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Independent Auditors' Report

To the shareholder of Budapest Hitel- és Fejlesztési Bank Zrt.

Report on the Consolidated Annual Report

We have audited the accompanying 2015 consolidated annual report of Budapest Hitel- és Fejlesztési Bank Zrt. (hereinafter referred to as "the Bank") and its subsidiaries, which comprises the consolidated balance sheet as at 31 December 2015, which shows total assets of MHUF 965,164 and retained profit for the year of MHUF 695, 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 that is 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.

This is an English translation of the Independent Auditors' Report on the 2015 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 set of consolidated annual report it refers to.

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 2015, 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 2015 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 2015 consolidated business report of Budapest Hitel- és Fejlesztési Bank Zrt. and its subsidiaries is consistent with the data included in the 2015 consolidated annual report of Budapest Hitel- és Fejlesztési Bank Zrt. and its subsidiaries.

Budapest, 5 April 2016

KPMG Hungária Kft.

Registration number: 000202

Gábor Agócs
Partner, Professional Accountant
Registration number: 005600

This is an English translation of the Independent Auditors' Report on the 2015 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 set of consolidated annual report it refers to.

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Budapest Bank Zrt. and subsidiaries

Consolidated Financial Statements

(Translation from Hungarian original)

31 December 2015

Budapest, 05 April, 2016

György Zolnai	Katalin Deák, Keresztyénné
Chief Executive Officer	Chief Finance Officer

Statistic code: 10196445641911401

BALANCE SHEET (FINANCIAL INSTITUTIONS)

in million HUF

		Description	31/12/2014	Previous year Adjustments	31/12/2015
a		b	c	d	e
01	1.	**FINANCIAL ASSETS**	**28 320**	-	**20 084**
02	2.	**SECURITIES**	**131 042**	-	**141 930**
03	a)	available for sale	100 925	-	61 767
04	b)	for investment purposes	30 117	-	80 163
05	2/A.	**valuation difference of securities**	-	-	-
06	3.	**RECEIVABLES FROM FINANCIAL INSTITUTIONS**	**114 826**	-	**198 726**
07	a)	on sight	5 024	-	6 346
08	b)	other receivables from financial services	109 802	-	192 380
09	ba)	due within one year	109 802	-	192 380
10		Of which: - subsidiaries	-	-	-
11		- affiliated companies	-	-	-
12		- National Bank of Hungary	69 500	-	164 743
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	3/A.	**valuation difference of receivables to financial institutions**	-	-	-
24	4.	**RECEIVABLES FROM CUSTOMERS**	**581 363**	-	**533 626**
25	a)	from financial services	580 778	-	533 621
26	aa)	due within one year	282 163	-	264 548
27		Of which: - subsidiaries	-	-	-
28		- affiliated companies	-	-	-
29	ab)	due more than one year	298 615	-	269 073
30		Of which: - subsidiaries	-	-	-
31		- affiliated companies	-	-	-
32	b)	receivables against customers from investment services (35.+36.+37.+38.+39. row)	585	-	5
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	585	-	5
38	bd)	receivables to KELER	-	-	-
39	be)	receivables to other investment services	-	-	-
40	4/A.	**valuation difference of receivables to customers**	-		-
41	5.	**BONDS AND OTHER SECURITIES**	**20**	-	**31 420**
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	-	31 420
46	ba)	available for sale	20	-	10 907
47		Of which: -issued by subsidiaries	-	-	-
48		- issued by affiliated companies	-	-	-
49		- repurchased own shares	-		-
50	bb)	for investment purposes	-	-	20 513
51		Of which: -issued by subsidiaries	-	-	-
52		- issued by affiliated companies	-	-	-
53	5/A.	**valuation difference of bonds and other securities**	-	-	-
54	6.	**SHARES AND OTHER SECURITIES**	**2 198**	-	**3 956**
55	a)	shares available for sale	-	-	-
56		Of which: -issued by subsidiaries	-	-	-
57		- issued by affiliated companies	-	-	-
58	b)	securities with variable yield	2 198	-	3 956
59	ba)	available for sale	2 198	-	3 956
60	bb)	for investment purposes	-	-	-
61	6/A.	**valuation difference of shares and other securities**	-	-	-
62	7.	**SHARES FOR INVESTMENT PURPOSES**	**245**	-	**242**
63	a)	shares for investment purposes	245	-	242
64		of which: - shares in financial institutions	-	-	-
65	b)	revaluation of shares for investment purposes	-	-	-
66		of which: - shares in financial institutions	-	-	-
67	7/A.	**valuation difference of shares for investment purposes**	-	-	-
68	8.	**SHARES IN AFFILIATED COMPANIES FOR INVESTMENT PURPOSES**	-	-	-
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	-	-	-
74	ca)	Of which: - subsidiaries	-	-	-
75	cb)	- affiliated companies	-	-	-
76	9.	**INTANGIBLE ASSETS**	**5 222**	-	**7 113**
77	a)	intangible assets	5 222	-	7 113
78	b)	revaluation of intangible assets	-	-	-

Statistic code: 10196445641911401

in million HUF

	Description		31/12/2014	Previous year Adjustments	31/12/2015
a	b		c	d	e
79	**10.**	**TANGIBLE ASSETS**	**15 617**	-	**14 094**
80	a)	tangible assets serving the activities of financial institutions	11 854	-	10 240
81	aa)	real estate	7 801	-	6 628
82	ab)	technical equipment, machinery and vehicles	3 811	-	3 516
83	ac)	construction-in-progress	242	-	96
84	ad)	prepayments on construction-in-progress	-	-	-
85	b)	tangible assets serving the non-financial activities	3 763	-	3 854
86	ba)	real estate	-	-	-
87	bb)	technical equipment, machinery and vehicles	3 763	-	3 854
88	bc)	construction-in-progress	-	-	-
89	bd)	prepayments on construction-in-progress	-	-	-
90	c)	revaluation of tangible assets	-	-	-
91	**11.**	**OWN SHARES**	-	-	-
92	**12.**	**OTHER ASSETS (93+94+97)**	**9 703**	-	**9 636**
93	a)	inventories	424	-	22
94	b)	other receivables	9 279	-	9 614
95		Of which: - subsidiaries	-	-	-
96		- affiliated companies	-	-	-
97	c)	Receivables from consolidated Tax	-		-
98	**12/A.**	**valuation difference of other receivables**	**-**	**-**	**-**
99	**12/B.**	**positiv valuation difference of derivatives**	**2 088**	**-**	**14**
100	**13.**	**PREPAYMENTS AND ACCRUALS (101+102+103)**	**4 811**	-	**4 323**
101	a)	income accruals	4 287	-	3 832
102	b)	expense accruals	524	-	491
103	c)	deferred expenses	-	-	-
104	**TOTAL ASSETS**		**895 455**	-	**965 164**
105		**CURRENT ASSETS [1 + 2.a) + 3.a) + 3.ba) + 3.c) + 4.aa) + 4.b) + 5.aa) + 5.ba) + 6.a) + 6.ba) + 11 + 12 + a 2/A, 3/A, 4/A, 5/A, 6/A, 12/A és 12/B items of which related to current assets]**	**540 828**		**569 643**
106		**FIXED ASSETS [2.b) + 3.bb) + 4.ab) + 5.ab) + 5.bb) + 6.bb) + 7 + 8 + 9 + 10 +12.c) + a 2/A, 3/A, 4/A, 5/A, 6/A, 7/A, 12/A és a 12/B items of which related to fixed assets]**	**349 816**	-	**391 198**

Statistic code: 10196445641911401

BALANCE SHEET (FINANCIAL INSTITUTIONS)

