

Budapest Bank Group

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Budapest Bank Group

*Budapest Bank Nyrt.
and subsidiaries*

Consolidated Financial Statements

31 December 2009

Budapest, 24 March 2010

Sean Morrissey
Chief Executive Officer

Pálcza Edit
Chief Finance Officer

Statistic code: 10196445641911401

Budapest Bank Group
BALANCE SHEET (FINANCIAL INSTITUTIONS)

in million HUF

a	b		c	d	e
	Description		31/12/2008	Previous year Adjustments	31/12/2009
01	I.	FINANCIAL ASSETS	20 684	-	23 544
02	II.	SECURITIES (03+04)	26 626	-	132 177
03	al	available for sale	536	-	106 087
04	bl	for investment purposes	26 090	-	26 090
05	III/A.	valuation difference of securities	1	-	-
06	III.	RECEIVABLES FROM FINANCIAL INSTITUTIONS (07+08+19)	66 545	-	41 315
07	al	on sight	3 890	-	899
08	bl	other receivables from financial services	62 655	-	40 406
09	bal	due within one year	62 655	-	40 406
10		Of which: - subsidiaries	-	-	-
11		- affiliated companies	-	-	-
12		- National Bank of Hungary	57 716	-	40 342
13		- receivables to KELER	-	-	-
14	bb)	due more than one year	-	-	-
15		Of which: - subsidiaries	-	-	-
16		- affiliated companies	-	-	-
17		- National Bank of Hungary	-	-	-
18		- receivables to KELER	-	-	-
19	c)	receivables against financial institutions from investment services	-	-	-
20		Of which: - subsidiaries	-	-	-
21		- affiliated companies	-	-	-
22		- receivables to KELER	-	-	-
23	III/A.	valuation difference of receivables to financial institutions	-	-	-
24	IV.	RECEIVABLES FROM CUSTOMERS (25+32)	767 459	-	665 569
25	al	from financial services	766 886	-	665 480
26	aal)	due within one year	255 166	-	230 123
27		Of which: - subsidiaries	-	-	-
28		- affiliated companies	-	-	-
29	abl)	due more than one year	511 720	-	435 357
30		Of which: - subsidiaries	-	-	-
31		- affiliated companies	-	-	-
32	b)	receivables against customers from investment services	573	-	89
33		Of which: - subsidiaries	-	-	-
34		- affiliated companies	-	-	-
35	bal)	receivables to investment in stock exchange activity	-	-	-
36	bb)	receivables to OTC investments	-	-	-
37	bcl)	receivables to customers from investment services	573	-	89
38	bd)	receivables to KELER	-	-	-
39	bel)	receivables to other investment services	-	-	-
40	IV/A.	valuation difference of receivables to customers	-	-	-
41	V.	BONDS AND OTHER SECURITIES (42+45)	25	-	25
42	al	securities issued by municipalities and other government institution (excluding government securities)	-	-	-
43	aal)	available for sale	-	-	-
44	abl)	for investment purposes	-	-	-
45	bl	securities issued by others	25	-	25
46	bal)	available for sale	25	-	25
47		Of which: - issued by subsidiaries	-	-	-
48		- issued by affiliated companies	-	-	-
49		- repurchased own shares	-	-	-
50	bb)	for investment purposes	-	-	-
51		Of which: - issued by subsidiaries	-	-	-
52		- issued by affiliated companies	-	-	-
53	V/A.	valuation difference of bonds and other securities	-	-	-
54	VI.	SHARES AND OTHER SECURITIES (55+58)	3 456	-	3 252
55	al	shares available for sale	-	-	-
56		Of which: - issued by subsidiaries	-	-	-
57		- issued by affiliated companies	-	-	-
58	b)	securities with variable yield	3 456	-	3 252
59	bal)	available for sale	3 456	-	3 252
60	bb)	for investment purposes	-	-	-
61	V/A.	valuation difference of shares and other securities	-	-	-
62	VII.	SHARES FOR INVESTMENT PURPOSES (63+65)	432	-	405
63	al	shares for investment purposes	432	-	405
64		of which: - shares in financial institutions	-	-	-
65	b)	revaluation of shares for investment purposes	-	-	-
66		of which: - shares in financial institutions	-	-	-
67	VII/A.	valuation difference of shares for investment purposes	-	-	-
68	VIII.	SHARES IN AFFILIATED COMPANIES FOR INVESTMENT PURPOSES (69+71+73)	-	-	-
69	a)	shares for investment purposes	-	-	-
70		of which: - shares in financial institutions	-	-	-
71	b)	revaluation of shares for investment purposes	-	-	-
72		of which: - shares in financial institutions	-	-	-
73	c)	Share consolidation difference (73+74)	-	-	-
74	ca)	Of which: - subsidiaries	-	-	-
75	cb)	- affiliated companies	-	-	-
76	IX.	INTANGIBLE ASSETS (77+78)	5 184	-	4 696
77	a)	intangible assets	5 184	-	4 696
78	b)	revaluation of intangible assets	-	-	-

Statistic code: 10196445641911401

Budapest Bank Group

		in million HUF			
a	Description		31/12/2008	Previous year Adjustments	31/12/2009
		b	c	d	e
79	X.	TANGIBLE ASSETS (80+85+90)	29 605	-	25 131
80	a)	tangible assets serving the activities of financial institutions	14 837	-	12 965
81	aa)	real estate	8 928	-	8 411
82	ab)	technical equipment, machinery and vehicles	5 751	-	4 536
83	ac)	construction-in-progress	158	-	18
84	ad)	prepayments on construction-in-progress	-	-	-
85	b)	tangible assets serving the non-financial activities	14 768	-	12 166
86	ba)	real estate	-	-	-
87	bb)	technical equipment, machinery and vehicles	14 758	-	12 160
88	bc)	construction-in-progress	10	-	6
89	bd)	prepayments on construction-in-progress	-	-	-
90	cl)	revaluation of tangible assets	-	-	-
91	XI.	OWN SHARES	-	-	-
92	XII.	OTHER ASSETS (93+94+97)	9 614	-	6 821
93	a)	inventories	1 044	-	1 604
94	b)	other receivables	8 570	-	5 217
95		Of which: - subsidiaries	-	-	-
96		- affiliated companies	-	-	-
97	c)	Receivables from consolidated Tax	-	-	-
98	XII/A.	valuation difference of other receivables	-	-	-
99	XII/B.	positive valuation difference of derivatives	1 411	-	447
100	XIII.	PREPAYMENTS AND ACCRUALS (101+102+103)	6 999	-	6 457
101	a)	income accruals	6 682	-	6 200
102	b)	expense accruals	317	-	257
103	c)	deferred expenses	-	-	-
104		TOTAL ASSETS (01+02+06+28+41+54+62+68+76+79+91+92+100)	938 041	-	909 839
		- CURRENT ASSETS (I.+II.+III.+IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XII.+XIII.+XIV.+XV.+XVI.+XVII.+XVIII.+XIX.+XX.+XXI.+XXII.+XXIII.+XXIV.+XXV.+XXVI.+XXVII.+XXVIII.+XXIX.+XXX.)			
105		items of which related to current assets)	358 011	-	411 703
		- FIXED ASSETS (II.+III.+IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XII.+XIII.+XIV.+XV.+XVI.+XVII.+XVIII.+XIX.+XX.+XXI.+XXII.+XXIII.+XXIV.+XXV.+XXVI.+XXVII.+XXVIII.+XXIX.+XXX.)			
106		items of which related to fixed assets)	573 031	-	491 679

