**
8. Subordinated debt	**-**	**-**	**4 011**	**-**	**4 011**	**4 011**
9. Shareholders' fund	**-**	**-**	**154 141**	**-**	**154 141**	**137 391**
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	90 499	13 410	633 968	167 494	905 371	925 609

Budapest Bank Group

V / 13. Breakdown of Prepayments and Accruals

in HUF MM

Nr.	Description	As of 31 December 2012	As of 31 December 2013	Nr.	Description	As of 31 December 2012	As of 31 December 2013
	Prepaymanets				**Accruals**		
1.	Accrued interest	4 609	2 540	1.	Accrued interest	13 430	9 968
2.	Accrued commission	359	389	2.	Accrued commission	20	18
3.	Accrued costs and expenses	172	256	3.	Accrued costs and expenses	5 207	4 165
4.	Accured interest on Securities	1 143	360	4.	Accured interest on Securities	10	7
6.	Other	506	584	5.	Accured Income	0	0
				6.	Other	52	29
	Total:	**6 789**	**4 129**		**Total:**	**18 719**	**14 187**

Budapest Bank Group

V / 14. Income and expenditure of investment related services

in HUF MM

Nr.	Description	Income		Expenditure	
		2012	2013	2012	2013
1.	Commissionnaire activities	1 616	2 040	35	40
2.	Commercial activities	35	7	11	11
3.	Safe custody activities	139	109	-	-
4.	Other activities	-	-	-	-
	Total:	**1 790**	**2 156**	**46**	**51**

Budapest Bank Group

V / 15. Changes in issued own shares

31 December 2013

Description	Type of share	Face value HUF	Number of shares	Value HUF MM
Opening total January 1, 2013				19 346
Closing total December 31, 2013				19 346
Breakdown of closing total:				
Ordinary common stock	Registered share	1 000	19 346 000	19 346

Notes:

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

GE Capital Global Financing Holdings Inc has 100% shareholding 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 2012	Interest, fees and commissions in suspense As of 31 December 2013
Base interest	21 947	26 245
Late payment interest	4 450	5 946
Fees	2 024	2 000
Commissions	1 916	2 721
Total:	**30 337**	**36 912**

Budapest Bank Group

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

As of 31 December 2013

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

Vétel Induló összeg		Eladás Induló összeg		Vétel Lejárati összeg		Eladás Lejárati összeg		Induló dátum	Lejárati dátum	Valós érték M Ft
EUR	10	HUF	2 976	HUF	2 976	EUR	10	2013.12.31	2014.01.02	6
EUR	10	HUF	2 967	HUF	2 967	EUR	10	2013.12.31	2014.01.02	(3)
EUR	10	HUF	2 976	HUF	2 976	EUR	10	2013.12.31	2014.01.02	6
EUR	10	HUF	2 968	HUF	2 967	EUR	10	2013.12.31	2014.01.02	(2)
EUR	10	HUF	2 967	HUF	2 967	EUR	10	2013.12.31	2014.01.02	(3)
EUR	4	CHF	5	CHF	5	EUR	4	2013.12.19	2014.01.14	(5)
CHF	5	HUF	1 233	HUF	1 236	CHF	5	2013.12.17	2014.01.14	24
CHF	5	HUF	1 233	HUF	1 236	CHF	5	2013.12.17	2014.01.14	24
CHF	5	HUF	1 233	HUF	1 236	CHF	5	2013.12.17	2014.01.14	24
CHF	5	HUF	1 110	HUF	1 112	CHF	5	2013.12.17	2014.01.14	21
										92

Budapest Bank Zrt. has currency swap contracts with its parent company. Due to the repayment of the Parent Company loans the lack of Liabities in foreing currency was arisen, that's why the Bank exchanged surplus HUF to CHF/EUR or other foreign currency with short-term (1-month) contracts during the year 2013.

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.

