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**MKB Bank Zrt.**

10 011 922 641 911 400

Statistic code

*Unconsolidated  
Interim  
Report*

*Prepared under*

**HUNGARIAN ACCOUNTING RULES**

Budapest 29th August, 2011

*June 30, 2011*

The Board of Directors of MKB Bank Zrt (hereinafter: Bank) discussed and adopted the consolidated half-year Statements of the Bank for the year 2011, and resolved its publication at its meeting held on 23rd August 2011. By publishing the Semi-annual Statements, the Bank complies with its obligations set forth in Sections 54-55 of Act no. CXX of 2001 on Capital Markets, Annex 2 to Ministry of Finance Decree no. 24/2008. (VIII.15.) PM and point 1.10 of Annex 4 to the same.

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**MKB Bank Zrt.**

## NON-CONSOLIDATED BALANCE SHEET

Data: in HUF' mill.

	Item	31.12.2010.	30.06.2011.
	<b>ASSETS:</b>		
1	<b>1. Cash in hand, balances with central banks</b>	<b>81 928</b>	<b>40 226</b>
2	<b>2. Treasury bills</b>	<b>334 937</b>	<b>421 217</b>
3	a) held for dealing	334 946	420 738
4	b) held for investment		
5	<b>2/A</b> Revaluation difference on treasury bills	-9	479
6	<b>3. Loans and advances to credit institutions</b>	<b>113 602</b>	<b>127 149</b>
7	a) due on demand	11 104	9 673
8	b) other receivables from financial services	102 412	117 338
9	ba) maturity up to one year	95 318	66 016
10	Of which: – to affiliated undertakings	84 775	60 702
11	– to other undertakings with participating interest		
12	– to the National Bank of Hungary		
13	– clearing house	22	49
14	bb) maturity over one year	7 094	51 322
15	Of which: – to affiliated undertakings	7 094	50 732
16	– to other undertakings with participating interest		
17	– to the National Bank of Hungary		
18	– clearing house		
19	c) receivables from investment services	86	138
20	Of which: – to affiliated undertakings		
21	– to other undertakings with participating interest		
22	– clearing house	86	138
23	<b>3/A</b> Revaluation difference on receivables due from credit institutions		
24	<b>4. Loans and advances to customers</b>	<b>1 985 475</b>	<b>1 780 179</b>
25	a) receivables from financial services	1 985 100	1 779 634
26	aa) maturity up to one year	606 141	219 828
27	Of which: – to affiliated undertakings	78 290	24 587
28	– to other undertakings with participating interest	0	0
29	ab) maturity over one year	1 378 959	1 559 806
30	Of which: – to affiliated undertakings	93 866	113 281
31	– to other undertakings with participating interest	0	0
32	b) receivables from investment services	203	431
33	Of which: – to affiliated undertakings		
34	– to other undertakings with participating interest		
35	ba) receivables from investment service activities on the stock exchange		34
36	bb) receivables from over-the-counter investment service activities	166	38
37	bc) receivables from investment services to customers	37	359
38	bd) receivables from clearing houses		
39	be) other receivables from investment services		
40	<b>4/A</b> Revaluation difference on receivables due from customers	172	114
41	<b>5. Debt securities including fixed-income securities</b>	<b>38 137</b>	<b>17 960</b>
42	a) securities issued by local authorities and by other public entities (excluding Treasury bills issued by Hungarian state and securities issued by the National Bank of Hungary)	0	0
43	aa) held for dealing		
44	ab) held for investment		
45	b) securities issued by other entities	37 831	17 715
46	ba) held for dealing	37 831	17 715
47	Of which: – to affiliated undertakings	45	
48	– to other undertakings with participating interest		
49	– repurchased own debt securities	30 382	11 181