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Budapest Bank Group

				in million HUF	
a	b	Description	31/12/2008	Previous year Adjustments	31/12/2009
			c	d	e
107	I.	LIABILITIES TO FINANCIAL INSTITUTIONS (108+109+120)	31 807	-	28 889
108	a)	on sight	78	-	174
109	b)	liabilities deposited for a set period of time	31 728	-	28 714
110	ba)	due within one year	3 496	-	3 231
111		Of which: - subsidiaries	-	-	-
112		- affiliated companies	-	-	-
113		- National Bank of Hungary	-	-	-
114		- receivables to KELER	-	-	-
115	bb)	due more than one year	28 232	-	25 483
116		Of which: - subsidiaries	-	-	-
117		- affiliated companies	-	-	-
118		- National Bank of Hungary	-	-	-
119		- receivables to KELER	-	-	-
120	c)	liabilities from investments services	1	-	1
121		Of which: - subsidiaries	-	-	-
122		- affiliated companies	-	-	-
123		- receivables to KELER	-	-	-
124	IV/A.	valuation difference of liabilities to financial institutions	-	-	-
125	II.	LIABILITIES TO CUSTOMERS (126+130+140)	754 316	-	732 781
126	a)	saving deposit	-	-	-
127	ba)	on sight	-	-	-
128	ab)	due within one year	-	-	-
129	ac)	due more than one year	-	-	-
130	b)	other liabilities from financial services	753 600	-	732 024
131	ba)	on sight	233 284	-	218 440
132		Of which: - subsidiaries	-	-	-
133		- affiliated companies	-	-	-
134	bb)	due within one year	298 973	-	292 477
135		Of which: - subsidiaries	114	-	126
136		- affiliated companies	-	-	-
137	bcl)	due more than one year	221 343	-	221 107
138		Of which: - subsidiaries	201 364	-	206 337
139		- affiliated companies	-	-	-
140	ci)	liabilities from investments services	716	-	757
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	716	-	757
146	cd)	liabilities to KELER	-	-	-
147	ce)	liabilities to other investment services	-	-	-
148	IV/A.	valuation difference of liabilities to customers	-	-	-
149	III.	ISSUED BONDS AND OTHER, INTEREST-BEARING SECURITIES (150+157+164)	-	-	-
150	a)	issued bonds	-	-	-
151	aa)	due within one year	-	-	-
152		Of which: - subsidiaries	-	-	-
153		- affiliated companies	-	-	-
154	ab)	due more than one year	-	-	-
155		Of which: - subsidiaries	-	-	-
156		- affiliated companies	-	-	-
157	b)	other issued negotiable, interest-bearing securities	-	-	-
158	ba)	due within one year	-	-	-
159		Of which: - subsidiaries	-	-	-
160		- affiliated companies	-	-	-
161	bb)	due more than one year	-	-	-
162		Of which: - subsidiaries	-	-	-
163		- affiliated companies	-	-	-
164	ci)	Securities according to the accounting standards, but according to the Securities Law other negotiable, interest-bearing documents	-	-	-
165	ca)	due within one year	-	-	-
166		Of which: - subsidiaries	-	-	-
167		- affiliated companies	-	-	-
168	cb)	due more than one year	-	-	-
169		Of which: - subsidiaries	-	-	-
170		- affiliated companies	-	-	-
171	IV.	OTHER LIABILITIES (172+176+179)	14 179	-	7 663
172	a)	due within one year	14 179	-	7 663
173		Of which: - subsidiaries	-	-	-
174		- affiliated companies	-	-	-
175		- other contributions of members of saving societies	-	-	-
176	b)	due more than one year	-	-	-
177		Of which: - subsidiaries	-	-	-
178		- affiliated companies	-	-	-
179	ci)	Liabilities from consolidated Tax	-	-	-
180	IV/A.	negativ valuation difference of derivatives	9 374	-	2 196
181	V.	ACCRUALS (182+183+184)	23 759	-	21 514
182	a)	income accruals	719	-	524
183	b)	expense accruals	23 040	-	20 990
184	c)	deferred income	-	-	-
185	VI.	PROVISIONS (186+187+188+189)	6 794	-	6 031
186	a)	provision for pension and severance payments	425	-	398
187	b)	provision on contingent and future liabilities	3 714	-	3 122
188	ci)	general risk provision	2 511	-	2 511
189	d)	other provision	144	-	-
190	VII.	SUBORDINATED DEBT (191+196+197)	4 011	-	4 011
191	a)	subordinated loan	3 861	-	3 861
192		Of which: - subsidiaries	-	-	-
193		- affiliated companies	-	-	-
194	aa)	Equity consolidation difference	150	-	150
195		Of which: - subsidiaries	150	-	150
196	b)	other contributions of members of saving societies	-	-	-
197	c)	other subordinated debt	-	-	-
198		Of which: - subsidiaries	-	-	-
199		- affiliated companies	-	-	-

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Budapest Bank Group

		in million HUF			
a	Description		31/12/2008	Previous year Adjustments	31/12/2009
	b		c	d	e
200	VIII.	SHARE CAPITAL	19 346	-	19 346
201		from which: - repurchased own shares on face value	-	-	-
202	IX.	ISSUED, UNPAID SHARE CAPITAL (-)	-	-	-
203	X.	SHARE PREMIUM (204+205)	-	-	-
204	a)	premium from issue of shares	-	-	-
205	b)	other	-	-	-
206	XI.	GENERAL RESERVE	6 709	-	7 711
207	XII.	RETAINED EARNINGS	55 187	-	65 872
208	XIII.	CAPITAL ENGAGED	9	-	12
209	XIV.	VALUATION RESERVE	-	-	-
210	a)	valuation reserve of revaluation	-	-	-
211	b)	valuation reserve of valuation at fair market value	-	-	-
212	XV.	NET PROFIT (LOSS) FOR THE YEAR (+/-)	11 114	-	11 952
213	XVI.	CHANGES IN SUBSIDIARIES' EQUITY (+, -)	1 436	-	1 861
214	XVII.	CHANGES DUE TO THE CONSOLIDATION (+, -)	-	-	-
215	a)	from debt consolidation	-	-	-
216	b)	from internal profit consolidation	-	-	-
217	XVIII.	MINORITY INTEREST	-	-	-
218	TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS (107.+125.+149.+171.+181.+185.+190.+200.+202.+203.+206.+207.+208.+209.+212.+213.+217.)		938 041	-	909 839
219	- SHORT TERM LIABILITIES (I.a)+I.ba)+I.c)+1/A.)+II.aa)+II.ab)+II.ba)+II.bb)+II.c)+II(A.)+III.aa)+III.ba)+III.co)+IV.a)+IV(A.)		560 101	-	524 939
220	- LONG TERM LIABILITIES (I.bb)+I.ac)+II.bc)+III.ab)+III.bb)+III.cb)+IV.b)+VII.)		253 586	-	250 601
221	- SHAREHOLDER'S FUNDS (VIII.-IX.+X.+XI.+XII.+XIII.+XIV.+XV.)		93 801	-	106 754

Off-Balance Sheet Items

	Description	31/12/2008	Previous year Adjustments	31/12/2009
01	Commitments and contingent liabilities	208 701	-	192 274
02	Futures liabilities	256 298	-	177 691
03	Total off-balance sheet liabilities	464 998	-	370 165
04	Total off-balance sheet receivables	251 457	-	177 299

Budapest, 24 March 2010

Sean Morrissey
Chief Executive Officer

Edit Pálczá
Chief Finance Officer

Sean Morrissey
Chief Executive Officer

Pálczá Edit
Chief Finance Officer

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Budapest Bank Group
PROFIT AND LOSS STATEMENT (FINANCIAL INSTITUTIONS)

in million HUF

a	Description		2008.	Previous year Adjustments	2009.
	b		c	d	e
1	1.	Interest income (02+05)	92 602		101 094
2	a)	a) interest income from fixed interest-bearing securities	5 943		6 419
3		Of which: - subsidiaries	-		-
4		- affiliated companies	-		-
5	b)	b) other interest income	86 659		94 675
6		Of which: - subsidiaries	-		-
7		- affiliated companies	-		-
8	2.	Interest expense	39 220		43 129
9		Of which: - subsidiaries	7 181		2 928
10		- affiliated companies	-		-
11		Net interest income (01-08)	53 382		57 965
12	3.	Dividend received (13+14+15)	145		176
13	a)	a) joint ventures	-		-
14	b)	b) affiliated companies	-		-
15	c)	c) other	145		176
16	4.	Fee income (17+20)	21 899		19 708
17	a)	a) fee income of other financial services	19 818		18 357
18		Of which: - subsidiaries	-		-
19		- affiliated companies	-		-
20	b)	b) fee income of investment services	2 081		1 351
21		Of which: - subsidiaries	-		-
22		- affiliated companies	-		-
23	5.	Fee expense (24+27)	10 961		6 139
24	a)	a) fee expense of other financial services	10 920		6 099
25		Of which: - subsidiaries	-		-
26		- affiliated companies	-		-
27	b)	b) fee expense of investment services (excluding expense of trading activities)	41		40
28		Of which: - subsidiaries	-		-
29		- affiliated companies	-		-
30	6.	Net income of financial services (31-35+39-44)	16 544		20 369
31	a)	a) income of other financial services	28 985		34 246
32		Of which: - subsidiaries	-		-
33		- affiliated companies	-		-
34		- valuation difference	1 411		9 820
35	b)	b) expense of other financial services	12 478		13 893
36		Of which: - subsidiaries	-		-
37		- affiliated companies	-		-
38		- valuation difference	9 374		3 607
39	c)	c) income of investment services (income of trading activities)	412		642
40		Of which: - subsidiaries	-		-
41		- affiliated companies	-		-
42		- release of provision on securities available for sale	-		-
43		- valuation difference	1		-
44	d)	d) expense of investment services (income of trading activities)	375		626
45		Of which: - subsidiaries	-		-
46		- affiliated companies	-		-
47		- provision charge on securities available for sale	-		-
48		- valuation difference	-		1
49	7.	Other income (50+53)	56 259		27 298
50	a)	a) income of non-financial and non-investment services	50 686		22 222
51		Of which: - subsidiaries	-		-
52		- affiliated companies	-		-
53	b)	b) other income	5 573		5 076
54		Of which: - subsidiaries	-		-
55		- affiliated companies	-		-
56		- release of provision on inventories	16		41
57	ba)	c) profit increasing item due to consolidation	-		-