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 -106 million HUF interest income in 2013. In the end of 2013 the fair value of the open currency swap deals was 92 million HUF. Interest rate swaps and forwards did not have significant impact neither on cash flow or on the result. Budapest Bank did not have interest rate swap deal in 2013.

Budapest Bank Group

V / 18. Changes of Shareholders' Equity in 2013

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	86 192	12 623	1 056	-	97 759
Valuation Reserve	-			-	-
Capital Engaged	2			-	2
General Reserve	9 848	966		-	10 814
Profit for the year	9 934	13 095	9 934	-	13 095
Changes in Subsidiaries Equity	12 069	1 056		-	13 125
Changes due to Consolidation	-	-	-	-	-
SHAREHOLDERS' FUND	**137 391**	**27 740**	**10 990**	**-**	**154 141**

Note:
The Bankgroup has made 10% General Reserve on the Bank's Profit after taxation.
*The retained earning includes 180 million HUF premerger income for the merged entities, and the transfer of 2510 million HUF from general risk reserve in the Bank.

Budapest Bank Group

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

As of 31 December 2013

in HUF MM

Currency	Foreign currency receivables	Foreign currency liabilities
AUD	-	6
CAD	5	-
CHF	185	136
CZK	-	18
DKK	-	4
EUR	1 909	1 025
GBP	12	25
HUF	1 233	1 961
JPY	-	7
NOK	-	-
PLN	-	35
SEK	8	22
USD	248	361
Total	**3 600**	**3 600**

Budapest Bank Group

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

In HUF MM

Description	Book value 31 December 2012	Book value 31 December 2013
I.) Governmnet Securities	**23 290**	**40 324**
a) available for sale	23 290	40 324
b) for investment puposes	-	-
II.) Bonds and other securities	**20**	**20**
a) securities issued by municipalities and other government institution (excluding gove	-	-
aa) available for sale	-	-
ab) for investment purposes	-	-
b) securities issued by others	20	20
ba) available for sale	20	20
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+71)	-	**-**
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:	**23 310**	**40 344**

Budapest Bank Group

VI. Additional information

VI / 1. Financial ratios*

		2012		2013	
Profitability Ratios					
Marge	Profit after tax / Revenue	10 848 / 193 027	= 5,62%	14 060 / 176 976	= 7,94%
ROA	Profit after tax / Average total assets	10 848 / 933 364	= 1,16%	14 060 / 915 490	= 1,54%
ROE (1)	Profit after tax / Shareholders' funds	10 848 / 137 391	= 7,90%	14 060 / 154 141	= 9,12%
ROE (2)	Profit after tax / Share capital	10 848 / 19 346	= 56,07%	14 060 / 19 346	= 72,68%
ROE (3)	Net income of financial services / Shareholders' funds	13 296 / 137 391	= 9,68%	18 879 / 154 141	= 12,25%
Capital coverage Ratios					
Gearing	Balance sheet total / Shareholders' funds	925 609 / 137 391	= 6,74	905 371 / 154 141	= 5,87
Liquidity and Coverage					
Liquidity ratio	Liquid assets / Short term liabilities	557 035 / 480 741	= 1,16	583 393 / 459 593	= 1,27
Loans in percetage of deposits	Total loans and leases / Total deposits	634 715 / 744 616	= 85,24%	625 439 / 716 509	= 87,29%
Asset Quality Ratios					
Risk Provision and reserve %	Provision and reserve / Balance sheet total	127 459 / 925 609	= 13,77%	123 381 / 905 371	= 13,63%
Risk Provision and reserve Coverage	Provision and reserve / Shareholders' funds	127 459 / 137 391	= 92,77%	123 381 / 154 141	= 80,04%
Effectivity Ratios					
Profit per employee	Profit after taxation / Average no. of employees	10 848 / 2 890	= 3,75	14 060 / 2 852	= 4,93
Wage Cost effectiveness	Profit after taxation / Total salaries&wages	10 848 / 17 051	= 63,62%	14 060 / 15 776	= 89,12%