in million HUF

		Description	31/12/2014	Previous year Adjustments	31/12/2015
a		b	c	d	e
107	**1.**	**LIABILITIES TO FINANCIAL INSTITUTIONS**	**116 400**	-	**145 411**
108	a)	on sight	138	-	11
109	b)	liabilities deposited for a set period of time	116 261	-	145 399
110	ba)	due within one year	22 767	-	7 300
111		Of which: - subsidiaries	-	-	-
112		- affiliated companies	-	-	-
113		- National Bank of Hungary	22 383	-	6 895
114		- receivables to KELER	-		-
115	bb)	due more than one year	93 494	-	138 099
116		Of which: - subsidiaries	-	-	-
117		- affiliated companies	-	-	-
118		- National Bank of Hungary	67 040	-	105 267
119		- receivables to KELER	-		-
120	c)	liabilities from investments services	1	-	1
121		Of which: - subsidiaries	-	-	-
122		- affiliated companies	-	-	-
123		- receivables to KELER	-		-
124	**1/A.**	**valuation difference of liabilities to financial institutions**	**-**		**-**
125	**2.**	**LIABILITIES TO CUSTOMERS**	**588 530**	-	**663 737**
126	a)	saving deposit	**-**	-	**-**
127	aa)	on sight	-	-	-
128	ab)	due within one year	-	-	-
129	ac)	due more than one year	-	-	-
130	b)	other liabilities from financial services	585 540	-	658 142
131	ba)	on sight	303 619	-	397 632
132		Of which: - subsidiaries	-	-	-
133		- affiliated companies	-	-	-
134	bb)	due within one year	155 617	-	252 199
135		Of which: - subsidiaries	258	-	-
136		- affiliated companies	-	-	-
137	bc)	due more than one year	126 304	-	8 311
138		Of which: - subsidiaries	115 738	-	-
139		- affiliated companies	-	-	-
140	c)	liabilities from investments services	2 990	-	5 595
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	2 990	-	5 595
146	cd)	liabilities to KELER	-	-	-
147	ce)	liabilities to other investment services	-	-	-
148	**2/A.**	**valuation difference of liabilities to customers**	**-**	**-**	**-**
149	**3.**	**ISSUED BONDS AND OTHER, INTEREST-BEARING SECURITIES**	-	-	-
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	**4.**	**OTHER LIABILITIES**	**11 519**	-	**25 164**
172	a)	due within one year	11 519	-	25 164
173		Of which: - subsidiaries	-	-	12 500
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	**4/A.**	**negativ valuation difference of derivatives**	**39**	**-**	**38**
181	**5.**	**ACCRUALS**	**11 344**	-	**8 256**
182	a)	income accruals	725	-	353
183	b)	expense accruals	10 619	-	7 903
184	c)	deferred income	-	-	-
185	**6.**	**RESERVES**	**52 057**	-	**4 676**
186	a)	Reserves for pension and severance payments	-	-	-
187	b)	Reserves on contingent and future liabilities	3 436	-	3 816
188	c)	general risk reserve	-	-	-
189	d)	other reserve	48 621	-	860
190	**7.**	**SUBORDINATED DEBT**	**150**	-	**150**
191	a)	subordinated loan	-	-	-
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

in million HUF

			Description	31/12/2014	Previous year Adjustments	31/12/2015
200	**8.**		**SHARE CAPITAL**	**19 346**	-	**19 396**
201			from which: - repurchased own shares on face value	-	-	-
202	**9.**		**ISSUED, UNPAID SHARE CAPITAL (-)**	-	-	-
203	**10.**		**SHARE PREMIUM**	**-**	-	**-**
204		a)	premium from issue of shares	-	-	-
205		b)	other	-	-	-
206	**11.**		**GENERAL RESERVE**	**-**	-	**1 571**
207	**12.**		**RETAINED EARNINGS**	**111 210**	-	**103 934**
208	**13.**		**CAPITAL ENGAGED**	**-**	-	**-**
209	**14.**		**VALUATION RESERVE**	-	-	**-**
210		a)	valuation reserve of revaluation	-	-	**-**
211		b)	valuation reserve of valuation at fair market value	-	-	**-**
212	**15.**		**NET PROFIT (LOSS) FOR THE YEAR (+-)**	**(27 911)**	-	**695**
213	**16.**		**CHANGES IN SUBSIDIARIES' EQUITY (+,-)**	**12 771**	-	**(7 864)**
214	**17.**		**CHANGES DUE TO THE CONSOLIDATION (+,-)**	**-**	-	**-**
215		a)	from debt consolidation	**-**	-	-
216		b)	from internal profit consolidation	-	-	-
217	**18.**		**MINORITY INTEREST**	**-**	-	**-**
218	**TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS**			**895 455**	-	**965 164**
219			**SHORT TERM LIABILITIES [1.a) + 1.ba) + 1.c) + 1/A + 2.aa) + 2.ab) + 2.ba) + 2.bb) + 2.c) + 2/A + 3.aa) + 3.ba) + 3.ca) + 4.a) + 4/A]**	**496 690**	-	**687 940**
220			**LONG TERM LIABILITIES [1.bb) + 2.ac) + 2.bc) + 3.ab) + 3.bb) + 3.cb) + 4.b) + 7]**	**219 948**	-	**146 560**
221			**SHAREHOLDER'S FUND [8 - 9 + 10 + 11 ± 12 + 13 + 14 ± 15 + 16 + 17 + 18]**	**115 416**	-	**117 732**

Off-Balance Sheet Items

		Description	31/12/2014	Previous year Adjustments	31/12/2015
222		Commitments and contingent liabilities	242 732	-	253 788
223		Futures liabilities	170 591	-	6 964
224		**Total off-balance sheet liabilities**	**413 323**	-	**260 752**
225		**Total off-balance sheet receivables**	**178 948**	-	**6 995**

Budapest, 05 April, 2016

György Zolnai
Chief Executive Officer

Katalin Deák, Keresztyénné
Chief Finance Officer

Statistic code: 10196445641911401

PROFIT AND LOSS STATEMENT (FINANCIAL INSTITUTIONS)

in million HUF

		Description	2014	Previous year Adjustments	2015
a		b	c	d	e
1	**1.**	**INTEREST INCOME**	**58 053**		**48 327**
2	a)	interest income from fixed interest-bearing securities	2 744		1 933
3		Of which: - subsidiaries	-		-
4		- affiliated companies	-		-
5	b)	other interest income	55 309		46 394
6		Of which: - subsidiaries	-		-
7		- affiliated companies	-		-
8	**2.**	**INTEREST EXPENSE**	**8 453**		**5 680**
9		Of which: - subsidiaries	2 822		-
10		-affiliated companies	-		-
11		**NET INTEREST INCOME**	**49 600**		**42 647**
12	**3.**	**DIVIDEND RECEIVED**	**-**		**-**
13	a)	joint ventures	-		-
14	b)	affiliated companies	-		-
15	c)	other	-		-
16	**4.**	**FEE INCOME**	**31 008**		**30 339**
17	a)	fee income of other financial services	28 187		27 714
18		Of which: - subsidiaries	-		-
19		- affiliated companies	-		-
20	b)	fee income of investment services	2 821		2 625
21		Of which: - subsidiaries	-		-
22		- affiliated companies	-		-
23	**5.**	**FEE EXPENSE**	**6 250**		**6 004**
24	a)	fee expense of other financial services	6 207		5 953
25		Of which: - subsidiaries	-		-
26		- affiliated companies	-		-
27	b)	fee expense of investment services (excluding expense of trading activities)	43		51
28		Of which: - subsidiaries	-		-
29		- affiliated companies	-		-
30	**6.**	**NET INCOME OF FINANCIAL SERVICES [6/a.-6/b.+6/c.-6/d.)**	**4 376**		**4 698**
31	a)	income of other financial services	16 370		9 699
32		Of which: - subsidiaries	-		-
33		- affiliated companies	-		-
34		- valuation difference	2 141		20
35	b)	expense of other financial services	12 181		5 094
36		Of which: - subsidiaries	-		-
37		- affiliated companies	-		-
38		- valuation difference	187		474
39	c)	income of investment services (income of trading activities)	203		160
40		Of which: - subsidiaries	-		-
41		- affiliated companies	-		-
42		- release of provision on securities available for sale	-		-
43		- valuation difference	-		-
44	d)	expense of investment services (income of trading activities)	16		67
45		Of which: - subsidiaries	-		-
46		- affiliated companies	-		-
47		- provision charge on securities available for sale	-		-
48		- valuation difference	-		-
49	**7.**	**OTHER INCOME**	**60 274**		**73 029**
50	a)	income of non-financial and non-investment services	55 451		66 941
51		Of which: - subsidiaries	-		-
52		- affiliated companies	-		-
53	b)	other income	4 823		6 088
54		Of which: - subsidiaries	-		-
55		- affiliated companies	-		-
56		- release of provision on inventories	25		32
57	ba)	profit increasing item due to consolidation	-		-