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Budapest Bank Group

in million HUF					
a	Description		2008.	Previous year Adjustments	2009.
	b		c	d	e
58	8.	Operating costs (59+67)	47 614		39 778
59	a)	a) personal type costs	26 804		24 403
60	aa)	aa) salaries and wages	18 020		16 582
61	ab)	ab) other personal type costs	1 962		1 998
62		of which: - social securities	566		515
63		- pension related costs	397		350
64	ac)	ac) affix of wages	6 822		5 823
65		of which: - social securities	5 312		4 796
66		- pension related costs	5 380		4 887
67	b)	b) other operating costs (materials)	20 810		15 375
68	9.	Depreciation	3 917		4 311
69	10.	Other expenses (70+73)	57 020		30 335
70	a)	a) expenses of non-financial and non-investment services	47 600		19 093
71		Of which: - subsidiaries	-		-
72		- affiliated companies	-		-
73	b)	b) other expenses	9 420		11 242
74		Of which: - subsidiaries	-		-
75		- affiliated companies	-		-
76		Provision charge on inventory	170		257
77	ba)	c) profit decreasing item due to consolidation	-		-
78	11.	Provision charge on receivables and on contingent and future liabilities (73+74)	17 260		36 490
79	a)	a) provision charge on receivables	16 390		35 899
80	b)	b) provision charge on contingent and future liabilities	870		591
81	12.	Release of provision on receivables and on contingent and future liabilities (82+83)	4 281		6 890
82	a)	a) release of provision on receivables	3 976		5 740
83	b)	b) release of provision on contingent and future liabilities	305		1 150
84	12/A.	A) General risk reserve difference of charge and release	-		-
85	13.	Provision charge on securities portfolio	2		-
86	14.	Release of provision on securities portfolio	-		3
87	15.	NET INCOME OF FINANCIAL SERVICES	15 736		15 356
88		of which: - NET INCOME OF FINANCIAL AND INVESTMENT SERVICES (11+12+16-23+30+49-58-68-69-78+81-85+87)	12 650		12 227
89		- NET INCOME OF NON-FINANCIAL AND NON-INVESTMENT SERVICES (50-70)	3 086		3 129
90	16.	Extraordinary revenues	3		45
91	17.	Extraordinary expenditures	169		193
92	18.	Net profit (loss) of extraordinary items (90-91)	- 166		- 148
93	19.	Profit before taxation (±87±92)	15 570		15 208
94	20.	Taxation	3 228		2 246
95	a)	Tax difference due to consolidation	-		-
96	21.	Profit after taxation (±93-94)	12 342		12 962
97	22.	Charge and release of general reserves (+,-)	1 220		1 002
98	23.	Dividend and profit-sharing payable	8		8
99		Of which: - subsidiaries	-		-
100		- affiliated companies	-		-
101	24.	Net profit (loss) for the year (±96±97-98)	11 114		11 952

Budapest, 24 March 2010

Sean Morrissey
Chief Executive Officer

Pálcza Edit
Chief Finance Officer

Budapest Bank Group

***Budapest Bank Nyrt.
and Subsidiaries***

Notes to the Consolidated Financial Statements

31 December 2009

Budapest, 24 March 2010

Sean Morrissey
Chief Executive Officer

Pálcza Edit
Chief Finance Officer

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

BUDAPEST BANK GROUP

IV. GENERAL NOTES

IV/1. A BRIEF OVERVIEW OF BUDAPEST BANK GROUP

Budapest Hitel és Fejlesztési Bank Nyrt. ("Budapest Bank", or the "Bank" located: 1138 Budapest, Váci út 188., <http://www.budapestbank.hu/>) was established on January 1, 1987, when the two-tier banking system emerged in Hungary. Budapest Bank was established as a joint venture by the government, state - owned enterprises as well as co-operatives.

In December 1995 Budapest Bank was privatised and acquired by General Electric Capital, EBRD as well as the State Privatisation and Asset Management Company Ltd. (ÁPV Rt.)

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

Additional shares are purchased over time from the minority shareholders. At the end of 2009, GE ownership was 99.73 %.

The bank has been operating as a company limited by shares. The subscribed capital of the bank as of December 31, 2009 amounted to HUF 19,346 million.

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

With a view to increasing the number of its customers as well as the scope of its services, the bank expanded its network of branch offices both in Budapest and in provincial areas. Currently, the bank has a network of 106 branch offices, 1 Money Plus centers.

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

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

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

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

Budapest Leasing Ltd. pursues finances leases to corporate customers.

Budapest Fund Management Ltd. manages mutual investment funds.

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

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

1) **Budapest Auto Finance Ltd. (Budapest Autófinanszírozási Zrt.)** was established by the Bank in 1997 with a registered capital of HUF 50 million as a wholly - owned subsidiary company of Budapest Bank. The company provides private persons as well as business organizations with credit and leasing facilities for the purchase of new and second - hand cars. As of the end of 2009 the balance sheet total of Budapest Auto Finance Ltd. was HUF 137,056 million, its registered capital was HUF 180 million, the company's shareholders' equity was HUF 2,439 million, and the 2009 net profit was HUF 1,108 million, considering that HUF 2,000 million profit were paid to the Bank as dividend, from the HUF 3,108 million after tax profit.

2) The Bank established the **Budapest Fleet Management Ltd. (Autóparkkezelő Zrt.)** in 1997. The Fleet Management Ltd. purchases larger vehicle fleets, including the vehicles of the Bank Group and leases operationally these vehicles to corporate customers. The company also maintains the fleets and performs a full range of administrative tasks. As of the end of 2009 the balance sheet total of the Budapest Fleet Management Ltd. was HUF 8,949 million, its registered capital amounted to HUF 53 million, its shareholders' equity was HUF 614 million and 2009 net profit was HUF 233 million.

3) **Budapest Equipment Finance Ltd (Budapest Eszközfinanszírozó Kft)** was created at the end of December 2000 by 2B Ltd. merged with the asset leasing division of Budapest Fleet Management Ltd. (Autópark-kezelő Zrt.). As at the end of 2009 the balance sheet total of Eszközfinanszírozó Ltd. was HUF 6,371 million, company's registered capital amounted to HUF 11 million, its shareholders' equity was HUF 1,440 million, and its 2009 result was a HUF 183 million profit.

4) The principal activity of **Budapest Leasing Company Ltd. (Budapest Lízing Zrt.)** is to purchase and lease long-life assets (mainly production equipment) to corporate customers on a long-term basis. The Bank established Budapest Leasing Company Ltd. in 1992. At the end of 2009 the balance sheet total was HUF 52,505 million, the company's registered capital amounted to HUF 60 million, its shareholders' equity was HUF 2,029 million, and its 2009 result was HUF 1,106 million.

5) **Budapest Fund Management Ltd. (Budapest Alapkezelő Zrt.)** was established in 1992. The company manages investment funds, establishing new ones in each year. As of the end of 2009 the balance sheet total of Budapest Fund Management Ltd. amounted to HUF 3,494 million, its registered capital was HUF 500 million, its shareholders' equity was HUF 1,404 million, the company's 2009 net profit is HUF 305 million, considering that HUF 1,000 million profit were paid to the Bank as dividend, from the HUF 1,305 million after tax profit.

6) In line with strategic objectives in 2000 the activity of **SBB Solution Ltd. (SBB Solution Zrt.)** (previous Budapest Securities and Investment Ltd.) was integrated into Budapest Bank Ltd. and, as a result, the securities market services to customers are now provided by the Bank. As of the end of 2009 the balance sheet total of SBB Ltd. was HUF 266 million, its registered capital amounting to HUF 170 million, its shareholders' equity was HUF 263 million and its result was a loss of HUF 10 million.

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

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

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

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

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

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

Valuation principles:

Cash and equivalents

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

Securities

The Bank Group includes here securities for trading purpose and securities representing lending relations as well as investments by shares.

The securities bought for trading purposes are recorded at purchase value less the accumulated interest which is part of the purchase price. The interest included in the purchase price is charged against interest income.