* Balances in million HUF

Budapest Bank Group

VI / 2. Subordinated loans

As of 31 December 2013

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 21/06/2013 4.80%, from 21/12/2013 3.60%
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 2012	As of 31 December 2013
Commitments and contingent liabilities	**211 413**	**241 257**
- unused overdraft facilities, non-disbursed approved loans	109 909	126 411
- guarantees of indebtedness	40 157	42 633
- other commitments	60 993	71 858
- letters of credit	354	355
Futures liabilities	**18 519**	**28 183**
- futures pension and severance payments	-	-
- payment liabilities on interest swap transactions	-	-
- of which subsidiaries	-	-
- spot transactions	6 349	3 600
- transactions with securities	-	-
- liabilities on swap transactions	11 465	20 783
- of which subsidiaries	11 465	20 783
- liabilities on forward transactions without transfering capital	5	12
- liabilities on forward transactions with transfering capital	700	3 788
- other off-balance sheet liabilities	-	-
Total off-balance sheet liabilities:	**229 932**	**269 440**
Off-balance sheet receivables		
- receivables on interest rate swap transactions	-	-
- spot transactions	6 653	3 600
- prompt security transactions	6 215	4 467
- swap transactions (FX)	11 523	20 882
- receivables on transaction without transfering capital	4	12
- receivables on transaction with transfering capital	701	3 792
- other off-balance sheet receivables	282	61
Total off-balance sheet receivables:	**25 378**	**32 814**

Note
Value of assets obtained as collateral or guarantee deposit related to financial services is 376 191 million HUF (excluding assigned revenue and receivable assignement) as of 31 December 2013.

Budapest Bank Group

VI / 4. Extraordinary income and expense

in HUF MM

Nr	Description	Amount	
		2012	2013
1.	Given donations	(246)	(115)
2.	Received donations	2	1
3.	Write-off of receivables and losses	-	(4)
4.	Debt assumption and waived claims	(49)	(30)
5.	Other	-	43
	Total:	**(293)**	**(105)**

Budapest Bank Group

VI / 5. Corporate tax base adjustments in 2013

in HUF MM

Profit before tax decreasing items		Profit before tax increasing items	
1. Depreciation based on Tax Law	3 774	1. Depreciation, amortisation based on Accounting Law	3 821
2. Bank Tax	3 626	2. Provision charged for future liabilities and contigencies	2 924
3. Reversed provision on receivables - acceptable by Tax Law	1 824	3. Penalties paid to authorities	307
4. Dividend received	140	4. Written-off amount of uncollectible receivables, waived claims	12
5. Released reserve	2 645	5. Tax audit and self revision expenses	178
6. Tax audit correction items accounted as revenue	1 110	6. Provision on receivables charged in the current tax year	13
7. Usage of previous years' accured losses	106	7. Other	184
8. Other	242		
Total	**13 467**	**Total**	**7 439**

Budapest Bank Group

VI / 6. Corporate tax calculation

in HUF MM

Nr	Description	31 december 2012								
		Based on the standalone financial statements of the group members								Based on the consolidated income
		Budapest Bank Zrt.	Budapest Autófinanszírozási Zrt.	Budapest Flotta Zrt.	Budapest Eszközfinanszírozó Kft.	Budapest Lízing Zrt.	Budapest Alapkezelő Zrt.	SBB Solution Zrt.	Total	
1.	**Profit before tax**	**13 593**	**2 509**	**217**	**129**	**(142)**	**1 298**	**(5)**	**17 599**	**15 788**
2.	Decreasing items of the corporate tax base	9 273	1 350	1 508	1 188	579	12	2	13 913	13 913
3.	Increasing items of the corporate tax base	4 899	291	2 352	1 380	323	11	2	9 257	9 257
4.	**Tax base**	**9 218**	**1 450**	**1 061**	**321**	**(398)**	**1 297**	**(4)**	**12 944**	**11 132**
5.	**Corporate tax charge**	1 706	228	157	32	-	201	-	2 325	2 325
6.	**Tax incentives**	-	-	-	-	-	135	-	135	135
7.	**Corporate tax charge after deduction of incentives**	1 706	228	157	32	-	67	-	2 191	2 191
8.	**Bank tax**	2 749	*	-	-	*	*	-	2 749	2 749
9.	**Total tax charge**	**4 456**	**228**	**157**	**32**	-	**67**	-	**4 940**	**4 940**