Statistic code: 10196445641911401

in million HUF

			Description	2014	Previous year Adjustments	2015
58	**8.**		**OPERATING COSTS**	**38 628**		**38 399**
59	a)		personal type costs	22 665		23 763
60		aa)	salaries and wages	16 148		17 047
61		ab)	other personal type costs	1 365		1 374
62			of which: - social securities	234		204
63			- pension related costs	143		95
64		ac)	affix of wages	5 152		5 342
65			of which: - social securities	4 380		4 879
66			- pension related costs	4 243		-
67	b)		other operating costs (materials)	15 963		14 636
68	**9.**		**DEPRECIATION**	**3 335**		**3 389**
69	**10.**		**OTHER EXPENSES**	**76 468**		**84 517**
70	a)		expenses of non-financial and non-investment services	52 519		63 987
71			Of which: - subsidiaries	-		-
72			- affiliated companies	-		-
73	b)		other expenses	23 949		20 530
74			Of which: - subsidiaries	-		-
75			- affiliated companies	-		-
76			Provision charge on inventory	12		-
77		ba)	profit decreasing item due to consolidation	-		-
78	**11.**		**PROVISION CHARGE ON RECEIVABLES AND ON CONTINGENT AND FUTURE LIABILITIES**	**19 433**		**9 661**
79	a)		provision charge on receivables	18 545		8 519
80	b)		provision charge on contingent and future liabilities	888		1 142
81	**12.**		**RELEASE OF PROVISION ON RECEIVABLES AND ON CONTINGENT AND FUTURE LIABILITIES**	**12 533**		**11 435**
82	a)		release of provision on receivables	10 533		10 701
83	b)		release of provision on contingent and future liabilities	2 000		734
84	12/A.		General risk reserve difference of charge and release	-		-
85	**13.**		**PROVISION CHARGE ON SECURITIES PORTFOLIO**	1		**3**
86	**14.**		**RELEASE OF PROVISION ON SECURITIES PORTFOLIO**	-		**-**
87	**15.**		**NET INCOME OF FINANCIAL SERVICES**	**13 676**		**20 175**
88			**of which: NET INCOME OF FINANCIAL AND INVESTMENT SERVICES [1-2+3+4-5±6+7.b)-8-9-10.b)-11+12-13+14]**	**10 744**		**17 221**
89			**NET INCOME OF NON-FINANCIALAND NON-INVESTMENT SERVICES [7.a)-10.a)]**	**2 932**		**2 954**
90	16.		Extraordinary revenues	13		58 428
91	17.		Extraordinary expenditures	50 592		59 654
92	**18.**		**NET PROFIT (LOSS) OF EXTRAORDINARY ITEMS (16-17)**	**(50 579)**		**(1 226)**
93	**19.**		**PROFIT BEFORE TAXATION (±15±18)**	**(36 903)**		**18 949**
94	**20.**		**TAXATION**	1 822		4 183
95	a)		Tax difference due to consolidation (±)	-		-
96	**21.**		**PROFIT AFTER TAXATION (±19-20)**	**(38 725)**		**14 766**
97	**22.**		**CHANGE AND RELEASE OF GENERAL RESERVES (±)**	(10 814)		1 571
98	**23.**		**DIVIDEND AND PROFIT-SHARING PAYABLE**	-		12 500
99			Of which: - subsidiaries	-		12 500
100			- affiliated companies	-		-
101	**24.**		**NET PROFIT (LOSS) FOR THE YEAR (±21±22-23)**	**(27 911)**		**695**

Budapest, 05 April, 2016

György Zolnai
Chief Executive Officer

Katalin Deák, Keresztyénné
Chief Finance Officer

Budapest Bank Zrt. and Subsidiaries

Notes to the Consolidated Financial Statements

31 December 2015

Budapest, 05 April, 2016

György Zolnai	Katalin Deák, Keresztyénné
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.)

General Electric Capital purchased additional shares over time and became a majority shareholder, then in 2012, it 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.

GE Capital signed an agreement with the Hungarian Government about the sale of Budapest Bank on February 13, 2015. The actual 100% buyer on behalf of the Government is the Corvinus International Investment Ltd (located: 1027 Budapest, Kapás street 6-12 second floor, www.corvinus.hu) managed by the Hungarian Development Bank Ltd. The financial settlement of the purchase was taken place on June 29, 2015. The Budapest Bank Zrt. is fully consolidated to the consolidated Annual Report of Corvinus International Investment Ltd.

The annual general meeting in 2012 has changed the Bank's operational form to private limited company. The share capital of the bank as of December 31, 2015 amounted to HUF 19,396 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 96 branches.

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.

Budapest Leasing Ltd. pursues finances leases to corporate customers.

Budapest Fund Management Ltd. manages mutual investment funds.

CDM Ltd. (CDM Hitel- és Fejlesztési Bank Zrt.) the Registry Court registered the CDM Bank on January 16, 2015 as a 100% owned investment of Budapest Bank, currently operational activities was not carried out.

BUDAPEST BANK

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 2015 the balance sheet total of Budapest Auto Finance Ltd. was HUF 63,359 million, its registered capital was HUF 182 million, the company's shareholders' equity was HUF 1,716 million, and the net loss was HUF 1,309 million.

2) **Budapest Equipment Finance Ltd (Budapest Eszközfinanszírozó Zrt.)** was created in 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 2015 the balance sheet total of Budapest Equipment Finance Ltd. was HUF 6,565 million, company's registered capital amounted to HUF 9 million, its shareholders' equity was HUF 4,266 million, and the net profit was HUF 110 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 2015 the balance sheet total was HUF 52,764 million, the company's registered capital amounted to HUF 62 million, its shareholders' equity was HUF 6,768 million, and its result was HUF 499 million profit.

4) **Budapest Fund Management Ltd. (Budapest Alapkezelõ Zrt.)** was established in 1992. It manages the increasing number of investment funds grounded by the company. As of the end of 2015 the balance sheet total of Budapest Fund Management Ltd. amounted to HUF 4,437 million, its registered capital was HUF 500 million, its shareholders' equity was HUF 1,231 million. The company's profit is 0, since it paid out its total net profit - HUF 1,868 million – plus HUF 1,132 million retained earnings as 2015 dividend to the Bank.

5) **CDM Ltd. (CDM Hitel- és Fejlesztési Bank Zrt**.) was established in 2015, currently operational activities was not carried out by CDM. As of the end of 2015 the balance sheet total of CDM Ltd. was HUF 2,099 million, its registered capital was HUF 2,000 million, the company's shareholders' equity was HUF 2,099 million, and the net loss was HUF 1 million.

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

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

Act CCXXXVII. of 2013 on credit institutions and financial enterprises,
Act V. of 2013 on the Civil Code,
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 Bank-group is based upon the 14 basic principles of accounting as set forth in the Act on Accounting. Independent audit is obligatory for the Bank-group based on the 155. § of the Act of Accounting. The official auditor of the Bank is the KMPG Hungary Kft. (1134 Budapest Váci út 31.), Agócs Gábor (id. number: 005600). The Annual report of the Bank is available on http://www.budapestbank.hu/. The Bank-group booked audit fees of HUF 80 million for the financial year 2015.

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 14th.

Pursuant to the provisions of relevant laws, errors identified in the course of audits performed shall be considered to be material for the Bank-group, if the aggregate impact of such errors, either positive or negative ones, are in excess of HUF 5 billion. Errors are considered to be material in all cases when during the audits in a given year the aggregate impact of such errors effecting the Bank-group's net income or shareholders' equity, either positive or negative ones, are in excess of 2% of total assets.

Changes in previously published data shall be considered to be material for the Bank-group if the sum of such errors reaches the materiality limit.

Valuation principles:

Cash and equivalents

The Bank-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

In this section the Bank-group includes securities purchased for non-investment purpose and securities representing lending relations as well as investments by shares.
Securities bought for non-investment 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 bank 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 Bank-group sets forth the inventories at historical cost in the relevant inventory accounts. The Bank-group determines the value of the inventories under the FIFO method.

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.

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 Bank-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 Bank-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 its 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 Bank-group	6 %
Machines, equipment	14.5 %
Computer equipment	33 %
Vehicles	20 %

The Bank-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, from liquidity and risk management activity, as well as liabilities originating from investment services.

Accrual

The Bank-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.) and to the Accounting law (paragraph 55 (2)), 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. The Bank-group has made all the necessary provisions and reserves.

The Bank-group does not generate the so-called General Risk Provision.

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 its 2015 financial statement. 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 97.7 billion HUF, the book value was 58.1 billion of as of 31st December 2015.

During 2015 based on paragraph 107 (3) of Act CXII. on credit institutions and financial enterprises, on paragraph 7 (11) of Government Decree no. 250/2000 and on paragraph 41 (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 earnings, 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 83 of the Htp. Constitution of the 10% General Reserve is considered individually on a yearly basis. During 2015, the Bank-group booked the mandatory 10 % reserve.
The components of the Bank-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.
Future or forward trades with customers are hedged by the Bank by deals made with its parent company meaning that the settlement of these trades are done in accordance with the regulations of the Government Decree no. 250/2000 (XII.24.) about the specific aspects of the financial statements and accounting responsibilities of credit institutions and financial enterprises. Swap deals between HUF and foreign currencies that are not closed until the closing date of the Balance sheet are not considered hedges.

Contingent and future liabilities

The contingent and future liabilities of the Bank-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 provision is made by the Bank-group 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 Bank-group - on the performance (profitability) of the Bank-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 Bank-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 Bank-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.
If the current year difference differs from prior year's number the positive change is recorded in this line.

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 2015

In accordance with the provisions of Law XXXVIII. of 2014 (Curia legislation about consumer loans) and Law XL. of 2014 (Settlement law) the group established a HUF 48,6 billion reserve in 2014 for it consumer loans and recorded it as extraordinary expense. During 2015, further HUF 0.7 billion loss was recognized.

Based on the decision of the Hungarian Competition Authority (GVH), Magyar Bankszövetség (Hungarian Banking Association) – with the collaboration of Nemzetközi Bankárképző Központ Zrt. (International Training Centre for Bankers Ltd.) – had been operating the so called "BankAdat" database in a way that was likely to restrict competition, as it had made it possible for the banks to share private, confidential and strategic data with each other. The GVH imposed a total fine of HUF 4.015 billion for the infringement. The Bank-group established a reserve to its share of the penalty.

The Bank-group sold its shares in Mastercard and partially in Visa, and made one-off HUF 3,310 million and HUF 413 million profits on it respectively.

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

HUF 560 million was been transferred to the National Deposit Insurance Fund in the year 2015. HUF 134 million was paid in the Investor Protection Fund. Budapest Bank, as the member of the Bank Resolution Fund, transferred HUF 198 million to the fund in 2015.