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

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

Receivables from financial institutions and customers

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

- Placements at other banks,
- Receivables customers,

The receivables denominated in HUF are recorded at historical cost. The valuation of the receivables denominated in foreign currency is disclosed in the Accounting Policy of the Bank (see later in this chapter). In case of participation in syndicated loans, the Bank Group sets forth only the amount of the loan extended by itself (without the obligation of counterclaim).

On the basis of debtor rating, the Bank Group accounts for reserve if, the loss difference between the book value of the receivables and the amount expected to be recovered proves to be long lasting and significant. If the amount of the receivables expected to be recovered significantly exceeds the book value less reserve of the receivables, the difference will be released from the reserve.

Inventories

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

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

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

Investments

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

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

Intangible assets

The Bank Group classifies hereto the intangible assets, the advances provided for intangible assets as well as the valuation adjustment of the intangible assets. The intangible assets comprise the value of rights, business goodwill and intellectual property. The Bank Group sets forth the capitalized value of the foundation, reorganisation and the capitalized value of research and development as well among the intangible assets.

The calculation of the amortisation is carried out with the straight-line method, based on the useful life. The Banking Group uses the write off timing stipulated by the Law in the case of the business goodwill, the capitalized value of the foundation and of the reorganisation.

Fixed Assets

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

As the credit institutes are exempt from VAT, the acquisition cost of fixed assets items includes the VAT, which was included in the purchase price of the items and was not reclaimed. Since 2008, the Bank and 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 expected depreciation keys of individual types of are as follows:

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

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

Liabilities to credit institutions and customers

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

Accrual

The Banking Group records the interest, the interest type income and the fees for the year as accruals, if received before the balance sheet preparation day.

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

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

Valuation of the receivables and liabilities denominated in foreign currencies

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

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

Allowances for losses and risk reserve

In accordance with the provisions of the Act on Credit Institutions and Financial Enterprises (Hpt.) the Bank Group generate risk provision for the identified interest and exchange rate risks as well as for the off-balance sheet risk.

The Bank Group calculates the allowance for losses in accordance with its debtors' rating and receivable valuation (as specified in the related CEO directives in effect) each month, in its so-called debtors' rating and portfolio system and books the increase/decrease to the allowance in order to arrive at the amount specified by the rating and valuation.

During the valuation the Bank Group reduces the value of the risk-weighted assets and off-balance sheet items by the value of the accepted collaterals. The resulting net risk multiplied by the reserve % assigned to the worst receivable of the debtor will provide the necessary amount of allowance for losses.

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

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

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

Shareholders' equity

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

The shareholders' equity includes also the general reserve retained from the profit after taxes, prior to the payment of dividends. This reserve is generated in accordance with the rules laid out in Article 75 of the Htp. Constitution of the 10% General Reserve is considered individually on a yearly basis. The Bank made the 10 % General Reserve in 20089 No additional reserve is made to the mandatory 10 % reserve.

The components of the Banking Group's shareholders' equity are stated in the balance sheet at book (carrying) value.

Derivatives

The Bank applies a mark to market valuation for off balance sheet receivables and liabilities arisen from non-hedge trading derivatives. No risk reserve is made in addition to the mark to market valuation. The Bank Group pursued only forward deals on a settlement basis with its customers, and foreign currency swaps on a delivery basis during 2009.

Contingent and future liabilities

The contingent and future liabilities of the Banking Group are recorded as off-balance sheet items (in the '0'-account class).

Contingent liabilities are mostly liabilities assumed with respect to third parties, which are already in effect on the balance sheet cut-off date but their recognition in the balance sheet depends on future events.

The certain (future) liabilities are comprised of irrevocable commitments that are already in effect on the balance sheet cut-off date but relevant conditions of the contracts have not yet been met, as a consequence, they are not stated in the balance sheet.

Suspension of interests

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

THE CONSOLIDATION ACCOUNTING POLICY OF BUDAPEST BANK GROUP

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

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

The consolidated annual report is comprised of the following elements:

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

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

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

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

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

Goodwill

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

Corporate tax receivable originating from consolidation

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

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

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

Changes resulting from consolidation (+/-)

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

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

Minority shares

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

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

Negative goodwill

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

Corporate tax liability originating from consolidation

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

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

Consolidation difference - increasing the profit - resulting from debt consolidation

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

Consolidation difference - decreasing the profit - resulting from debt consolidation

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

Dividends, profit sharing received from associated companies

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

Dividends and profit sharing received from other equity investments

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

Corporate tax difference originating from consolidation (+/-)

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

Use of retained earnings for dividends, profit sharing

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

Footnotes:

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

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

Definition of consolidation:

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

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

IV/3. CHANGES AND MAJOR ECONOMIC EVENTS IN 2009

In 2009 Budapest Bank has not made additional general risk reserve.

The Bank Group made 10 % General Reserve on the profit after tax of the Bank in 2009.

Budapest Bank Nyrt. has a liability for the return on mutual funds unit of the Budapest Pénzpiaci Alap, which total net asset is HUF 39,024 million as of 31st December 2009. No such guarantees had to be called in the year 2009.

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

The HUF 101 million due for year 2009 has been transferred to the National Deposit Insurance Fund.

In year 2009 Budapest Bank transferred HUF 84 million to the Investor Protection Fund.

The year 2009 report of Budapest Bank Group is signed by Mr. Sean Morrissey, Chief Executive Officer of the Bank (Budapest, 1062 Izabella utca 62) and Mrs. Edit Pálcza, Chief Finance Officer of the Bank (Budapest, 1046 Szőnyi István utca 48.).

László Térmeg is responsible for managing and leading the accounting duties. (Membership number of Chambers of Hungarian Statutory Auditors is 4881)

Budapest Bank Group

V / 1. Subsidiaries, owned directly or indirectly by Budapest Bank Rt., which are involved in the consolidation,
associated and other companies, not involved in the consolidation

31 December 2009

	Vállalkozás		Purchase value (in HUF MM)	Voting rights
	Name	Address (seat)		
1. Participation in subsidiaries involved in the consolidation	Budapest Autófinanszírozási Zrt.	1138 Budapest, Váci út 188.	250	100%
	Budapest Flotta Zrt.	1138 Budapest, Váci út 188.	558	100%
	Budapest Eszközfinanszírozó Kft.	1138 Budapest, Váci út 188.	29	100%
	Budapest Lízing Zrt.	1138 Budapest, Váci út 188.	280	100%
	Budapest Alapkezelő Zrt.	1138 Budapest, Váci út 188.	10	100%
	SBB Solution Zrt.	1138 Budapest, Váci út 188.	2 117	100%
2. Other companies, not involved in the consolidation	GIRO Elszámolásforgalmi Központ Zrt.	1205 Budapest, Mártonffy u. 25-29.	156	8,33%
	Garantiqa Hitelgarancia Zrt.	1052 Budapest, Bárczy István u. 3-5.	190	3,95%
	Kisvállalkozás-fejlesztő Pénzügyi Zrt.	1052 Budapest, Szép u. 2.	50	1,47%
	Swift	Avenue Adele 1 B 1310 La Hulpe Belgium	10	0,02%
	Magyar Sepa Egyesület	1051 Budapest, József Nádor tér 5-6.	0	9,09%
	Park Teniszkлуб Zrt.	1114 Budapest, Bartók Béla út 15/d.	0	0,30%

Budapest Bank Group

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

31 December 2009

Subsidiary	BB Rt. direct participation in the subsidiary		Share capital	Shareholder's fund	Net profit (loss) for the year / *
	HUF MM	%	HUF MM	HUF MM	HUF MM
Budapest Autófinanszírozási Zrt.	250	100	180	2 439	1 108
Budapest Flotta Zrt.	558	100	53	614	233
Budapest Eszközfinanszírozó Kft.	29	100	11	1 440	183
Budapest Lízing Zrt.	280	100	60	2 028	1 106
Budapest Alapkezelő Zrt.	10	100	500	1 404	305
SBB Solution Zrt.	2 117	100	170	263	(10)
Total:	3 244		974	8 188	2 925

Notes:

* Three of Subsidiaries of Budapest Bank Nyrt. will pay dividend approved by General Assembly to the Bank.

Dividend amount of Budapest Alapkezelő Zrt. consists of 1 000 MM HUF Profit after Taxes for the current year (2009).

Dividend amount of Budapest Autófinanszírozási Zrt. consists of 2 000 MM HUF Profit after Taxes for the current year (2009).