Comments:
The corporate tax is not 19% of tax base due to progressive taxing.

in HUF MM

Nr	Description	31 december 2013						
		Based on the standalone financial statements of the group members						Based on the consolidated income
		Budapest Bank Zrt.	Budapest Autófinanszírozási Zrt.	Budapest Eszközfinanszírozó Kft.	Budapest Lízing Zrt.	Budapest Alapkezelő Zrt.	Total	
1.	**Profit before tax**	**16 297**	**2 299**	**46**	**356**	**2 712**	**21 711**	**21 136**
2.	Decreasing items of the corporate tax base	9 280	1 503	792	776	1 116	13 467	13 467
3.	Increasing items of the corporate tax base	5 875	294	851	402	16	7 439	7 439
4.	**Tax base**	**12 891**	**1 090**	**106**	**(18)**	**1 613**	**15 682**	**15 108**
5.	**Corporate tax charge**	2 404	162	11	-	261	2 838	2 838
6.	**Other taxes**	612	-	-	-	-	612	612
7.	**Corporate tax charge after deduction of incentives**	2 404	162	11	-	261	2 838	2 838
8.	**Bank tax**	3 626	*	-	*	*	3 626	3 626
9.	**Total tax charge**	**6 642**	**162**	**11**	-	**261**	**7 076**	**7 076**

Comments:
The corporate tax is not 19% of tax base due to progressive taxing.
* Bank Tax is part of the income before tax

Budapest Bank Group

VI / 7. Breakdown of costs according to cost types

in HUF MM

Nr.	Description	2012	2013
1.	**Material expenses**	1 172	1 052
2.	Wage cost	17 051	15 776
3.	Other personal type payments	471	407
4.	Other fees	145	97
5.	Benefit in kind which do not increase the corporate tax base and representation cost	938	832
6.	Benefit in kind which increases the corporate tax base	1	2
7.	Other payments	23	17
8.	**Personal expenses (2.+3.+4.+5.+6.+7.)**	18 629	17 131
9.	Pension and health contribution **	4 681	4 301
10.	Health contribution	183	160
11.	Employer contribution	4	4
12.	Educational contribution	246	227
13.	Other personal type expenses	283	253
14.	**Social security expenses (9.+10.+11.+12.+13.)**	5 397	4 945
15.	Cost of transport and storage	209	212
16.	Rental fees	1 937	1 883
17.	Maintenance cost	2 949	2 949
18.	Marketing cost	1 297	1 036
19.	Training cost	160	136
20.	Travelling and delegation cost	88	102
21.	Post and telephone costs	1 179	1 064
22.	Intellectual services	2 810	2 719
23.	Other services used	2 954	2 410
24.	**Material type services used (15.+16.+17.+18.+19.+20.+21.+22.+23.)**	13 583	12 511
25.	**Depreciation**	2 949	3 061
26.	**Other costs**	-	-
27.	Subcontructors performance	-	-
28.	Reinvoiced capital work in progress	1 384	-
29.	Loss related to injury	-	-
30.	Cost of good sold	34 028	36 782
31.	Depreciation	1 722	453
32.	Assets received against receivables	-	-
33.	Material cost	12	9
34.	Personal cost	401	299
35.	Social security type costs	113	85
36.	Cost of used services	280	236
37.	Other costs	137	170
38.	**Expenses of non-financial and non-investment services (27-37.)***	38 077	38 034
39.	**Total (1.+ 8.+ 14.+ 24.+ 25.+26.+38.) :**	**79 807**	**76 734**