50		bb) held for investment		
51		Of which: – to affiliated undertakings		
52		– to other undertakings with participating interest		
53	5/A	Revaluation difference on debt securities and fixed-income securities	306	245
54	6.	<b>Shares and other variable-yield securities</b>	<b>6 382</b>	<b>2 814</b>
55		a) shares and equity stakes held for dealing	285	293
56		Of which: – to affiliated undertakings		
57		– to other undertakings with participating interest		
58		b) other variable-yield securities	5 962	2 502
59		aa) held for dealing	5 962	2 502
60		bb) held for investment		
61	6/A	Revaluation difference on shares and other variable-yield securities	135	19
62	7.	<b>Shares and participating interests held for investment purposes</b>	<b>456</b>	<b>445</b>
63		a) shares and participating interests	456	445
64		Of which: – shares and participating interests in credit institutions		
65		b) revaluation surplus on shares and participating interests		
66		Of which: – shares and participating interests in credit institutions		
67	7/A	Revaluation difference on shares and participating interests held for investment purposes		
68	8.	<b>Shares and participating interests in affiliated undertakings</b>	<b>123 017</b>	<b>135 046</b>
69		a) shares and participating interests in affiliated undertakings	123 017	135 046
70		Of which: – shares and participating interests in credit institutions	36 715	45 592
71		b) revaluation surplus on shares and participating interests in affiliated undertakings		
72		Of which: – shares and participating interests in credit institutions		
73	9.	<b>Intangible assets</b>	<b>23 440</b>	<b>23 140</b>
74		a) intangible assets	23 440	23 140
75		b) revaluation surplus on intangible assets		
76	10.	<b>Tangible fixed assets</b>	<b>3 869</b>	<b>3 700</b>
77		a) tangible fixed assets for financial and investment services	3 421	3 247
78		aa) land and buildings	1 950	1 932
79		ab) technical equipment, fittings and vehicles	1 452	1 311
80		ac) fixed assets in the course of construction	19	4
81		ad) advance payments on constructions		
82		b) tangible fixed assets servicing non-financial and non-investment activities	448	453
83		ba) land and buildings	34	34
84		bb) technical equipment, fittings and vehicles	414	418
85		bc) fixed assets in the course of construction		
86		bd) advance payments on constructions	0	1
87		c) revaluation surplus on tangible fixed assets		
88	11.	<b>Own shares</b>		
89	12.	<b>Other assets</b>	<b>19 341</b>	<b>30 023</b>
90		a) stocks (inventories)	1 118	219
91		b) other receivables ( from non-financial and non-investment securities)	4 109	10 780
92		Of which: – to affiliated undertakings	108	4 364
93		– to other undertakings with participating interest		
94	12/A	Revaluation difference on other receivables		
95	12/B	Positive revaluation difference on derivative transactions	14 114	19 024
96	13.	<b>Prepayments and accrued income</b>	<b>19 253</b>	<b>25 093</b>
97		a) accrued income	17 929	17 031
98		b) prepayments	1 324	8 062
99		c) deferred charges		
100		<b>TOTAL ASSETS</b>	<b>2 749 837</b>	<b>2 606 992</b>
101		<i>From this: - CURRENT ASSETS</i> (1+2/a+3/c+3/a+3/ba+4/aa+4/b+5/aa+5/ba+6/a+6/ba+11+12)	1 207 863	827 464
102		<i>- FIXED ASSETS</i> (2/b+3/bb+4/ab+5/ab+5/bb+6/bb+7+8+9+10)	1 536 835	1 773 459

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**MKB Bank Zrt.**

NON-CONSOLIDATED BALANCE SHEET

Data:in HUF mill.