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

31 December 2009

Subsidiary	BB Rt's participation in the subsidiary % (a)	The subsidiaries' equity without the profit of the year after payment of Dividend 31 December 2009 HUF MM (b)	Participation due to BB Nyrt. after payment of Dividend 31 December 2009 HUF MM (c= a x b)	Purchase price of the shares HUF MM (d)	Equity consolidation difference 1994 HUF MM (e)	Modification of positive equity consolidation difference due to new shares (új részesedés miatt) HUF MM (f)	Depreciation of positive equity consolidation HUF MM (g)	Equity consolidation difference HUF MM (h=e+f-g)	Changes in the shareholders' equity of subsidiary after payment of Dividend, / * 31 December 2009 HUF MM (i=c-d+h)
Budapest Autófinanszírozási Zrt.	100,00%	1.331	1.331	250	0			0	1.081
Budapest Flotta Zrt.	100,00%	391	391	538	0			0	-177
Budapest Eszközfinanszírozó Kft.	100,00%	1.258	1.258	29	0			0	1.229
Budapest Lízing Zrt.	100,00%	923	923	280	133		133		643
Budapest Alapkezelő Zrt.	100,00%	1.099	1.099	10	-4			-4	1.085
SB8 Solution Zrt.	100,00%	273	273	2.117	-146			-146	-1.990
Total:		5.265	5.265	3.244	-17	0	133	-150	1.871

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

 Note:
 The changes in the shareholders' equity of subsidiary contain the amount of 9,000 THUF Capital Engaged.

Budapest Bank Group
V / 4.a. Gross value of intangible and tangible assets in 2009

in HUF MM

Description	Changes in Gross Value			
	Opening value	Increase during the year	Decrease during the year	Closing value
I. Total intangible assets:	15 241	1 549	240	16 550
a/ Rights and titles	831	-	1	830
b/ Intellectual property	14 076	1 549	239	15 386
c/ Capitalised value of foundation/restructuring	334	-	-	334
II.1. Tangible assets serving financial institutions' activities	28 871	2 962	4 933	26 900
a/ Real properties	11 858	372	548	11 682
b/ Technical equipment, machinery and vehicles	16 855	970	2 625	15 200
c/ Assets under construction	158	1 620	1 760	18
d/ Advances for assets under construction	-	-	-	-
II.1. Tangible assets related to non-financial services	21 742	2 234	4 042	19 934
a/ Real estates	-	-	-	-
b/ Technical equipment, machinery and vehicles	21 732	2 228	4 032	19 928
c/ Assets under construction	10	6	10	6
d/ Advances for assets under construction	-	-	-	-

Budapest Bank Group
V / 4.b. Accumulated depreciation and current year depreciation on intangible and tangible assets in 2009.

in HUF MM

Description	Accumulated depreciation					
	Opening value	Increase during the year	Decrease during the year	Planned depreciation	Over the plan	Closing balances
I. Total intangible assets:	10 057	1 836	39	1 836	-	11 854
a/ Rights and titles	831	-	1	-	-	830
b/ Intellectual property	8 892	1 836	38	1 836	-	10 690
c/ Capitalised Value of foundation/ restructuring	334	-	-	-	-	334
II.1. Tangible assets serving financial institutions' activities	14 034	2 483	2 582	2 482	1	13 935
a/ Real estates	2 930	499	158	499	-	3 271
b/ Technical equipment, machinery and vehicles	11 104	1 984	2 424	1 983	1	10 664
c/ Assets under construction	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-
II.2. Tangible Assets not directly used in banking activities	6 974	3 300	2 506	3 006	294	7 768
a/ Real estates	-	-	-	-	-	-
b/ Technical equipment, machinery and vehicles	6 974	3 300	2 506	3 006	294	7 768
c/ Assets under construction	-	-	-	-	-	-
d/ Advances for assets under construction	-	-	-	-	-	-

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

Rights related to real estates:	Gross Value (HUF MM)	Cumulated Depreciation (HUF MM)
Right of lease	93	70
Right of usage	2	2

Budapest Bank Group
V / 5. Inventory

in HUF MM

Description	As of 31 December 2008	As of 31 December 2009
Precious metals for sale	-	-
Office materials	2	2
Printed materials	1	1
Stock	21	23
Mediated services	40	61
Stock purchased in the scope of Lease contracts	85	114
Take back of cars, leased assets	1 107	1 866
Provision on Stock/Equipment against receivables	-212	-468
Other	-	5
Total :	1 044	1 604

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

in HUF MM

Description	Total of 31 Dec 2008	Total of 31 Dec 2009	Breakdown of the portfolio of 31 December 2009 in maturity split				
			On sight	within 3 months	within 3 months and 1 year	within 1 year and 5 years	5 years
			2	3	4	5	6
		1 = 2+3+4+5+6					
<i>I. Receivables to financial institutions</i>	66 545	41 315	909	40 406	0	0	0
On sight	3 890	909	909	-	-	-	-
Other receivables to financial institutions	62 655	40 406	0	40 406	0	0	0
- Within one year	62 655	40 406	-	40 406	-	-	-
National Bank of Hungary	57 716	40 342	-	40 342	-	-	-
- Over one year	0	0	-	-	-	-	-
National Bank of Hungary	-	-	-	-	-	-	-
<i>II. Receivables against customers</i>	767 459	665 569	59 709	47 703	122 800	189 866	245 491
Receivables from financial services	766 886	665 480	59 620	47 703	122 800	189 866	245 491
- Within one year	255 166	230 123	59 620	47 703	122 800	-	-
- Over one year	511 720	435 357	-	-	-	189 866	245 491
Receivables from investment services	573	89	89	-	-	-	-
Total	834 004	706 884	60 618	88 109	122 800	189 866	245 491

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

Description	31 December 2009					in HUF MM
						31 December 2008
	EUR	USD	HUF	Other	Total	Total
1. Cash	489	107	22 867	81	23 544	20 684
2. Securities	-	-	132 177	-	132 177	26 627
a) State Bonds	-	-	132 177	-	132 177	26 627
b) Shares and other securities	-	-	-	-	-	-
3. Receivables :	132 665	9 897	245 384	324 155	712 101	842 574
a) On sight	213	128	-	568	909	3 890
b) Maturing within one year	81 445	6 521	173 201	14 579	275 746	326 391
- to financial institutions	16 657	3 291	19 000	1 458	40 406	62 655
- to customers	64 788	3 221	148 993	13 121	230 123	255 166
- other receivables	-	9	5 208	-	5 217	8 570
c) Maturing over one year	51 007	3 248	72 094	309 008	435 357	511 720
- to financial institutions	-	-	-	-	-	-
- to customers	51 007	3 248	72 094	309 008	435 357	511 720
d) From investment services	-	-	89	-	89	573
4. Securities (bonds)	-	-	25	-	25	25
5. Shares and other securities	-	-	2 500	752	3 252	3 456
6. Shares for sale/ for investment purposes	10	-	395	-	405	432
7. Shares in affiliated companies	-	-	-	-	-	-
8. Intangible Assets	-	-	4 696	-	4 696	5 184
9. Tangible Assets	-	-	25 131	-	25 131	29 605
10. Inventories	-	-	1 604	-	1 604	1 044
11. Positive valuation difference of derivatives	-	-	447	-	447	1 411
12. Prepayments	51	6	5 736	664	6 457	6 999
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12)	133 215	10 010	440 962	325 652	909 839	938 041

Budapest Bank Group
V / 8. Provisions movements from 1 January 2009 to 31 December 2009

Description	in HUF MM				
	Opening balance	Provision (write-off)	Charge	Provision (release)	Closing balance
1. Provision for pension and severance	425	-425	398	-	398
2. Provision on contingent and future liabilities	3 714	-33	591	-1 150	3 122
3. General risk provision	2 511	-	-	-	2 511
4. Other provision	144	-	-	-144	-
Total:	6 794	-458	989	-1 294	6 031

Budapest Bank Group
V / 9. Provision charge/release on assets from 1 January 2009 to 31 December 2009

in HUFMM				
Description	Opening balance	Charge	Release	Closing Balance
1. Provision on securities	17	-	-	17
2. Provision on other financial investments	4	-	-2	2
3. Provision on receivables	32 491	36 896	-9 898	59 489
of which:				
Financial Institutions	-	-	-	-
Customers	29 228	30 435	-4 099	55 564
Receivables on Finance lease	2 840	6 188	-5 620	3 408
Other Receivables	423	141	-179	385
Inventory financing related receivables	-	132	-	132
4. Provison on inventories, which were received against receivables	212	377	-121	468
Total:	32 725	37 273	-10 022	59 976