*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.
** Solidarity Tax from 2012

Budapest Bank Group

VI / 8. Other income and expense

in HUF MM

Nr.	Description	2012	2013
1.	Other income and expense related to financing activity	(12 132)	939
2.	Non-recoverable VAT	(2 866)	(2 956)
3.	Local taxes	(2 746)	(2 989)
4.	Insurance fee related to poducts	746	701
5.	Subcontractor activity / recharged invoices	88	88
6.	Membership fees, commissions	(579)	(569)
7.	Other income and expense related to previous years	363	695
8.	Other income and expense related to fixed assets	(24)	99
9.	Banking Tax	(1 036)	(999)
10.	Transaction duty	-	(11 416)
11.	Income from non-financial corporations	5 669	2 592
12	Operation expense of non-financial corporations	(3 922)	(1 346)
13.	Other income and expense	561	790
	Total	**(15 878)**	**(14 371)**

Notes:

To define the other income and expense the parenthetical item serves as expense, the positive sign shows income.
A big part of the 2011 Mortgage repayment program was settled in 2012.
The effect of this settlement totalling to 8.9 billion HUF can be seen in other expense line, while a same amount of 8.9 billion was released on loss line.
Net PL effect is nil.

Budapest Bank Group

VI / 9. Cash-flow statement

in HUF MM

	Description	2012	2013
01.	Interest income	88 466	73 877
02.	+ Income on other financial services	36 155	39 765
03.	+ Other income (without provision)	4 019	1 013
04.	+ Income on investment related services	1 790	2 156
05.	+ Income on non-financial and non-investment related services	40 862	40 396
06.	+ Dividends received	137	140
07.	+ Extraordinary income	2	45
08.	- Interest expenses	(21 649)	(16 773)
09.	- Expenditures on of other financial services	(21 067)	(17 433)
10.	- Other expenditures (without provisions)	(29 833)	(25 912)
11.	- Expenditure on investment related services	(47)	(50)
12.	- Expenses on non-financial and non-investment related activity	(38 077)	(38 034)
13.	- Operating costs	(38 781)	(35 638)
14.	- Extraordinary expenditures	(295)	(150)
15.	- Taxes	(4 940)	(7 076)
16.	- Dividends paid	-	-
17.	**OPERATING CASH FLOW (Lines 1-16)**	**16 742**	**16 326**
18.	± Change in liabilities	(32 912)	(28 084)
19.	± Change in receivables	51 680	10 010
20.	± Change in inventories	1 087	(94)
21.	± Change in securities among current assets	(51 491)	(10 967)
22.	± Change in investments	1	17 632
23.	± Change in construction (including advances)	29	(71)
26.	± Change in intangible assets	(1 237)	(2 189)
24.	± Change in tangible assets (excluding constructions)	(218)	(2 489)
25.	± Change in prepayments	1 303	2 660
27.	± Change in accruals	3 374	(4 532)
28.	+ Stock issue at selling price	-	-
29.	- Capital decrease	-	-
30.	± Change in retained earnings	-	179
31.	+ Cash and cash equivalents received based on law	-	-
32.	+ Cash and cash equivalents given based on law	-	-
33.	- Cancelled own shares	-	-
34.	**NET CASH FLOW (Lines 18-33)**	**(11 642)**	**(1 619)**
35.	Of which: - change in cash (in HUF and foreign currency)	1 451	(321)
36.	- money in account	(13 093)	(1 298)

Budapest Bank Group

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

Megnevezés	Disbursement	Repayment	Outstanding debt at year end HUF MM	Main conditions
1. Interest free employee loans - Board of Directors - Supervisory Board	 - -	 - -	 - -	 Long-term loan Real Estate collateral
1. Subtotal:	**-**	**-**	**-**	
2. Employee loans on preferential rate - Board of Directors - Supervisory Board	 - 7	 - -	 - 7	 Long-term loan Real Estate collateral
2. Subtotal:	**7**	**-**	**7**	
3. Mortgage - Board of Directors - Supervisory Board				 Long-term loan Real Estate collateral
3. Subtotal:	**-**	**-**	**-**	
4. Personal Loan - Board of Directors - Supervisory Board	 1	 -	 1	 Long-term loan No collateral
4. Subtotal:	**1**	**-**	**1**	
Total:	**8**	**-**	**8**	