Overall: excluding one-offs and extraordinary items, the Bank-group operated in a profitable way in 2015. The owner of the Bank-Group declared dividends of HUF 12.5 billion from the profit of the year 2015.

The year 2015 report of Budapest Bank-group is signed by Mr. György Zolnai, Chief Executive Officer of the Bank (1026 Budapest, Orsó u. 35.) and Mrs. Katalin Keresztyén Deák, Chief Finance Officer of the Bank (1161 Budapest, Pálya utca 49).

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.)

V/1. Budapest Bank Zrt. Consolidated subsidiaries and other eqity investments
31 December 2015

	Company			
	Name	Address (seat)	Purchase value (in HUF MM)	Voting rights
1. Participation in subsidiaries involved int he consolidation	Budapest Autófinanszírozási Zrt.	1138 Budapest, Váci út 193.	11 250	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%
	CDM Hitel-és Fejlesztési Bank Zrt.	1138 Budapest, Váci út 193.	2 100	100%
2. Other companies, not involved in concolidation	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	12	0,02%
	Park Teniszklub Zrt.	1114 Budapest, Bartók Béla út 15/d.	0,1	0,30%
	VISA Europe Ltd.	1 Sheldon Square London W2 6TT	-	0,00%

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

31 December 2015

Subsidiary	BB Zrt. Directed 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.	11 250	100	182	1 716	(1 309)
Budapest Lízing Zrt.	6 380	100	62	6 768	499
Budapest Alapkezelő Zrt.	10	100	500	1 231	-
Budapest Eszközfinanszírozó Zrt.	5 887	100	9	4 266	110
CDM Hitel-és Fejlesztési Bank Zrt.	2 100	100	2 000	2 099	(1)
Total:	**25 627**		**2 753**	**16 080**	**(701)**

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

31 December 2015

Subsidiary	BB Zrt's participation in the subsidiary % (a)	The subsidiaries' equity without the profit of the year before payment of Dividend 31 december 2015 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 2015 HUF MM (h=b-c+g)
Budapest Autófinanszírozási Zrt.	100,00%	3 025	11 250	-	-	-	-	(8 225)
Budapest Lízing Zrt.	100,00%	6 269	6 380	133	-	133	-	(111)
Budapest Alapkezelő Zrt.	100,00%	2 363	10	(4)	-	-	(4)	2 349
Budapest Eszközfinanszírozó Zrt.	100,00%	4 156	5 887	(146)	-	-	(146)	(1 877)
CDM Hitel-és Fejlesztési Bank Zrt.	100,00%	2 100	2 100	-	-	-	-	-
Total:		**17 913**	**25 627**	**(17)**	**-**	**133**	**(150)**	**(7 864)**

Positive equity consolidation difference:	**0**
Negative equity consolidation difference:	**(150)**

V/4.a. The gross value of intangible and tangible assets of the consolidated companies in 2015

in HUF MM

Description	Changes in Gross Value				
	Opening balance	During the year			Closing balance
		Increase	Decrease	Reclass	
I. Total intangible assets	**21 063**	**3 856**	**417**	**-**	**24 502**
a/ Rights and licenses	823	-	-	-	823
b/ Intellectual properties	20 240	3 856	417	-	23 679
c/ Capitalised value of foundation/restructuring	-	-	-	-	-
II.1 Tangible assets serving financial institutions's activities	**26 238**	**2 789**	**2 427**	**-**	**26 600**
a/ Properties and related rights	12 876	554	532	-	12 898
b/ Technical equipment, machinery and vehicles	13 120	1 585	1 099	-	13 606
c/ Assets under construction	242	650	796	-	96
d/ Advances for assets under construction	-	-	-	-	-
II.2 Tangible assets related to non-financial services	**6 667**	**1 599**	**1 126**	**-**	**7 140**
a/ Properties and related rights	-	-	-	-	-
b/ Technical equipment, machinery and vehicles	6 667	1 599	1 126	-	7 140
c/ Assets under construction	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-

V/4.b. Accumulated depreciation and current year depreciation on intangible and tangible assets in 2015

in HUF MM

Description	Accumulated depreciation						
	Opening balance	During the year			Of which		Closing balance
		Increase	Decrease	Reclass	Planned depreciation	Extraordinary depreciation	
I. Total intangible assets	**15 841**	**1 548**	**-**	**-**	**1 531**	**-**	**17 389**
a/ Rights and licenses	15	-	-	-	-	-	15
b/ Intellectual properties	15 826	1 548	-	-	1 531	-	17 374
c/ Capitalised value of foundation/restructuring	-	-	-	-	-	-	-
II.1 Tangible assets serving financial institutions's activities	**14 384**	**3 225**	**1 249**	**-**	**2 047**	**1 176**	**16 360**
a/ Properties and related rights	5 075	1 499	304	-	492	1 007	6 270
b/ Technical equipment, machinery and vehicles	9 309	1 726	945	-	1 555	169	10 090
c/ Assets under construction	-	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-	-
II.2 Tangible assets related to non-financial services	**2 904**	**1 256**	**874**	**-**	**19**	**-**	**3 286**
a/ Properties and related rights	-	-	-	-	-	-	-
b/ Technical equipment, machinery and vehicles	2 904	1 256	874	-	19	-	3 286
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 (II. 1a)	**Gross Value (HUF MM)**	**Cummulated Depreciation (HUF MM)**
Right of lease	68	68
Right of usage	2	1

V/5. Inventories

in HUF MM

Description	As of 31 December 2014	As of 31 December 2015
Precious metals for sale	-	-
Office materials	-	-
Printed materials	-	-
Stock	3	1
Mediated services	15	12
Stock purchased in the scope of Lease contracts	400	-
Repossessed cars, leased assets	26	58
Provision on Stock/Equipment against receivables	(20)	(49)
Other	-	-
Total :	**424**	**22**

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

in HUF MM

Description	Total of 31 December 2014	Total of 31 December 2015	Breakdown of the portfolio of 31 December 2015 in maturity split				
			On sight	wighin 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. Receivables to financial institutions	**114 826**	**198 726**	**6 346**	**192 380**	**-**	**-**	**-**
On sight	**5 024**	**6 346**	6 346	-	-	-	-
Other receivables to financial institutions	**109 802**	**192 380**	**-**	**192 380**	**-**	**-**	**-**
- Within one year	**109 802**	**192 380**	-	192 380	-	-	-
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
National Bank of Hungary	69 500	164 743	-	164 743	-	-	-
- Over one year	**-**	-	**-**	**-**	**-**	**-**	**-**
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
National Bank of Hungary	-	-	-	-	-	-	-
II. Receivables against customers	**581 363**	**533 626**	**82 462**	**39 040**	**143 051**	**153 043**	**116 030**
Receivables from financial services	**580 778**	**533 621**	**82 457**	**39 040**	**143 051**	**153 043**	**116 030**
- Within one year	**282 163**	**264 548**	82 457	39 040	143 051	-	-
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
- Over one year	**298 615**	**269 073**	**-**	**-**	**-**	153 043	116 030
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
Receivables from investment services	**585**	**5**	5	-	-	-	-
Total:	**696 189**	**732 352**	**88 808**	**231 420**	**143 051**	**153 043**	**116 030**

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

in HUF MM

Description	31 December 2015					31 December 2014
	EUR	**Non EUR**			Total	Total
		USD	HUF	Other		
1. Cash	**613**	**122**	**19 306**	**43**	**20 084**	**28 320**
2. State Bonds	**-**	**-**	**141 930**	**-**	**141 930**	**131 042**
3. Receivables :	**78 752**	**16 430**	**642 277**	**4 507**	**741 966**	**705 468**
a) On sight	4 927	899	-	520	6 346	5 024
b) Maturing within one year	33 881	15 287	415 453	1 921	466 542	401 244
- to financial institutions	8 047	13 844	168 874	1 615	192 380	109 802
- to customers	25 831	1 437	237 004	276	264 548	282 163
- other receivables	3	6	9 575	30	9 614	9 279
c) Maturing over one year	39 944	239	226 824	2 066	269 073	298 615
- to financial institutions	-	-	-	-	-	-
- to customers	39 944	239	226 824	2 066	269 073	298 615
d) From inverstment services	-	5	-	-	5	585
4. Securities (bonds)	**26 511**	**-**	**4 909**	**-**	**31 420**	**20**
5. Shares and other securities	**-**	**-**	**3 956**	**-**	**3 956**	**2 198**
6. Shares for sale/ for investment purposes	**12**	**-**	**230**	**-**	**242**	**245**
7. Shares in affiliated companies	**-**	**-**	**-**	**-**	**-**	**-**
8. Intangible Assets	**-**	**-**	**7 113**	**-**	**7 113**	**5 222**
9. Tangible Assets	**-**	**-**	**14 094**	**-**	**14 094**	**15 617**
10. Inventories	**-**	**-**	**22**	**-**	**22**	**424**
11. Positive valuation difference of derivatives	**-**	**-**	**14**	**-**	**14**	**2 088**
12. Prepayments	**448**	**2**	**3 872**	**1**	**4 323**	**4 811**
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12)	**106 336**	**16 554**	**837 723**	**4 551**	**965 164**	**895 455**