Budapest Bank Group
V / 10. Securities breakdown and custody securities

31 December 2009

Description	Securities fully owned by BB Nyrt.						Securities owned by third parties				in HUF MM
	Balance Sheet line	Face Value	Book Value	Listed	Market Value*	Form	Place	Face Value	Form	Place	
Government bonds	II. Securities	26 091	26 090	-	26 090	DEMAT	KELER	793	DEMAT	KELER	
Discount T-bills	II. Securities	367	345	345	356	DEMAT	KELER	1 080	DEMAT	KELER	
Bonds of National Bank of Hungary	II. Securities	106 000	105 742	-	106 824	DEMAT	KELER	0	DEMAT	KELER	
Pawnletters	V. Bonds and other securities	-	-	-	-	-	-	0	DEMAT	KELER	
Investment fund quotas	VI. Shares and other securities	2 513	3 252	-	3 408	DEMAT	KELER	100 888	DEMAT	KELER	
Compensation Coupon	VI. Shares and other securities	49	25	25	25	FIZIKAI	ÉRTÉKTÁR	1	FIZIKAI	ÉRTÉKTÁR	
Shares	VII-VIII. Shares for investment purposes and in affiliated companies for investment purposes	398	346	-	346	FIZIKAI	ÉRTÉKTÁR	1 426	DEMAT	KELER	
Shares	VII-VIII. Shares for investment purposes and in affiliated companies for investment purposes	26	58	-	58	DEMAT	KELER	293	FIZIKAI	ÉRTÉKTÁR	
Other security	V. Bonds and other securities	1	1	-	12	FIZIKAI	ÉRTÉKTÁR	2 346	-	-	
Total:		135 445	135 859	370	136 119			106 827			

Note: the financial assets due to customers regarding to commission investment activity is 757 HUF MM at 31 December 2009.
 * In case of Shares Market Value equals to Book Value deducted by Provision.

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

In HUF MM

Description	Total of 31 Dec 2008	Total of 31 Dec 2009	Breakdown of the portfolio of 31 December 2009 in maturity split				
			On sight	within 3 months	within 3 months and 1 year	within 1 year and 5 years	5 years
			2	3	4	5	6
		1 = 2+3+4+5+6					
<i>I. Liabilities to financial institutions</i>	31 807	28 889	175	2 164	1 067	13 043	12 440
<i>On sight</i>	78	174	174	-	-	-	-
<i>Deposited from financial services</i>	31 728	28 714	0	2 164	1 067	13 043	12 440
- Within one year	3 496	3 231	-	2 164	1 067	-	-
- Over one year	28 232	25 483	-	-	-	13 043	12 440
<i>From investment services</i>	1	1	1	-	-	-	-
<i>II. Liabilities to customers</i>	754 316	732 781	219 197	231 662	60 815	221 107	0
<i>Other liabilities from financial services</i>	753 600	732 024	218 440	231 662	60 815	221 107	0
- On sight	233 284	218 440	218 440	-	-	-	-
- Within one year	298 973	292 477	-	231 662	60 815	-	-
- Over one year	221 343	221 107	-	-	-	221 107	-
<i>From investment services activity</i>	716	757	757	-	-	-	-
<i>VII. Subordinated Debt</i>	4 011	4 011	-	-	-	-	4 011
Total:	790 134	765 681	219 372	233 826	61 882	234 150	16 451

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

Description	31 December 2009					in HUF MM	
	EUR	Non EUR			Total	31 December 2008	
	EUR	USD	HUF	Other			
1. Liabilities on sight	29 478	3 127	185 133	876	218 614	233 362	
- to financial institutions	136	7	29	2	174	78	
- to customers	29 342	3 120	185 104	874	218 440	233 284	
2. Short-term liabilities	51 504	6 902	242 535	2 430	303 371	316 648	
- to financial institutions	1 297	18	1 486	430	3 231	3 496	
- to customers	50 178	6 862	233 465	1 972	292 477	298 973	
- on issued securities	-	-	-	-	-	-	
- other liabilities	29	22	7 584	28	7 663	14 179	
3. Long-term liabilities	25 108	-	39 689	181 793	246 590	249 575	
- to financial institutions	561	-	24 922	-	25 483	28 232	
- to customers	24 547	-	14 767	181 793	221 107	221 343	
- on issued securities	-	-	-	-	-	-	
- other liabilities	-	-	-	-	-	-	
4. Liabilities from investments services	31	-	727	-	758	717	
- to financial institutions	-	-	1	-	1	1	
- to customers	31	-	726	-	757	716	
5. Negative valuation difference of derivatives	-	-	2 196	-	2 196	9 374	
6. Accruals	297	33	20 288	896	21 514	23 759	
7. Provision	-	-	6 031	-	6 031	6 794	
8. Subordinated debt	-	-	4 011	-	4 011	4 011	
9. Shareholders' fund	-	-	106 754	-	106 754	93 801	
Total: (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	106 418	10 062	607 364	185 995	909 839	938 041	

Budapest Bank Group
V / 13. Breakdown of Prepayments and Accruals

in HUF MM

Nr.	Description	As of 31 December 2008	As of 31 December 2009	Nr.	Description	As of 31 December 2008	As of 31 December 2009
	Prepayments				Accruals		
1.	Accrued interest	4 856	4 533	1.	Accrued interest	16 553	15 514
2.	Accrued commission	472	396	2.	Accrued commission	177	84
3.	Accrued costs and expenses	314	257	3.	Accrued costs and expenses	7 023	5 913
4.	Accrued interest on Securities	922	1 150	4.	Accrued interest on Securities	3	3
5.	Accrued dividend from subsidiaries	-	-	5.	Accrued Income	-	-
6.	Other	435	121	6.	Other	3	-
	Total:	6 999	6 457		Total:	23 759	21 514

Budapest Bank Group
V / 14. Income and expenditure of investment related services

in HUF MM

Nr.	Description	Income		Expenditure	
		2008	2009	2008	2009
1.	Commissionnaire activities	1 785	1 262	37	29
2.	Commercial activities	411	642	375	625
3.	Safe custody activities	296	89	4	11
4.	Other activities	1	-	-	1
	Total:	2 493	1 993	416	666

Budapest Bank Group
V / 15. Changes in issued own shares

31 December 2009

Description	Type of share	Face value HUF	Number of shares	Value HUF MM
Opening total January 1, 2009				19 346,0
Closing total December 31, 2009				19 346,0
Breakdown of closing total:				
Ordinary common stock	registered	1 000 000	18 546	18 546,0
	registered	10 000	37 338	373,4
	registered	1 000	344 295	344,3
Interest earning shares	registered	10 000	8 227	82,3

Notes:

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

GECIFC shares means 99,73% ownership.

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

Description	in HUF MM	
	Interest, fees and commissions in suspense As of 31 December 2008	Interest, fees and commissions in suspense As of 31 December 2009
Base interest	3 766	7 048
Late payment interest	532	1 185
Fees	844	1 344
Commissions	678	936
Total:	5 820	10 513