The members of the Board of Directors and Supervisory Board have 3.310.000 Ft credit line on current account and 13.000.000 Ft credit line on credit card under standard contract terms of Budapest Bank.

Budapest Bank Group

VI / 11. Salaries and Wages

31 December 2013

in HUF MM

Description	Type of employee		Total:
	Blue collar	White collar	
1. Salaries and wages	-	**17 037**	**17 037**
a. Payroll cost	-	15 776	15 776
b. Other personal related payments	-	1 261	1 261
2. Salaries and wages paid on sick leave	-	**94**	**94**
			-
Total (1 + 2):	**-**	**17 131**	**17 131**

Budapest Bank Group

VI / 12. Number of employees

31 December 2013

PERIOD	Average Number of employees		
	Manual worker	White collar	Total
2012	-	2 890	**2 890**
2013	-	2 852	**2 852**

Budapest Bank Group

VI / 13. Large loans

in HUF MM

	31. december 2012	31. decemer 2013
The total of large loans as at balance sheet closing date	-	22 166
Number of clients, having large loans	-	1

Budapest Bank Group

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

31 December 2013

Description	Number of people entitled to remuneration	Amount of remuneration in HUF MM
Work Council	-	-
Board of Directors	-	-
Supervisory Board	3	10
Total :	**3**	**10**

VII.

CONSOLIDATED BUSINESS REPORT

BUDAPEST BANK GROUP

31 DECEMBER 2013.

CONSOLIDATED BUSINESS REPORT

31 December 2013

CAPITAL POSITION OF THE BANK-GROUP

The capital position of the Bank-group is stable. At the end of 2013, the shareholders' equity, together with the HUF 13 billion current year profit, amounted to HUF 154 billion.

At 31 December 2013 General Electric (GE Capital Global Financial Holdings, Inc.) held 100% of the shares.

In addition to the HUF 98 billion retained earnings accumulated in the course of previous years, the Bank-group has a total general reserve of HUF 10.8 billion, created for unforeseeable risks in accordance with the effective provisions of law on credit institutions.

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

ASSET QUALITY

The total assets of the Bank-group decreased by 2% during the financial year, from HUF 926 billion to HUF 905 billion.

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 299 billion (33 % of the total assets on December 31, 2013).

Loan receivable decreased by 3% to HUF 567 billion at the end of the year. During 2013 the Bank-group continually focused on the consumer, small and medium-size (SME-s) loan portfolio as in the prior year. Supporting this focus the Bank has joined the MNB growth loan program and improved further the Széchenyi Card Program. By the end of the year, the consumer portfolio of the Bank-group (including the total portfolio of Autofinance subsidiary) has decreased to HUF 386 billion.

The small and medium-size gross loan receivable slightly increased to HUF 225 billion, indicating the importance of this segment in the Bank-group's strategy.

Reserves made on loan receivables increased from HUF 118 billion to HUF 119 billion, which reflects a favourable level of credit risk reserve coverage of 17% at the end of the year 2013 for the customer receivables. During 2013 the delinquent loans ratio was improved mainly driven by Commercial, Mortgage and Bank Card loans.

CONSOLIDATED BUSINESS REPORT

31 December 2013

MANAGEMENT AND BUSINESS POLICY

During 2013 the Bank-group has paid major attention on rationalising operational costs, which will remain in focus for 2014.

The management strictly monitored products' pricing, especially for interest and fee generation while continuously considered and emphasized compliance aspects as well.