	Item	31.12.2010.	30.06.2011.
103	<b>LIABILITIES</b>		
104	<b>1. Liabilities to credit institutions</b>	<b>963 183</b>	<b>921 273</b>
105	a) due on demand	5 549	2 157
106	b) liabilities from financial services with agreed maturity dates or periods of notice	957 497	918 941
107	ba) maturity up to one year	144 001	13 623
108	Of which: – to affiliated undertakings	140 028	2 350
109	– to other undertakings with participating interest		
110	– to the National Bank of Hungary		
111	– clearing house		
112	bb) maturity over one year	813 496	905 318
113	Of which: – to affiliated undertakings	711 050	808 095
114	– to other undertakings with participating interest		
115	– to the National Bank of Hungary		
116	– clearing house		
117	c) liabilities from investment services	137	175
118	Of which: – to affiliated undertakings		
119	– to other undertakings with participating interest		
120	– clearing house	137	175
121	1/A Revaluation difference on liabilities due to credit institutions		
122	<b>2. Liabilities to customers</b>	<b>1 263 281</b>	<b>1 157 185</b>
123	a) saving deposits	194	174
124	aa) due on demand		
125	ab) maturity up to one year	187	167
126	ac) maturity over one year	7	7
127	b) other liabilities from financial services	1 260 473	1 156 061
128	ba) due on demand	392 436	326 852
129	Of which: – to affiliated undertakings	36 677	17 936
130	– to other undertakings with participating interest	58	61
131	bb) maturity up to one year	837 814	785 311
132	Of which: – to affiliated undertakings	1 915	1 842
133	– to other undertakings with participating interest	250	3 347
134	bc) maturity over one year	30 223	43 898
135	Of which: – to affiliated undertakings		
136	– to other undertakings with participating interest		
137	c) liabilities from investment services	2 614	950
138	Of which: – to affiliated undertakings		
139	– to other undertakings with participating interest		
140	ca) liabilities from investment service activities on the stock exchange	11	
141	cb) liabilities from over-the-counter investment service activities		0
142	cc) liabilities to customers from investment services	2 603	950
143	cd) liabilities from clearing houses		
144	ce) other liabilities from investment services		
145	2/A Revaluation difference on liabilities due to customers		
146	<b>3. Liabilities from issued debt securities</b>	<b>175 145</b>	<b>170 613</b>
147	a) issued bonds	175 145	170 613
148	aa) maturity up to one year	111 400	15 362
149	Of which: – to affiliated undertakings	400	3 700
150	– to other undertakings with participating interest		
151	ab) maturity over one year	63 745	155 251
152	Of which: – to affiliated undertakings	1 500	
153	– to other undertakings with participating interest		
154	b) other debt securities	0	0
155	ba) maturity up to one year		
156	Of which: – to affiliated undertakings		

157		– to other undertakings with participating interest		
158		bb) maturity over one year		
159		Of which: – to affiliated undertakings		
160		– to other undertakings with participating interest		
161		c) Certificates ( qualified as securities according to the Act on Accounting but not defined as such by the Act on Securities)	0	0
162		ca) maturity up to one year		
163		Of which: – to affiliated undertakings		
164		– to other undertakings with participating interest		
165		cb) maturity over one year		
166		Of which: – to affiliated undertakings		
167		– to other undertakings with participating interest		
168	3/A	Revaluation difference on issued debt securities		
169	<b>4.</b>	<b>Other liabilities</b>	<b>92 049</b>	<b>57 728</b>
170		a) maturity up to one year	62 064	35 122
171		Of which: – to affiliated undertakings	44 675	4 191
172		– to other undertakings with participating interest		
173		– pecuniary contribution of members at credit cooperatives		
174		b) maturity over one year		
175		Of which: – to affiliated undertakings		
176		– to other undertakings with participating interest		
177	4/A	Negative revaluation difference on derivative transactions	29 985	22 606
178	<b>5.</b>	<b>Accruals and deferred income</b>	<b>14 563</b>	<b>21 827</b>
179		a) accrued liabilities	432	481
180		b) accrued costs and expenses	14 064	21 320
181		c) deferred income	67	26
182	<b>6.</b>	<b>Provisions</b>	<b>5 047</b>	<b>7 790</b>
183		a) provisions for pensions and similar obligations	22	
184		b) risk provisions for off-balance sheet items (for contingent and future liabilities)	3 453	7 026
185		c) general risk provision	1 572	764
186		d) other provisions	0	
187	<b>7.</b>	<b>Subordinated liabilities</b>	<b>96 169</b>	<b>91 635</b>
188		a) subordinated borrowings	96 169	91 635
189		Of which: – to affiliated undertakings	96 169	91 635
190		– to other undertakings with participating interest		
191		b) pecuniary contribution of members at credit cooperatives		
192		c) other subordinated liabilities		
193		Of which: – to affiliated undertakings		
194		– to other undertakings with participating interest		
195	<b>8.</b>	<b>Subscribed capital</b>	<b>16 038</b>	<b>20 733</b>
196		Of which: repurchased own shares at face value		
197	<b>9.</b>	<b>Subscribed but unpaid capital (-)</b>		
198	<b>10.</b>	<b>Capital reserves</b>	<b>136 708</b>	<b>181 491</b>
199		a) share premium	136 647	181 430
200		b) other	61	61
201	<b>11.</b>	<b>General reserve</b>	<b>0</b>	
202	<b>12.</b>	<b>Retained earnings (accumulated profit reserve) (±)</b>	<b>81 057</b>	<b>-13 456</b>
203	<b>13.</b>	<b>Legal reserves</b>	<b>1 207</b>	<b>766</b>
204	<b>14.</b>	<b>Revaluation reserve</b>	<b>345</b>	<b>584</b>
205		Value-adjusted reserves		
206		Revaluation reserves	345	584
207	<b>15.</b>	<b>Profit or loss for the financial year (±)</b>	<b>-94 955</b>	<b>-11 177</b>
208		<b>TOTAL LIABILITIES</b>	<b>2 749 837</b>	<b>2 606 992</b>
209		<i>Of which: - SHORT TERM LIABILITIES (1/a+1/ba+1/c+2/aa+2/ab+2/ba+2/bb+2/c+3/aa+3/ba+3/ca +4/a)</i>	<i>1 586 187</i>	<i>1 202 325</i>
210		<i>- LONG-TERM LIABILITIES (1/bb+2/ac+2/bc+3/ab+3/bb+3/cb+4/b+7)</i>	<i>1 003 640</i>	<i>1 196 109</i>
211		<i>- EQUITY (CAPITAL AND RESERVES) (8-9+10+11 ±12+13+14 ±15)</i>	<i>140 400</i>	<i>190 118</i>