Budapest Bank Group

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

As of 31 December 2009

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

Buy		Sell		Buy		Sell		Starting date	Maturity date	Fair Market Value HUF MM
Opening amount		Opening amount		Maturity amount		Maturity amount				
CHF	30	HUF	5 267	HUF	5 343	CHF	30	2009.10.08	2010.01.04	-94
CHF	22	HUF	3 884	HUF	3 941	CHF	22	2009.10.09	2010.01.05	-37
CHF	19	HUF	3 445	HUF	3 495	CHF	19	2009.10.13	2010.01.07	-47
CHF	12	HUF	2 118	HUF	2 147	CHF	12	2009.10.14	2010.01.08	-44
CHF	10	HUF	1 746	HUF	1 771	CHF	10	2009.10.15	2010.01.11	-37
CHF	25	HUF	4 449	HUF	4 513	CHF	25	2009.10.16	2010.01.12	-91
CHF	31	HUF	5 518	HUF	5 595	CHF	31	2009.10.19	2010.01.13	-125
CHF	37	HUF	6 489	HUF	6 578	CHF	37	2009.10.20	2010.01.14	-148
CHF	19	HUF	3 346	HUF	3 392	CHF	19	2009.10.21	2010.01.15	-100
CHF	35	HUF	6 152	HUF	6 236	CHF	35	2009.10.22	2010.01.18	-183
CHF	14	HUF	2 413	HUF	2 446	CHF	14	2009.10.26	2010.01.20	-60
CHF	16	HUF	2 913	HUF	2 952	CHF	16	2009.10.27	2010.01.21	-66
CHF	15	HUF	2 691	HUF	2 727	CHF	15	2009.10.28	2010.01.22	-55
CHF	16	HUF	2 890	HUF	2 930	CHF	16	2009.10.29	2010.01.25	0
CHF	23	HUF	4 101	HUF	4 156	CHF	23	2009.10.30	2010.01.26	17
CHF	28	HUF	5 111	HUF	5 179	CHF	28	2009.11.02	2010.01.27	-4
CHF	16	HUF	2 899	HUF	2 937	CHF	16	2009.11.03	2010.01.28	24
CHF	31	HUF	5 791	HUF	5 869	CHF	31	2009.11.04	2010.02.01	131
CHF	7	HUF	1 247	HUF	1 263	CHF	7	2009.11.05	2010.02.02	17
CHF	20	HUF	3 664	HUF	3 713	CHF	20	2009.11.06	2010.02.03	46
CHF	21	HUF	3 812	HUF	3 864	CHF	21	2009.11.06	2010.02.04	49
CHF	25	HUF	4 616	HUF	4 679	CHF	25	2009.11.09	2010.02.05	20
CHF	11	HUF	2 060	HUF	2 089	CHF	11	2009.11.10	2010.02.08	-3
CHF	11	HUF	2 014	HUF	2 041	CHF	11	2009.11.12	2010.02.09	-14
CHF	16	HUF	2 881	HUF	2 919	CHF	16	2009.11.13	2010.02.10	-36
CHF	27	HUF	4 822	HUF	4 882	CHF	27	2009.11.16	2010.02.11	-74
CHF	17	HUF	3 017	HUF	3 054	CHF	17	2009.11.17	2010.02.11	-67
CHF	11	HUF	1 904	HUF	1 928	CHF	11	2009.11.18	2010.02.12	-55
CHF	18	HUF	3 253	HUF	3 293	CHF	18	2009.11.19	2010.02.15	-104
CHF	32	HUF	5 594	HUF	5 668	CHF	32	2009.11.20	2010.02.17	-138
CHF	18	HUF	3 287	HUF	3 328	CHF	18	2009.11.23	2010.02.18	-72
CHF	14	HUF	2 571	HUF	2 603	CHF	14	2009.11.24	2010.02.19	-62
CHF	17	HUF	2 933	HUF	2 970	CHF	17	2009.11.25	2010.02.22	-64
CHF	10	HUF	1 772	HUF	1 794	CHF	10	2009.11.27	2010.02.23	-45
CHF	11	HUF	2 035	HUF	2 061	CHF	11	2009.12.01	2010.02.24	1
CHF	17	HUF	3 041	HUF	3 079	CHF	17	2009.12.02	2010.02.25	-12
CHF	22	HUF	3 891	HUF	3 940	CHF	22	2009.12.03	2010.03.01	-55
CHF	12	HUF	2 091	HUF	2 118	CHF	12	2009.12.04	2010.03.02	-36
CHF	11	HUF	1 933	HUF	1 957	CHF	11	2009.12.07	2010.03.03	-32
CHF	8	HUF	1 461	HUF	1 479	CHF	8	2009.12.08	2010.03.04	-32
CHF	24	HUF	4 203	HUF	4 254	CHF	24	2009.12.09	2010.03.05	-75
CHF	8	HUF	1 484	HUF	1 502	CHF	8	2009.12.10	2010.03.08	-9
CHF	14	HUF	2 541	HUF	2 572	CHF	14	2009.12.11	2010.03.09	-27
CHF	11	HUF	1 897	HUF	1 920	CHF	11	2009.12.14	2010.03.10	-16
CHF	21	HUF	3 846	HUF	3 892	CHF	21	2009.12.15	2010.03.11	-35
CHF	6	HUF	1 077	HUF	1 090	CHF	6	2009.12.16	2010.03.12	1
CHF	22	HUF	4 047	HUF	4 099	CHF	22	2009.12.17	2010.03.16	19
CHF	1	HUF	129	HUF	131	CHF	1	2009.12.21	2010.03.17	3
CHF	7	HUF	1 234	HUF	1 250	CHF	7	2009.12.22	2010.03.18	13
CHF	19	HUF	3 509	HUF	3 554	CHF	19	2009.12.23	2010.03.19	8
CHF	21	HUF	3 851	HUF	3 898	CHF	21	2009.12.28	2010.03.22	18
CHF	13	HUF	2 393	HUF	2 422	CHF	13	2009.12.29	2010.03.23	20
CHF	17	HUF	3 082	HUF	3 122	CHF	17	2009.12.30	2010.03.24	17
										-1 751

Budapest Bank applies swap contracts to manage foreign currency liquidity. Typically HUF surplus is exchanged to CHF, within 2-3-month, short-term contracts, which have been done with its parent company.

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

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

Fair value of forward legs of non-delivery forwards and delivery currency swaps is determined in the following way: The Bank determines the forward leg of each deals then the difference between spot rate and market rate of the discounted amount from maturity date to value date. Market rate is the officially announced HNB currency rate. The basis of the discount factor are market interests, which are BUBOR or LIBOR depending on currency and duration. The formula of the discount factor: $1 + k/365000 \cdot n$ (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 15 137 046 000 HUF positive cash flow in 2009. The Bank had a profit of 14 662 219 000 HUF due to these closed deals during the year (considering the revaluation effect for 2009 of spot legs of 2008's deals). Interest rate swaps and forwards did not have significant impact neither on cash flow or on the result.

Budapest Bank Group
V / 18. Changes of Shareholders' Equity in 2009

Description	in HUF MM				
	Opening value	Increase	Decrease	Transfer	Closing value
Share capital	19 346	-	-	-	19 346
Issued, unpaid share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Retained Earnings	55 187	10 688	3	-	65 872
Valuation Reserve	-	-	-	-	-
Capital Engaged	9	6	3	-	12
General Reserve	6 709	1 002	-	-	7 711
Profit for the year	11 114	11 952	11 114	-	11 952
Changes in Subsidiaries Equity	1 436	425	-	-	1 861
Changes due to Consolidation	-	-	-	-	-
SHAREHOLDERS' FUND	93 801	24 073	11 120	-	106 754

Note:

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

Budapest Bank Group

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

As of 31 December 2009

in HUF MM

Currency	Foreign currency receivables	Foreign currency liabilities
AUD	-	1
CHF	495	24
CZK	-	-
DKK	-	-
EUR	326	521
GBP	-	8
HUF	656	921
JPY	-	3
NOK	-	-
PLN	9	8
SEK	2	4
USD	96	96
Total	1 584	1 586

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

Description	In HUF MM	
	Listing value	
	31 December 2008	31 December 2009
I.) Securities	537	345
a) available for sale	537	345
b) for investment puposes	-	-
II.) Bonds and other securities	25	25
a) securities issued by municipalities and other government institution (excluding gove	-	-
aa) available for sale	-	-
ab) for investment purposes	-	-
b) securities issued by others	25	25
ba) available for sale	25	25
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
- repurchased own shares	-	-
bb) for investment purposes	-	-
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
III.) SHARES AND OTHER SECURITIES	-	-
a) shares available for sale	-	-
Of which: -issued by subsidiaries	-	-
- issued by affiliated companies	-	-
b) securities with variable yield	-	-
ba) available for sale	-	-
bb) for investment purposes	-	-
IV.) SHARES FOR INVESTMENT PURPOSES	-	-
a) shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
b) revaluation of shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
V.) SHARES IN AFFILIATED COMPANIES FOR INVESTMENT PURPOSES (69+71)	-	-
a) shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
b) revaluation of shares for investment purposes	-	-
of which: - shares in financial institutions	-	-
Listed securities total:	562	370