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

The consumer deposits, although still remained important, slightly decreased to HUF 227 billion during 2013 due to the decrease in BUBOR rate. Due to the fact that the HUF mortgage loans remained in focus there was only a slight decrease in the mortgage portfolio in HUF terms. The unsecured consumer portfolio (including credit card, private loan, sales finance) decreased by 9% to HUF 86 billion. Our new card product implementation was the Loan on Card (Részletformáló) product. The Partner Plusz program aimed to increase the number of customers.

In 2011 was introduced with Google the "Neten a Cégem" (My company on the internet) Initiative, which aim was, besides others, to promote the enterprenuors with the online marketing tools. The program was renewed in 2013 named as "Neten a Cégem Plusz" (My company on the internet Plussz).
From 2013 September through the "Üzletélénkítő" Program, we support the small companies: for the existing or new micro corporate customers our web-developer partner creates webpage for free, including one year free of charge operation. We also made available for these customer the creation and operation of webshop, for free. From November the Széchenyi Beruházási Hitel (Széchenyi Development Loan) was also available for the customers. The purpose of this type of loan is to enhance the development and growth of the corporations.

Due to the sharp decline in the autofinance market the auto portfolio of Budapest Autófinanszírozási Zrt. has decreased to 107 billion by the end of 2013.

The Budapest Bank network had 102 units at the end of the year including 101 branches and 1 Money Plus centre which serves the private banking customers. Branches in the area of Budapest are considered as sites, while branches outside of the Budapest area considered as branch offices.

The Bank made significant investments into the Békéscsaba Operation Centre in the past years. This includes training and educational expenditures, digitalization, office equipment, creation of work places and IT infrastructure. The number of employees at the end of 2013 was 736 in Békéscsaba including the branch employees, too.

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

In summary, Budapest Bank group has achieved good results in 2013 in spite of the turbulent economic and regulation environment. The good business results were maintained mainly due to the consumer lending and SME portfolio which was supported by the National Bank of Hungary loan program.
Budapest Bank received the "Bank of the year" professional recognition from Mastercard. As an innovative solution the "Play" account can be mentioned, which earned a second place in the "Bankaccount of the Year" contest of Mastercard. The loan product of the year was the Premium account of Budapest Bank, in the saving side the "2016 Fund of the Funds" was awarded.

CONSOLIDATED BUSINESS REPORT

31 December 2013

EARNINGS

The annual net income after tax of the Bank-group was HUF 14 billion, which is HUF 3.2 billion higher than in prior year.

Behind the increase there are several factors.
The net interest income decreased by 15% (by HUF 9.7 billion) compared to prior year.
The net fee income increased, the net financial income decreased, the other income decreased slightly. The overall result of the three increased by 11%, causing HUF 6.9 billion increase in the profit.

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

Interest rates of commercial loans followed the market trends (basically applying reference market rates in pricing), while in case of personal loans and mortgage products rates changes were performed on a selective way, keeping transparency for our customers in pricing strategy. Significant part of the HUF mortgage portfolio was linked to BUBOR interest rate.

During the year the operational and depreciation expenses decreased by 7% (by HUF 3 billion) compared to prior year. The main reason of the decrease was the HUF 2 billion drop in Compensation and Benefits expenses.

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

- the customer forwards are hedged with the deals with 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 1st January 2008.

During 2013 by the run-off of Foreign Currency Mortgage Repayment Program, the provision charge has decreased. The net effect of the new provision charges and usage (including the reserves) resulted 2.7 billion HUF profit before tax improvement.

CONSOLIDATED BUSINESS REPORT

31 December 2013

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

In the course of the year, the volume of credits provided to customers, especially the FX mortgage, decreased due to the unfavourable economic environment.

30% of the total assets are denominated in currencies other than HUF mainly in CHF, EUR and USD.

With decreasing lending activity, the Bank-group continued to increase its high level 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.

30% 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 affect significantly 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.

Budapest, 25th March 2014

Zolnai György	Pálcza Edit
CEO	CFO