V/8. Reserves movements from 1 January 2015 to 31 December 2015

in HUF MM

Description	Opening balance	Reserve (write-off)	Charge	Reserve (release)	Foreign Exchange	Closing balance
1. Reserve for pension and severence	-					-
2. Reserve on contingent and future liabilities	3 436		1 142	(762)		3 816
3. General risk reserve	-					-
4. Ohter reserve	48 621	(23 412)	185	(24 534)		860
Total :	**52 057**	**(23 412)**	**1 327**	**(25 296)**	**-**	**4 676**

V/9. Provision charge/release on assets from 1 January 2015 to 31 December 2015

in HUF MM

	Opening balance	Charge	Provision release of written-off receivables	Release	Foreing Exchange	Closing balance
1. Provision on securities	-	-	-	-	-	-
2. Provision on other financial investments	6	3	-	-	-	9
3. Provision on receivables	120 932	8 546	(11 958)	(10 743)	(875)	105 902
of which against:						
- Financial Institutions	-	-	-	-	-	-
- Customers	117 954	8 165	(11 160)	(10 129)	(879)	103 951
- Receivables on Finance lease	2 428	340	(777)	(512)		1 479
- Other Receivables related to the Customers	284	2	(1)	(7)		278
- Other Receivables	179	27	(20)	(42)	4	148
- Inventory financing related receivables	87	12		(53)		46
4. Provision on inventories, which were received against receivables	81	-		(29)		52
Total :	**121 019**	**8 549**	**(11 958)**	**(10 772)**	**(875)**	**105 963**

Notes: Provision on Other Receivables related to the Customer separated from Provision on Other Receivables and 64 MM HUF opening balance reclassed to the line of Provision on Customers.

V/10. Securities breakdown and safe custody securities

31 December 2015

in HUF MM

Description	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	77 520	80 163	80 163	79 792	DEMAT	KELER	260	DEMAT	KELER
Discount T-bills	II. Securities	62 163	61 767	61 767	61 974	DEMAT	KELER	901	DEMAT	KELER
Bonds of National Bank of Hungary	II. Securities									
Bonds issued by Financial Institutions	V. Bonds and other securities	31 247	31 401	31 401	33 199	DEMAT	KELER			
Investment fund quotas	VI. Shares and other securities	3 956	3 956	-	3 956	DEMAT	KELER	198 010	DEMAT	KELER
Compensation Coupon	VI. Shares and other securities	94	19	19	19	PHYSICAL	VAULT	1	PHYSICAL	VAULT
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	190	190	-	-	PHYSICAL	VAULT	919	DEMAT	KELER
Shares	VII-VIII. Shares for invetment purposes and in affiliated companies for investment purposes	62	52	-	52	DEMAT	KELER	50	PHYSICAL	VAULT
Other security	VI. Shares and other securities							2 789	PHYSICAL	VAULT
Total:		**175 232**	**177 548**	**173 350**	**178 992**			**202 930**		

Note: the financial assets due to customers on the bankaccounts managed within the Bank regarding to commission investment activity is 5 595 HUF MM at 31 December 2015.

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

in HUF MM

Description	Total of 31 December 2014	Total of 31 December 2015	Breakdown of the portfolio of 31 December 2015 in maturity split				
			On sight	within 3 months	within 3 months adn 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	**116 400**	**145 411**	**12**	**1 819**	**5 481**	**71 294**	**66 805**
On sight	**138**	**11**	11	-	-	-	-
Deposited from financial services	**116 261**	**145 399**	**-**	**1 819**	**5 481**	**71 294**	**66 805**
- Within one year	22 767	7 300	-	1 819	5 481	-	-
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
National Bank of Hungary	22 383	6 895	-	1 811	5 084	-	-
- Over one year	93 494	138 099	-	-	-	71 294	66 805
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
National Bank of Hungary	67 040	105 267	-	-	-	47 435	57 832
From investment services	**1**	**1**	1	-	-	-	-
II. Liabilities to customers	**588 530**	**663 737**	**403 227**	**160 241**	**91 958**	**8 311**	**-**
Other liabilities from financial services	**585 540**	**658 142**	**397 632**	**160 241**	**91 958**	**8 311**	**-**
- On sight	303 619	397 632	397 632	-	-	-	-
of which: to subsidiaries	-	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
- Within one year	155 617	252 199	-	160 241	91 958	-	-
of which: to subsidiaries	258	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
- Over one year	126 304	8 311	-	-	-	8 311	-
of which: to subsidiaries	115 738	-	-	-	-	-	-
affiliated companies	-	-	-	-	-	-	-
From investment services activity	**2 990**	**5 595**	**5 595**	**-**	**-**	**-**	**-**
VII. Subordinated Debt	**150**	**150**	**-**	**-**	**-**	**-**	**150**
Total:	**705 080**	**809 298**	**403 239**	**162 060**	**97 439**	**79 605**	**66 955**

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

in HUF MM

Descripton	31 December 2015					31 December 2014
	EUR	**Non EUR**			Total	Total
		USD	HUF	Other		
1. Liabilities on sight	**70 493**	**10 774**	**313 926**	**2 450**	**397 643**	**303 757**
- to financial institutions	2	-	8	1	11	138
- to customers	70 491	10 774	313 918	2 449	397 632	303 619
2. Short-term liabilities	**14 360**	**6 510**	**261 839**	**1 954**	**284 663**	**189 903**
- to financial institutions	87	-	7 213	-	7 300	22 767
- to customers	13 444	5 823	231 193	1 739	252 199	155 617
- on issued securities	-	-	-	-	-	-
- other liabilities	829	687	23 433	215	25 164	11 519
3. Long-term liabilities	**23 013**	**235**	**123 162**	**-**	**146 410**	**219 798**
- to financial institutions	22 884	235	114 980	-	138 099	93 494
- to customers	129	-	8 182	-	8 311	126 304
- on issued securities	-	-	-	-	-	-
- other liabilities	-	-	-	-	-	-
4. Liabilities from Investment services	**645**	**193**	**4 758**	**-**	**5 596**	**2 991**
- to financial institutions	-	-	1	-	1	1
- to customers	645	193	4 757	-	5 595	2 990
5. Negative valuation difference of derivatives	**-**	**-**	**38**	**-**	**38**	**39**
6. Accruals	**68**	**13**	**8 173**	**2**	**8 256**	**11 344**
7. Provision	**11**	**68**	**4 597**	**-**	**4 676**	**52 057**
8. Subordinated debt	**-**	**-**	**150**	**-**	**150**	**150**
9. Shareholders' fund	**-**	**-**	**117 732**	**-**	**117 732**	**115 416**
Total: (1+ 2 + 3 + 4 + 5 + 6 +7 +8 +9)	**108 590**	**17 793**	**834 375**	**4 406**	**965 164**	**895 455**

V/13. Breakdown of Prepayments and Accruals

in HUF MM

Nr.	Description	As of 31 December 2014	As of 31 December 2015	Nr.	Description	As of 31 December 2014	As of 31 December 2015
	Prepayments				**Accruals**		
1.	Accrued interest	2 288	1 748	1.	Accrued interest	4 103	970
2.	Accrued commission	426	112	2.	Accrued commission	31	34
3.	Accrued costs and expenses	524	491	3.	Accrued costs and expenses	4 973	5 858
4.	Accrued interest on Securities	920	1 600	4.	Accrued interest on Securities	146	1 379
5.	Ohter	653	372	5.	Accrued Income	0	0
				6.	Other	2 091	15
	Total:	**4 811**	**4 323**		**Total:**	**11 344**	**8 256**

V/14. Income and expenditure of investment related services

in HUF MM

Nr.	Description	Income		Expenditure	
		2014	2015	2014	2015
1.	Commissionaire activities	2 670	2 454	43	49
2.	Commercial activities	203	127	16	33
3.	Safe custody activities	151	171	-	2
4.	Other activities	-	33	-	34
	Total:	**3 024**	**2 785**	**59**	**118**

V/15. Changes in issued own shares

31 December 2015

Description	Type of share	Face Value (HUF)	Number of shares	Value HUF MM
Opening total 2015. január 1.				19 346
Closing total 2015. december 31.				19 396
Breakdown of closing total:				
Ordinary common stock	névre szóló	1 000	19 395 945	19 396

Notes:
Corvinus Nemzetközi Befektetési Zrt. has 100 % shareholding ownership.

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 2014	Interest, fees and commissions in suspense As of 31 December 2015
Base interest	29 146	22 287
Late payment interest	6 901	5 811
Fees	2 089	2 233
Commissions	3 540	3 916
Total:	**41 676**	**34 247**

During 2015 3 297 MM HUF flowed in from the amount which had not been credited as income as of 31 December 2014.

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

31 December 2015

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

Deal Type	Customer Name	Buy		Sell		Buy		Sell		Start Date	Maturity Date	Fair Value MM HUF
		Starting Amount		Starting Amount		Maturity Amount		Maturity Amount				
FX Swap	ING BANK N.V. MO-I FIÓKTELEPE	CHF	3	USD	3	USD	3	CHF	3	30.11.2015	06.01.2016	(27)
FX Swap	ING BANK N.V. MO-I FIÓKTELEPE	CHF	1	EUR	1	EUR	1	CHF	1	22.12.2015	12.01.2016	1
FX Swap	COMMERZBANK AG	CHF	0	USD	0	USD	0	CHF	0	18.12.2015	08.01.2016	1
												(26)

Budapest Bank Zrt. has currency swap contracts with other Financial Institutions. Currency swap contracts are within 1 month. Due to the change of Owner currency swap and CCIRS contracts closed with GE, as a previous parent company.