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**MKB Bank Zrt.**

NON CONSOLIDATED INCOME STATEMENT

Data:in HUF'mill.

		Item	30.06.2010.	30.06.2011.
<b>1</b>	<b>1.</b>	<b>Interest receivable and similar income (2+5)</b>	<b>68 035</b>	<b>61 047</b>
2		a) interest income (receivable) from fixed-income securities	14 190	11 762
3		Of which: – from affiliated undertakings		4
4		– from other undertakings with participating interest		
5		b) other interest and similar income	53 845	49 285
6		Of which: – from affiliated undertakings	4 610	3 382
7		– from other undertakings with participating interest		
<b>8</b>	<b>2.</b>	<b>Interest payable and similar charges</b>	<b>41 569</b>	<b>38 259</b>
9		Of which: – to affiliated undertakings	10 862	10 631
10		– from other undertakings with participating interest	32	69
<b>11</b>		<b>NET INTEREST INCOME (1-8)</b>	<b>26 466</b>	<b>22 788</b>
<b>12</b>	<b>3.</b>	<b>Income from securities (13+14+15)</b>	<b>508</b>	<b>1 395</b>
13		a) income from shares held for dealing (dividend, profit-sharing)		0
14		b) income from shares in affiliated undertakings (dividend, profit-sharing)	508	1 395
15		c) income from other shares and participating interests	0	0
<b>16</b>	<b>4.</b>	<b>Commission and fees income (17+20)</b>	<b>10 769</b>	<b>10 535</b>
17		a) from other financial services	9 144	9 198
18		Of which: – from affiliated undertakings	71	70
19		– from other undertakings with participating interest	1	1
20		b) from investment services (except for income from trading activities)	1 625	1 337
21		Of which: – from affiliated undertakings	762	
22		– from other undertakings with participating interest	1	
<b>23</b>	<b>5.</b>	<b>Commission and fee expense (24+27)</b>	<b>2 964</b>	<b>4 431</b>
24		a) from other financial services	2 776	4 289
25		Of which: – to affiliated undertakings	7	7
26		– from other undertakings with participating interest		
27		b) from investment services (except for charges of trading activities)	188	142
28		Of which: – to affiliated undertakings		5
29		– from other undertakings with participating interest		
<b>30</b>	<b>6.</b>	<b>Net profit or net loss on financial operations (31-34+37-41)</b>	<b>14 384</b>	<b>5 279</b>
31		a) income from other financial services	30 336	1 175
32		Of which: – from affiliated undertakings		
33		– from other undertakings with participating interest		
34		- valuation difference		
35		b) expenses from other financial services	3 585	10 074
36		Of which: – to affiliated undertakings		
37		– from other undertakings with participating interest		
38		- valuation difference		
39		c) income from investment services (income from trading activities)	52 691	37 291
40		Of which: – from affiliated undertakings		
41		– from other undertakings with participating interest		
42		– value re-adjustment (increase) of securities for trade (not more than acquisition value)		7
43		- valuation difference	34 938	26 771
44		d) expenses from investment services (expenses from trading activities)	65 058	23 113
45		Of which: – to affiliated undertakings		3
46		– from other undertakings with participating interest		
47		– value adjustment (decrease) of securities for trade	26	50
48		- valuation difference	54 989	15 713

49	7.	<b>Other operating income(46+49)</b>	<b>4 015</b>	<b>4 439</b>
50		a) incomes from non-financial and non-investment services	3 063	2 280
51		Of which: – from affiliated undertakings	176	152
52		– from other undertakings with participating interest		
53		b) other income	952	2 159
54		Of which: – from affiliated undertakings		
55		– from other undertakings with participating interest		
56		– value re-adjustment (increase) of stocks (inventories) (not more than acquisition value)	41	
57	8.	<b>General and administrative expenses (54+62)</b>	<b>23 959</b>	<b>23 193</b>
58		a) Staff costs (55+56+59)	10 943	10 842
59		aa) wages and salaries	7 835	7 817
60		ab) other staff costs	845	660
61		Of which: – social security contributions	266	176
62		= pension costs	53	22
63		ac) contributions on wages	2 263	2 365
64		Of which: – social security contributions	2 156	2 186
65		= pension costs	1 957	1 920
66		b) Other administrative expenses (material-type expenses)	13 016	12 351
67	9.	<b>Depreciation</b> (value adjustments in respect of assets items 9 and 10)	<b>1 521</b>	<b>1 637</b>
68	10.	<b>Other operating expenses (65+68)</b>	<b>8 432</b>	<b>14 576</b>
69		a) expenses from non-financial and non-investment services	3 059	2 091
70		Of which: – to affiliated undertakings		
71		– to other undertakings with participating interest		
72		b) other expenses	5 373	12 485
73		Of which: – to affiliated undertakings		
74		– to other undertakings with participating interest		
75		– value adjustment (decrease) of stocks (inventories)		
76	11.	<b>Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments (73+74)</b>	<b>69 450</b>	<b>42 528</b>
77		a) value adjustments (decrease) in respect of loans and advances	65 763	37 891
78		b) provisions for contingent liabilities and commitments	3 687	4 637
79	12.	<b>Reversals of value adjustments in respect of loans and advances and use of provisions for contingent liabilities and commitments (76+77)</b>	<b>19 640</b>	<b>29 945</b>
80		a) value re-adjustments (increase) in respect of loans and advances	18 822	28 965
81		b) use of provisions for contingent liabilities and commitments	818	980
82	12/A.	<b>General risk provision and use</b>	<b>1 105</b>	<b>808</b>
83	13.	<b>Value adjustments in respect of debt securities held for investment purposes, shares in affiliated undertakings and participating interests</b>	<b>2 001</b>	<b>0</b>
84	14.	<b>Reversals of value adjustments in respect of debt securities held for investment purposes, shares in affiliated undertakings and participating interests</b>		
85	15.	<b>Profit or loss on ordinary activities</b>	<b>-31 440</b>	<b>-11 176</b>
86		Of which: – PROFIT OR LOSS OF FINANCIAL AND INVESTMENT SERVICES (1-2+3+4-5+ 6+7/b-8-9-10/b-11+12+12/A-13+14)	<b>-31 444</b>	<b>-11 365</b>
87		– PROFIT OR LOSS OF NON-FINANCIAL AND NON-INVESTMENT SERVICES (7/a -10/a)	4	189
88	16.	<b>Extraordinary income</b>		<b>49</b>
89	17.	<b>Extraordinary expense</b>	<b>73</b>	<b>41</b>
90	18.	<b>Extraordinary profit or loss (16-17)</b>	<b>-73</b>	<b>8</b>
91	19.	<b>Profit or loss before taxation (±15±18)</b>	<b>-31 513</b>	<b>-11 168</b>
92	20.	<b>Tax payable</b>		<b>9</b>
93	21.	<b>Profit or loss after taxation (±19-20)</b>	<b>-31 513</b>	<b>-11 177</b>
94	22.	<b>Addition to and use of general reserve (±)</b>		
95	23.	<b>Retained earnings allocated for dividends</b>		
96	24.	<b>Dividends and profit-shares approved</b>		
97		Of which: – to affiliated undertakings		
98		– to other undertakings with participating interest		
99	25.	<b>Profit or loss for the financial year (±21±22+23-24)</b>		





## **MANAGEMENT REPORT**

**to the 2011 H1**

**REPORT**

**of MKB Bank Zrt.**

*(Hungarian Accounting Rules, HAR)*

In the first half of 2011 several international events had bad impact on the economies of the MKB Group countries. In addition to the general setback of growth many Eurozone countries' stability were questioned more or less, the European debt crisis deepened while no reassuring answer could be given to the American indebtedness and furthermore the series of the Japanese natural disasters caused further economic uncertainty. The investor interest towards the Eastern European economies – considered to be more sensitive – did not grow in this environment, though the improvement of the domestic macroeconomic situation and the performance is getting relatively more favorable.