Based on Accounting Policy Budapest Bank applies fair market 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 +126 million HUF interest income in 2015. In the end of 2015 the fair value of the open currency swap deals (including FX Swap, CIRS and CCIRS) was -26 million HUF. Forwards did not have significant impact neither on cash flow or on the resulst. The fair value of the open forward deals (delivery and non-delivery) was 2 million HUF at the end of 2015.

During 2015 the settlement of Curia and the involvement of new resources insted of GE funds the Bank made some of CCIRS and forward trades. These trades was cloesed at the end of the year. Related interest expenses were 605 million HUF.

V/18. Changes of Shareholders' Equity in 2015

in HUF MM

Description	Opening Value	During the year			Closing Value
		Increase	Decrease	Transfer	
Share capital	19 346	50	-	-	19 396
Issued, unpaid share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Retained Earnings	111 210	20 635*	27 911	-	103 934
Valuation Reserve	-	-	-	-	-
Capital Engaged	-	-	-	-	-
General Reserve	-	1 571	-	-	1 571
Profit for the year	(27 911)	28 606	-	-	695
Changes in Subsidiaries Equity	12 771	-	20 635 **	-	(7 864)
Changes due to Consolidation	-	-	-	-	-
SHAREHOLDERS' FUND	**115 416**	**50 862**	**48 546**	**-**	**117 732**

Notes:

*Increase of retained earnings includes the reversed capital engagede and the changes in subsidiaries equity.

** Budapest Fund paid dividend from retained earning.

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

in HUF MM

Currency	Foreing currency receivables	Foreing currency liabilities
AUD	-	-
CAD	5	3
CHF	44	3
CZK	1	35
DKK	4	-
EUR	640	1 534
GBP	1	50
HUF	2 424	653
JPY	-	1
NOK	-	-
PLN	-	9
SEK	-	9
USD	5	-
RON	45	875
Total	**3 169**	**3 172**

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

in HUF MM

Descripton	Book value	
	31 December 2014	31 December 2015
I.) GOVERNMENT SECURITIES	**100 925**	**141 930**
a) available for sale	100 925	61 767
b) for investment purposes	-	80 163
II.) BONDS AND OTHER SECURITIES	**20**	**31 420**
a) securities issued by municipalities and other government institution (excluding government securities)	-	-
aa) available for sale	-	-
ab) for investment purposes	-	-
b) securities issued by others	20	31 420
ba) available for sale	20	10 907
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
- repurchased own shares	-	-
bb) for investment purposes	-	20 513
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	-	-
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:	**100 945**	**173 350**

VI Additional information

VI/1. Financial ratios*

PROFITABILITY RATIOS		2014		2015	
Marge	Profit after taxation / Revenue	- 38 725 / 178 454	**-21,70%**	14 766 / 231 417	**6,38%**
ROA	Profit after taxation / Average total assets	- 38 725 / 900 413	**-4,30%**	14 766 / 930 310	**1,59%**
ROE (1)	Profit after taxation / Shareholders' funds	- 38 725 / 115 416	**-33,55%**	14 766 / 117 732	**12,54%**
ROE (2)	Profit after taxation / Share capital	- 38 725 / 19 346	**-200,17%**	14 766 / 19 396	**76,13%**
ROE (3)	Net income of financial services / Shate capital	10 744 / 115 416	**9,31%**	17 221 / 117 732	**14,63%**
CAPITAL COVERAGE RATIOS					
Gearing	Balance sheet total / Shareholders' funds	895 455 / 115 416	**7,76**	965 164 / 117 732	**8,20**
LIQUIDITY AND COVERAGE					
Liquidity ratio	Liquid assets / Short term liabilities	540 828 / 496 690	**1,09**	569 643 / 687 940	**0,83**
Loans in percentage of deposits	Total loans and leases / Total deposits	696 189 / 704 930	**98,76%**	732 352 / 809 148	**90,51%**
ASSET QUALITY RATIOS					
Risk Provision and reserve %	Provision and reserve / Balance sheet total	173 076 / 895 455	**19,33%**	110 639 / 965 164	**11,46%**
Risk Provision and reserve Coverage	Provision and reserve / Shareholders' funds	173 076 / 115 416	**149,96%**	110 639 / 117 732	**93,98%**
EFFECTIVITY RATIOS					
Profit per employee	Profit after taxation / Average no. of employees	- 38 725 / 2 813	**-13,77**	14 766 / 2 849	**5,18**
Wage Cost effectiveness	Profit after taxation / Total slaries & wages	- 38 725 / 16 148	**-239,81%**	14 766 / 17 047	**86,62%**

* Balances in million HUF

VI/2. Portfolio quality

in HUF MM

	Description	DPD 0-30	DPD 31-90	DPD >90	Total gross receivables	Reserves	NPL (DPD >90) / Receivables	Reserve coverage
31 December 2015								
1.	**Commercial receivables**	**320 793**	**1 017**	**21 821**	**343 631**	**22 853**	**6,35%**	**6,65%**
	- Corporate loans and leases	231 316	252	16 058	247 626	16 749	6,48%	6,76%
	- Autofinance loans and leases	78 008	561	4 519	83 088	4 903	5,44%	5,90%
	- Loans to private individuals	11 469	204	1 244	12 917	1 201	9,63%	9,29%
2.	**Consumer receivables**	**201 958**	**4 713**	**87 835**	**294 506**	**82 604**	**29,82%**	**28,05%**
	- Mortgages	112 243	2 914	46 174	161 331	37 731	28,62%	23,39%
	- Consumer loans (PL, SF, CC, OD)	54 329	914	21 282	76 525	21 871	27,81%	28,58%
	- Autofinance loans and leases	35 386	885	20 379	56 650	23 002	35,97%	40,60%
3.	**Other receivables**	**940**	**10**	**15**	**965**	**19**	**1,52%**	**1,96%**
	Total :	**523 691**	**5 740**	**109 671**	**639 102**	**105 476**	**17,16%**	**16,50%**
31 December 2014								
1.	**Commercial receivables**	**310 333**	**2 001**	**31 170**	**343 504**	**30 622**	**9,07%**	**8,91%**
	- Corporate loans and leases	238 915	656	24 527	264 098	23 445	9,29%	8,88%
	- Autofinance loans and leases	62 480	1 015	5 436	68 931	5 977	7,89%	8,67%
	- Loans to private individuals	8 938	330	1 207	10 475	1 200	11,52%	11,46%
2.	**Consumer receivables**	**238 940**	**12 811**	**100 943**	**352 694**	**89 527**	**28,62%**	**25,38%**
	- Mortgages	131 008	4 491	56 433	191 932	42 587	29,40%	22,19%
	- Consumer loans (PL, SF, CC, OD)	61 181	1 364	23 050	85 595	23 865	26,93%	27,88%
	- Autofinance loans and leases	46 751	6 956	21 460	75 167	23 075	28,55%	30,70%
3.	**Other receivables**	**5 309**	**7**	**168**	**5 484**	**170**	**3,06%**	**3,10%**
	Total :	**554 582**	**14 819**	**132 281**	**701 682**	**120 319**	**18,85%**	**17,15%**

VI/3. Off-balance sheet items

in HUF MM

Description	As of 31 December 2014	As of 31 December 2015
Commitments and contingent liabilities	**242 732**	**253 788**
- unused overdraft facilities, non-disbursed approved loans	122 071	129 461
- guarantees of indebtedness	45 067	36 630
- other commitments	75 157	83 991
- letters of credit	437	3 706
Futures liabilities	**170 591**	**6 964**
- payment liabilities on swap transactions	1 220	-
- of which subsidiaries	68	-
- spot transactions	2 890	3 172
- transactions with securities	-	-
- liabilities on swap and CCIRS transactions	143 288	1 205
- of which subsidiaries	62 504	-
- liabilities on forward transactions without capital movements	11	5
- liabilities on forward transactions with capital movements	23 182	2 582
- other off-balance sheet liabilities	-	-
Total off-balance sheet liabilities:	**413 323**	**260 752**
Off-balance sheet receivables		
- receivables on swap transactions	212	-
- spot transactions	2 889	3 169
- prompt security transactions	7 918	-
- receivables on swap and CCIRS transactions	144 707	1 180
- receivables on forward transaction without capital movements	11	4
- receivables on forward transaction with capital movements	23 150	2 585
- other off-balance sheet receivables	61	57
Total off-balance sheet receivables:	**178 948**	**6 995**

Notes:
Value of assets obtained as collateral or guarantee deposit related to financial services is 349 478 million HUF (excluding assigned revenue and receivable assignement) as of 31 December 2015.
Value of collateral placed by Budapest Bank 92 985 million HUF.

VI/4. Extraordinary income and expense

in HUF MM

Nr.	Description	Amount	
		2014	2015
1.	Given donations	(118)	(130)
2.	Received donations	-	-
3.	Write-off of receivables and losses	(14)	(1)
4.	Debt assumption and waived claims	(251)	(28)
5.	New government bill reserve	(48 551)	47 894
6.	Overpayment related to new government bill	-	(46 133)
7.	Foreign currency contracts conversion to HUF	-	(2 483)
8.	Loss of remitted receivable	(1 658)	(309)
9.	Other	13	(36)
	Total:	**(50 579)**	**(1 226)**

VI/5. Corporate tax base adjustments in 2015

in HUF MM

Profit before taxation decreasing items	Amount	Profit before taxation increasing items	Amount
1. Depreciation, amortisation based on Tax Law	5 624	1. Depreciation, amortisation based on Accounting Law	6 991
2. Reversal of provision for future liabilities and contigencies	48 264	2. Provision created for future liabilities and contigencies	1 102
3. Reversal of impairment on receivables, investments - acceptable by Tax Law	148	3. Impairment on receivables, investments - non-deductible by the Tax Law	8
4. Dividend received		4. Written-off of receivables not qualifying uncollectible, waived claims	29
5. Banking tax (P&L based)	3 626	5. Self-revision and tax audit correction items accounted as expense	7
6. Self-revision and tax audit correction items accounted as revenue	999	6. Support provided without repayment obligation, assumed liabilities	14
7. Usage of previous years' tax losses (NOL)	432	7. Non-deductible losses due to the government's FX bill	43 216
8. Other	13	8. Other	20
Total:	**59 106**	**Total:**	**51 387**

VI/6. Corporate tax calculation

in HUF MM

Nr.	Description	31 December 2015							
		Based on the standalone financial statements of the group members							Based on the consolidated income
		Budapest Bank Zrt.	Budapest Autófinanszírozási Zrt.	Budapest Eszközfinanszírozó Zrt.	Budapest Lízing Zrt.	Budapest Alapkezelő Zrt.	CDM Hitel-és Fejlesztési Bank Zrt.	Total	
1.	**Profit before taxation**	**19 463**	**(1 305)**	**118**	**535**	**2 250**	**(1)**	**21 060**	**18 949**
2.	Decreasing items of the corporate tax base	36 248	23 628	1 769	433	28	-	**62 106**	59 106
3.	Increasing items of the corporate tax base	27 526	21 870	1 731	250	10	-	**51 387**	51 387
4.	**Tax base**	**10 741**	**(3 063)**	**80**	**352**	**2 232**	**(1)**	**10 341**	**11 230**
5.	**Corporate tax charge**	**-**	**-**	**8**	**35**	**379**	-	**422**	422
6.	**Corporate tax relating to previous years**	127	4	0	1	3	-	**135**	135
7.	**Banking tax (P&L based)**	3 626	-		-	-	-	**3 626**	3 626
8.	**Total tax charge**	**3 753**	**4**	**8**	**36**	**382**	**-**	**4 183**	**4 183**

Note:
The tax payable is not 19% of the tax base due to the progressive tax rate and the usage of tax credits relating to the goverment's FX bill.

VI/7. Breakdown of costs according to cost types

in HUF MM

Nr.	Description	2014	2015
1.	**Material expenses**	1 035	1 353
2.	Wage cost	16 148	17 047
3.	Other personal type payments	395	496
4.	Other fees	102	69
5.	Benefit in kind which do not increase the corporate tax base and representation cost	850	797
6.	Benefit in kind which increases the corporate tax base	2	1
7.	Other payments	16	11
8.	**Personal expenses (2.+3.+4.+5.+6.+7.)**	17 513	18 421
9.	Pension and health contribution	4 482	4 741
10.	Health contribution	175	185
11.	Educational contribution	233	252
12.	Other personal type expenses	262	164
13.	**Social security expenses (9.+10.+11.+12.)**	5 152	5 342
14.	Cost of transport and storage	220	246
15.	Rental fees	2 237	2 299
16.	Maintenance cost	2 697	2 666
17.	Marketing cost	1 199	1 330
18.	Training cost	166	169
19.	Travelling and delegation cost	122	86
20.	Post and telephone costs	1 030	1 154
21.	Intellectual services	4 781	3 487
22.	Other services used	2 476	1 846
23.	**Material type services used (14.+15.+16.+17.+18.+19.+20.+21.+22.)**	14 928	13 283
24.	**Depreciation**	3 335	3 389
25.	**Other costs**	-	-
26.	Subcontructors performance	-	-
27.	Reinvoiced capital work in progress	-	-
28.	Loss related to injury	-	-
29.	Cost of good sold	50 195	62 547
30.	Depreciation	1 319	1 440
31.	Assets received against receivables	-	-
32.	Material cost	9	-
33.	Personal cost	363	-
34.	Social security type costs	106	-
35.	Cost of used services	340	-
36.	Other costs	187	-
37.	**Expenses of non-financial and non-investment services (26.+ ... +36.) / ***	52 519	63 987
38.	**Total / 1. + 8. + 13. + 23. + 24. + 25. + 37. / :**	**94 482**	**105 775**

* 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 in last year. The depreciation of operative leasing portfolio and cost of good sold are showed in this line in 2015.

VI/8. Other income and expense

in HUF MM

Nr.	Description	2014	2015
1.	Other income and expense related to financing activity	1 362	425
2.	Non-recoverable VAT	(2 878)	(2 473)
3.	Local taxes	(3 105)	(2 199)
4.	Insurance fee related to poducts	960	449
5.	Subcontractor activity / recharged invoices	24	(221)
6.	Membership fees, commissions	(825)	(1 169)
7.	Other income and expense related to previous years	769	954
8.	Other income and expense related to fixed assets	(87)	(1 585)
9.	Banking Tax*	(4 627)	(927)
10.	Transaction duty	(10 056)	(10 295)
11.	Income from non-financial corporations	4 344	4 402
12.	Operation expense of non-financial corporations	(2 682)	(1 887)
13.	Other income and expense	607	3 038
	Összesen	**(16 194)**	**(11 488)**

Notes:
To define the other income and expense the parenthetical item serves as expense, the positive sign shows income.
* In 2014 the Profit before taxation is loss therefore the tax has been on Other Income & Expense line in the P&L.
Due to the Profit before taxation is gain therefore -3 626 million HUF tax has been on Taxation line in the P&L in 2015.

VI/9. Cash-flow statement

in HUF MM

Nr.	Description	2014	2015
01.	Interest income	58 053	48 327
02.	+ Income on other financial services	44 558	37 414
03.	+ Other income (without provision)	1 791	6 088
04.	+ Income on investment related services	3 024	2 784
05.	+ Income on non-financial and non-investment related services	55 452	66 941
06.	+ Dividends received	-	-
07.	+ Extraordinary income	13	10 666
08.	- Interest expenses	(8 453)	(5 680)
09.	- Expenditures on of other financial services	(18 388)	(11 048)
10.	- Other expenditures (without provisions)	(29 408)	(21 734)
11.	- Expenditure on investment related services	(59)	(118)
12.	- Expenses on non-financial and non-investment related activity	(52 519)	(63 986)
13.	- Operating costs	(38 628)	(38 399)
14.	- Extraordinary expenditures	(2 042)	(59 654)
15.	- Taxes	(1 822)	(4 183)
16.	- Dividends paid	-	(12 500)
17.	**OPERATING CASH FLOW (Lines 01.-16.)**	**11 572**	**(45 082)**
18.	± Change in liabilities	(15 829)	117 863
19.	± Change in receivables	(74 855)	(32 241)
20.	± Change in inventories	150	402
21.	± Change in securities among current assets	106 042	5 999
22.	± Change in investments	(21 504)	(50 046)
23.	± Change in construction (including advances)	(70)	146
26.	± Change in intangible assets	(2 078)	(3 212)
24.	± Change in tangible assets (excluding constructions)	(1 345)	486
25.	± Change in prepayments	(681)	488
27.	± Change in accruals	(2 843)	(3 089)
28.	+ Stock issue at selling price	-	50
29.	- Capital decrease	-	-
30.	± Change in retained earnings	-	-
30.	+ Cash and cash equivalents received based on law	-	-
31.	+ Cash and cash equivalents given based on law	-	-
32.	- Cancelled own shares	-	-
33.	**NET CASH FLOW (Lines 17.-33.)**	**(1 441)**	**(8 236)**
34.	Of which: - change in cash (in HUF and foreign currency)	18	(668)
35.	- money in account	(1 459)	(7 568)

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

Description	Disbursement (HUF MM)	Repayment (HUF MM)	Outstanding debt at year end (HUF MM)	Main conditions
1. Interest free employee loans				Long-term loan
- Board of Directors	-	-	-	Real Estate collateral
- Supervisory Board	-	-	-	
1. Subtotal:	**-**	**-**	**-**	
2. Employee loans on preferential rate				Long-term loan
- Board of Directors	-	-	-	Real Estate collateral
- Supervisory Board	7	1	6	
2. Subtotal:	**7**	**1**	**6**	
3. Mortgage				Long-term loan
- Board of Directors	-	-	-	Real Estate collateral
- Supervisory Board	-	-	-	
3. Subtotal:	**-**	**-**	**-**	
4. Personal Loan				
- Board of Directors	-	-	-	Long-term loan
- Supervisory Board		-	-	No collateral
4. Subtotal:	**-**	**-**	**-**	
Total:	**7**	**1**	**6**	

The members of the Board of Directors and Supervisory Board have 1.410.000 Ft credit line on current account and 8.000.000 Ft credit line on credit card under standard contract terms of Budapest Bank.