The Hungarian growth is going to be less dynamic than pre-crisis, and it is a risk that it might be persistently beyond 3% after 1.5% (year to year) in 2011 H1. Growth is still fueled by export that is growing more dynamically than import (in the first 5 months +16% and +14%). The domestic consumption showed slight signs of improvement at the end of H1 but the latest external effects of the crisis and as a result the weakening of the HUF are questioning its duration. The industrial production after its 8.1% growth in 2011 H1 is slowing down which was worsened by the permanent backset of the construction industry. In this environment the consistent implementation of the Széll Kálmán Plan has a special emphasis. All in all the most relevant factor for MKB Group is that the improvement of the Hungarian economic environment is slower and weaker than it seemed during the planning period and probably this remains in the rest of the year.

In 2011 MKB Bank is to continue the implementation of its mid-term capital market strengthening strategic program formulated in the beginning of the crisis.

The main elements of these in addition to inner consolidation is the strengthening of the fundamentals such as: capital optimization, the maintenance of stable capital and liquidity position, the improvement of the self-financing ability, efforts to improve the maturity and currency structure of the balance sheet in the mid-term and the profitability. These goals are backed by the increase of the proportion of primary bank relations, the improving of the quality and depth of client relations, the strengthening of loyalty, the further improvement or diversification of the profit generating ability by significantly increasing the commission income, as well as selective lending activity. All these contribute to the above strategic goals by e.g. the gradual improvement of the profit.

The total assets of MKB Bank Zrt. according to MSZSZ amounting to HUF 2,606.9 billion at the end of 2011 H1 exceeded the HUF 2,749.8 billion of the end of 2010 by 5.2%. The gross operating income of the Bank was HUF 25.4 billion at the end of the time period, which backlogs behind the profit achieved at the end of 2010 H1 by 43.1%. The difference mainly explained by the effect of supplementary tax for financial institutions amounted HUF 6,7 billion and loss of spot FX deals. As the result of the continued cost management the operating expenses fell by 2.6% compared to 2010 H1 (2010 H1: HUF 24.8 billion). In 2011 H1 the operating profit of MKB Bank amounted to HUF 607 million, significantly lower than in the same period of the last year. The delayed and favourable effect of the economic recovery deferred within the clientele, therefore the quality of the portfolio shows a slower than expected improvement. Furthermore the risk costs of MKB Bank were moderate than in the same period of 2010, while the impacts of the banking tax is well reflected in the HUF 11.2 billion loss.<sup>1</sup>

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<sup>1</sup> The pace of growth of the gross operating income and operating profit is impacted by the changes of the HUF/EUR and HUF/CHF exchange rates.

## **PERFORMANCE OF THE BUSINESS LINES**

### **Companies and institutional customers<sup>2</sup>**

At the end of 2011 H1 the number of corporate account keeping customers (including large company and medium size company customers) exceeded 12,000.

Loans to large, mid-sized companies, project and institutional customers reached HUF 1,361 billion at the end of 2011 H1 (2010: HUF 1,532 billion). The market share of MKB Bank in lending to non-financial companies was 13.6% at the end of the half year.

The deposits of large companies, medium size companies and institutions amounted to HUF 578 billion at the end of June 2011 (2010: HUF 656 billion), the Bank's market share in segment of non-financial companies was 10.7%.

### **Large corporates**

The number of large company customers of the Bank reached almost 290. Loans to large companies amounted to HUF 1,101 billion at the end of 2011 H1 (2010: HUF 1,248 billion), while their account and deposit portfolio reached HUF 399 billion decreasing by 9.5%.

### **Medium size companies**

The number of the medium size company customers of the Bank was close to 9,200 at the end of the period. The lending volume of medium size companies amounted to HUF 260 billion at the end of June 2011 (2010: HUF 283 billion), while their account and deposit portfolio was HUF 179 billion at end 2011 H1 (2010: HUF 214 billion)

## **RETAIL BANKING SERVICES**

### **Private Individuals**

By the end of 2011 H1 the number of the Bank's private individual customers exceeded 352 thousand. The private individuals deposits amounted to HUF 458 billion (2010: HUF 467 billion). The market share of the Bank was 5.8%. The Bank could successfully maintain its market position in terms of household savings (total deposit+bonds+investment funds: HUF 666.3 billion), its market share reached 5.9% at the end of 2011 Q1.

The loan portfolio of private individuals amounted to HUF 533 billion at the end of 2011 H1 (2010: HUF 556 billion); the market share of the Bank was 6.4%.

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HUF/EUR exchange rate at the end of the period: 30.06.2010: 286.5; 30.06.2011: 265.6. HUF/EUR exchange rate half yearly average: 30.06.2010: 271.5; 30.06.2011: 269.4

HUF/CHF exchange rate at the end of the period: 30.06.2010: 216.7; 30.06.2011: 219.9. HUF/CHF exchange rate half yearly average: 30.06.2010: 189.2; 30.06.2011: 212.2

<sup>2</sup> Small companies are part of the retail business line at MKB Bank, however due to the sector statistics their loan and deposit portfolios are considered at the corporate market share calculations.

## **Private banking**

The number of customers served by MKB Private Banking business line exceeded 1,580 by the end of the half year (2010: 1,400), while the assets managed by the business line were above HUF 206 billion (2010: HUF 182 billion).

## **Small enterprises**

The number of small enterprises exceeded 39,400 by the end of the half year. The loan portfolio of the business line amounted to HUF 28 billion by the end of 2011 H1 (2010: HUF 29 billion), while the deposit portfolio reached HUF 106.8 billion (2010: HUF 126 billion).

## **MONEY AND CAPITAL MARKETS, INVESTMENT SERVICES**

The volatile market and negative economic environment typical of the past years seem to calm down even more in 2011 H1, which had a favourable impact on the performance of the money and capital markets and investment services.

The market share of MKB investment funds reached 3.6% at the end of 2011 H1 (2010: 4.2%), while the managed portfolio amounted to HUF 113.7 billion at the end of the period. The Bank had 3.4% market share in the primary government securities trade at the end of the period. MKB's market share in the spot FX customer turnover is still high, 10.3% (2010: 11.4%). MKB Bank is still one of the biggest player on the domestic corporate/financial institutional bond market, the amount of its own bonds reached HUF 160 billion at the end of the period.

## **SALES CHANNELS**

At the end of 2011 H1 the number of Bank's branch network was 87.

The number of bankcards issued by MKB to private individuals exceeded 220 thousand at the end of June 2011, while the number of issued business bankcards was close to 28 thousand. Almost 171 thousand customer had MobilBANKár contract and over 168 customers contracted for electronic banking services.

**STATEMENT**  
on the non-consolidated semi-annual financial statements of 2011  
and on the Report of the Management  
Pursuant to Ministry of Finance Decree no. 24/2008 (VIII.15.)

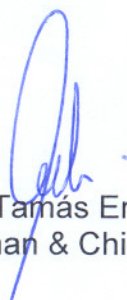
MKB Bank Zrt (hereinafter: Bank) declares concerning its non-consolidated semi-annual financial statements the following statement:

The Bank declares that the non-consolidated semi-annual financial statements have been compiled in accordance with the applicable accounting rules. The non consolidated semi-annual financial statements compiled based on the best knowledge of the Bank's competent experts and decision making managers present a realistic and reliable picture on the assets, liabilities, financial position, as well as profits and losses of the Bank as an issuer of securities.

No independent audit report was made concerning the non-consolidated semi-annual financial statements.


The Bank declares furthermore that The Report of the Management provides a reliable picture of the position, situation, development and performance of the Bank as an issuer of securities, and describes the key risks and uncertainty factors concerning the remaining six months of the financial year.

Budapest, 29<sup>th</sup> August 2011.

  
Tamás Erdei  
Chairman & Chief Executive

MKB Bank Zrt.

**MKB Bank Zrt. | 113**

  
dr. Pál Simák  
Chief Financial Officer