VI/11. Salaries and Wages

31 December 2015

in HUF MM

Description	Type of employee		Total
	Manual worker	White collar	
1. Salaries and wages	-	**18 320**	**18 320**
a. Payroll cost	-	17 047	17 047
b. Other personal related payments	-	1 273	1 273
2. Salaries and wages paid on sick leave	-	**101**	**101**
Total (1+2) :	-	**18 421**	**18 421**

VI/12. Number of employees

Period	Average Number of employees		
	Manual worker	White collar	Total
2014	-	2 813	**2 813**
2015	-	2 849	**2 849**

VI/13. Large loans

in HUF MM

Description	As of 31 December 2014	As of 31 December 2015
The total of large loans as at balance sheet closing date	22 287	10 108
Number of clients, having large loans	1	1

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

Description	Number of people entitled to remuneration	Amount fo remuneration in HUF MM
Work Council	-	-
Board of Directors	4	2
Supervisory Board	3	11
Total :	**7**	**13**

VII.

CONSOLIDATED BUSINESS REPORT

BUDAPEST BANK-GROUP

31 DECEMBER 2015.

CONSOLIDATED BUSINESS REPORT

31 December 2015

CAPITAL POSITION OF THE BANK-GROUP

GE Capital signed an agreement with the Hungarian Government about the sale of Budapest Bank on February 13, 2015. The actual buyer on behalf of the Government is the Corvinus International Investment Ltd managed by the Hungarian Development Bank Ltd.

The ownership change did not affect the capital position of the Bank-group. At the end of 2015, the shareholders' equity, together with the HUF 0.7 billion current year profit, amounted to HUF 117.7 billion.

The Bank-group generates HUF 1,571 million general reserve from its profit after tax.

The Bank-group's capital adequacy ratio was above the mandatory prescribed level (11,04%).

ASSET QUALITY

The total assets of the Bank-group increased by 8% during the financial year, from HUF 895 billion to HUF 965 billion.
The low-risk government securities, the inter-bank placements and cash amounted to HUF 361 billion, as of December 31, 2015, representing 37 % of the total assets.

Financing receivable from customers decreased by 8% to HUF 534 billion at the end of the year. During 2015 the Bank-group continually focused on small and medium-size (SME-s) loans. Supporting this focus the Bank-group has joined the MNB Funding for Lending (Growth Loan) Program in 2013, as a result of the program the small and medium-size portfolio continues to grow. The gross small and medium-size portfolio before provision was 239 billion HUF, which demonstrates the importance of the segment in the Bank-group's strategy.

The gross consumer portfolio of the Bank-group (including the total portfolio of Autofinance subsidiary) amounted to 324 billion HUF.

Provisions on receivables decreased from HUF 120 billion to HUF 105 billion, which reflects a favourable level of 16,5% credit risk provision to customer receivable ratio at the end of the year 2015. During 2015 the delinquent loans ratio did not change significantly.

CONSOLIDATED BUSINESS REPORT

31 December 2015

MANAGEMENT AND BUSINESS POLICY

During the change of ownership, the whole parent company's (GE Capital) foreign currency loans were repaid. Therefore consumer deposits and a self-funding strategy were the most important objectives for the Bank-group in 2015. It was completely achieved in spite of the continuous decrease of BUBOR rate. Deposit portfolio increased to HUF 664 billion during 2015. The most important success of deposit collection was achieved by Alapkezelő (funds under management) deposit, as it exceeded HUF 100 billion.

In 2015 the Bank-group focus on mortgages, so the mortgage portfolio remained stable (HUF 161 billion) in spite of capital decrease due to the Law XXXVIII. of 2014 (Curia legislation about consumer loans) and Law XL. of 2014 (Settlement law). The unsecured consumer portfolio (including credit card, private loan, sales finance) decreased by 11% to HUF 76 billion.

The Bank-group has made a financial service agreement with Telenor Hungary Zrt in the second half of 2014. As a result of the cooperation customers can use financial services with credit card and mobile applications. In the commercial segment the Funding for Lending (Growth Loan) Program for the small and medium-size portfolio resulted in HUF 22.7 billion new loans during the year.
In the consumer segment the most important success was the HUF 27 billion growth of funds under management.

The Bank-group continues to focus on technology innovations: from September 2014 the online investment system started, where customers can manage their investment portfolio in a simple, easy to understand, well designed and customer friendly way. Besides other options customers can overview their investment portfolio in a dynamic and quick way and they can also graphically display the data. From the 1st of December 2014, all new, newly produced and renewed debit cards have a payPass/payWave function. From February 2015 credit cards are also issued this way.

The Budapest Bank network had 96 units at the end of the year. Branches in the area of Budapest are considered as sites, while branches outside of the Budapest area are considered as branch offices. The Bank made significant investment 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 2015 was 739 in Békéscsaba including the branch employees. Pursuant to the relevant laws, a Workers' Council (Üzemi Tanács) operates in the Budapest Bank-group. Employment decisions are made with the agreement of the Workers' Council.

In addition to the self-funding, the other major challenge will be the replacement of the systems provided by GE. As part of the process, the first step was the replacement of general ledger, accounting and procurement system which was successfully introduced in 2015.

During 2015 the Bank-group has paid major attention to rationalising operational costs, as a result operating costs decreased by HUF 229 million.

Budapest Bank received the "Bank of the year" professional recognition several times, which is the most prestigious recognition of the domestic financial institutions, and it also received the professional recognition of "Mastercard Bank of the year".

CONSOLIDATED BUSINESS REPORT

31 December 2015

EARNINGS

The annual net income after tax of the Bank-group was a HUF 14.8 billion profit, which is a significant (HUF 53.5 billion) improvement compared to the realized loss of prior year.

The significant positive changes were mainly caused by the extraordinary items of 2014:

i. Based on the XXXVII of 2014 law and the XL of 2014 law the Bank-group made HUF 48.6 billion additional reserves for the losses expected on consumer loan as extraordinary expense.
ii. As part of the new restructuring program there was a release of claims to customers in the amount of HUF 1.7 billion by the Bank in 2014.

Changes in 2015:

The net interest income decreased by 14% (by HUF 6,953 million) compared to prior year due to the decreased portfolio and to the decreased Central Bank base rate.

Net fee and commission income slightly decreased, net financial income slightly increased, while other income stagnated. The overall result of the three was an increase of 36%, causing a HUF 4.6 billion increase in profit.

The Bank-group changed the overall interest rates in respect of both commercial and consumer term and saving deposits, in line with the prime bank and money market rate changes, continuously keeping an eye on existing and new customer's interests and transparency in pricing strategy.

Interest rates of commercial loans followed 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 the BUBOR interest rate.

During the year operational and depreciation expenses decreased by 0,4% (by HUF 175 million) compared to prior year.

During 2015 the net of the new provision charges and releases of provision (including reserve changes) resulted HUF 8.7 billion improvements compared to 2014. The main reasons behind these changes were the decrease of the portfolio and the provision releases due to the portfolio improvement mainly in the mortgage portfolio.

During 2015, the Bank-group had significant one-off items as it sold its shares in Mastercard and partially in Visa, and made one-off HUF 3,310 million and HUF 413 million profits on it respectively.

Overall: excluding one-offs and extraordinary items, the Bank-group operated in a profitable way in 2015. The owner of the Bank-Group declared dividends of HUF 12.5 billion from the profit of the year 2015.

CONSOLIDATED BUSINESS REPORT

31 December 2015

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

In the course of the year, the outstanding customer receivables decreased by 8%.

13% of total assets (26% in 2014) are denominated in currencies other than HUF mainly in CHF, EUR and USD. The significant decrease was caused by the fact that the Bank-group had to convert some of its mortgages and auto loans into HUF loans by law.

14% of total liabilities (26% in 2014) are denominated in currencies mainly in CHF, EUR and USD.

The Bank-group continued to have a high level of liquidity; as a result it is an inter-bank lender in the Hungarian financial market. The low-risk government securities, the inter-bank placements and cash represented 37 % of the total assets as of December 31, 2015.

The Bank-group participated in the Funding for Lending program of the National Bank of Hungary. The outstanding balance disbursed to corporate customers was HUF 112.2 billion at year end.

Changes in currency rates did not affect the Bank-group significantly due to the lack of material open positions in the balance sheet and off balance which reflect the Bank's overall risk avoiding behaviour and policy.

The interest rate gap of assets and liabilities was managed by the harmonic, risk avoiding pricing and portfolio management, within the predetermined limits of the Bank-group, the interest rate gap was continuously monitored for the whole balance sheet items at transaction level depth.

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 reserves.

Budapest, 5th April 2016

Zolnai György	Keresztyénné Deák Katalin
CEO	CFO