Budapest Bank Group
VI / 1. Financial ratios*

		2008		2009	
Profitability Ratios					
Marge	<u>Profit after tax</u> Revenue	$\frac{12\,342\,000}{204\,586\,000} = 6,03\%$		$\frac{12\,962\,000}{190\,099\,000} = 6,82\%$	
ROA	<u>Profit after tax</u> Average total assets	$\frac{12\,342\,000}{876\,135\,000} = 1,41\%$		$\frac{12\,962\,000}{923\,940\,000} = 1,40\%$	
ROE (1)	<u>Profit after tax</u> Shareholders' funds	$\frac{12\,342\,000}{93\,801\,000} = 13,16\%$		$\frac{12\,962\,000}{106\,754\,000} = 12,14\%$	
ROE (2)	<u>Profit after tax</u> Share capital	$\frac{12\,342\,000}{19\,346\,000} = 63,80\%$		$\frac{12\,962\,000}{19\,346\,000} = 67,00\%$	
ROE (3)	<u>Net income of financial services</u> Shareholders' funds	$\frac{12\,650\,000}{93\,801\,000} = 13,49\%$		$\frac{12\,227\,000}{106\,754\,000} = 11,45\%$	
Capital coverage Ratios					
Gearing	<u>Balance sheet total</u> Shareholders' funds	$\frac{938\,041\,000}{93\,801\,000} = 10,00$		$\frac{909\,839\,000}{106\,754\,000} = 8,52$	
Liquidity and Coverage					
Liquidity ratio	<u>Liquid assets</u> Short term liabilities	$\frac{358\,011\,000}{560\,101\,000} = 0,64$		$\frac{411\,703\,000}{524\,939\,000} = 0,78$	
Loans in percentage of deposits	<u>Total loans and leases</u> Total deposits	$\frac{834\,004\,000}{786\,123\,000} = 106,09\%$		$\frac{706\,884\,000}{761\,670\,000} = 92,81\%$	
Asset Quality Ratios					
Risk Provision %	<u>Provision</u> Balance sheet total	$\frac{39\,517\,667}{938\,041\,000} = 4,21\%$		$\frac{66\,006\,455}{909\,839\,000} = 7,25\%$	
Risk Provision Coverage	<u>Provision</u> Shareholders' funds	$\frac{39\,517\,667}{93\,801\,000} = 42,13\%$		$\frac{66\,006\,455}{106\,754\,000} = 61,83\%$	
Effectivity Ratios					
Profit per employee	<u>Profit after taxation</u> Average no. of employees	$\frac{12\,342\,000}{3\,511} = 3\,515$		$\frac{12\,962\,000}{3\,176} = 4\,081$	
Wage Cost effectiveness	<u>Profit after taxation</u> Total salaries&wages	$\frac{12\,342\,000}{18\,020\,000} = 68,49\%$		$\frac{12\,962\,000}{16\,582\,000} = 78,17\%$	

* Balances in HUF000

Budapest Bank Group
VI / 2. Subordinated loans

As of 31 December 2009

in HUF MM

Description	Issued bonds		Bond portfolio	
	Serial number	Quantity (pcs)		Face value (Th HUF)
Composition	0001 - 0038	38	100	3 800
	0001 - 0061	61	1	61
Total:		99		3 861
Security type:	straight paper, registered bond			
Interest:	variable interest regarding half year period from 20/06/2009 4.88%, from 20/12/2009 3.79%			
Date of issue:	20 December 1994			
Maturity:	20 December 2014			
Currency:	HUF			

Budapest Bank Group
VI / 3. Off-balance sheet items

Description	in HUF MM	
	As of 31 December 2008	As of 31 December 2009
Commitments and contingent liabilities	208 701	192 274
- unused overdraft facilities, non-disbursed approved loans	78 351	69 007
- guarantees of indebtedness	38 224	37 146
- other commitments	91 282	85 542
-of which yield guarantee	33 812	39 024
- letters of credit	844	579
Futures liabilities	256 298	177 891
- futures pension and severance payments	-	-
- payment liabilities on interest swap transactions	-	-
- of which subsidiaries	-	-
- forward transactions	-	-
- spot transactions	2 682	1 586
- transactions with securities	-	-
- liabilities on swap transactions	253 426	176 305
- of which subsidiaries	253 426	176 305
- HUF liabilities on forward transactions	-	-
- liabilities on forward transactions without transferring capital	190	-
Total off-balance sheet liabilities:	464 999	370 165
Off-balance sheet receivables		
- swap transactions (FX)	248 592	175 715
- spot transactions	2 683	1 584
- receivables on transaction without transferring capital	182	-
- receivables on interest rate swap transactions	-	-
Total off-balance sheet receivables:	251 457	177 299

Note

Value of assets obtained as collateral or guarantee deposit related to financial services is 551 530 Million HUF (excluding assigned revenue and receivable assignment) as of 31 December 2009.

Budapest Bank Group
VI / 4. Extraordinary income and expense

in HUF MM

Nr	Description	Amount	
		2008	2009
1.	Sundry donations	-144	-143
2.	Donations, assets given for free	-9	-6
3.	IT equipment and networks handed over without reimbursement or found	-	-
4.	Dividend renounced by GE	-	-
5.	Receivables written off	-15	-14
6.	Debt assume and released claims	-	-
7.	Other	2	15
	Total:	-166	-148

Budapest Bank Group
VI / 5. Corporate tax base adjustments in 2009

		in HUF MM	
Items decreasing the profit before taxes		Items increasing the profit before taxes	
1. Depreciation according to the Tax Law	10 702	1. Depreciation expense on the basis of the Accounting Law	10 574
2. Money contribution received without repayment	-	2. Subsidies provided, receivables forgiven	148
3. Funds contributed to foundations and other public institutions	115	3. Provision on receivables	267
4. The part of the provision accepted by taxation law	2 215	4. Uncollectable receivables forgiven	26
5. Tax audit correction items accounted as revenue	516	5. Tax audit correction items accounted as expense	265
6. Dividend received	176	6. Penalties and fines	250
7. Remitted liabilities	-	7. Provision for future liabilities and contingencies	668
8. Income from receivables previous dedicated as uncollectable	-	8. Write-off of inventory	-
9. Previous years' accrued losses	144	9. Other	207
10. Provision on contingent and future liabilities	1 181		
11. 100% of Local Business Tax	2 338		
12. Release on inventory provision	-		
13. Remitted penalties	-		
14. Other	345		
Total	17 732	Total	12 405

Budapest Bank Group
VI / 6. Corporate tax calculation

in HUF MM

Nr	Description	Based on the single financial statements of the group members							Based on the consolidated income		
		Budapest Bank Nyrt.	Budapest Autófinanszírozási Zrt.	Budapest Flotta Zrt.	Budapest Eszözfinanszírozó Kft.	Budapest Ülling Zrt.	Budapest Alapkezelő Zrt.	SBB Solution Zrt.		Total	
31 december 2008											
1.	Profit before tax	13 897	2 234	138	156	1 219	2 243	-	28	19 860	15 570
2.	Decreasing items in the corporate tax base	-10 607	553	3 619	3 179	867	90	12	12	18 927	14 927
3.	Increasing items in the corporate tax base	5 719	2 570	2 691	2 648	1 396	12	8	8	15 043	15 043
4.	Tax base	9 009	4 251	-	375	1 748	2 165	-	32	15 976	15 686
5.	Corporate tax charge	1 442	680	-	-	280	346	0	0	2 748	2 510
6.	Tax incentives	125	3	-	-	3	3	-	-	134	134
7.	Corporate tax charge after deduction of incentives	1 316	677	-	-	277	343	0	0	2 614	2 376
8.	Income tax for banks	-	-	-	-	-	-	-	-	-	-
9.	Solidarity Tax	374	90	6	6	49	90	-	-	614	623
10.	Total tax charge	1 690	767	6	6	326	433	0	0	3 228	2 998

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

in HUF MM

Sorozás	Mégnevezés	Based on the single financial statements of the group members							Based on the consolidated income	
		Budapest Bank Nyrt.	Budapest Autófinanszírozási Zrt.	Budapest Flotta Zrt.	Budapest Eszözfinanszírozó Kft.	Budapest Ülling Zrt.	Budapest Alapkezelő Zrt.	SBB Solution Zrt.		Total
31 december 2009										
1.	Profit before tax	11 369	3 548	243	190	1 236	1 617	-10	18 193	15 208
2.	Decreasing items in the corporate tax base	11 895	1 844	3 414	2 746	764	60	8	20 732	17 732
3.	Increasing items in the corporate tax base	6 939	1 89	2 651	2 556	51	12	8	12 405	12 405
4.	Tax base	6 413	1 892	-520	-	523	1 569	-10	9 867	9 861
5.	Corporate tax charge	1 026	303	-	-	84	251	0	1 664	1 561
6.	Tax incentives	3	5	-	-	3	3	-	14	14
7.	Corporate tax charge after deduction of incentives	1 023	298	-	-	81	248	0	1 650	1 567
8.	Income tax for banks	-	-	-	-	-	-	-	-	-
9.	Solidarity Tax	323	142	10	8	50	65	-	596	608
10.	Total tax charge	1 346	440	10	8	130	313	0	2 246	2 175

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

Budapest Bank Group
VI / 7. Breakdown of costs according to cost types

		in HUF MM	
Nr.	Description	2008	2009
1.	Material expenses	1 515	1 224
2.	Wage cost	18 020	16 582
3.	Other personal type payments	1 137	1 031
4.	Other fees	43	488
5.	Benefit in kind which do not increase the corporate tax base and representation cost	749	472
6.	Benefit in kind which increases the corporate tax base	22	4
7.	Other payments	11	3
8.	Personal expenses (2.+3.+4.+5.+6.+7.)	19 982	18 580
9.	Pension and health contribution	5 516	4 996
10.	Health contribution	135	74
11.	Employer contribution	525	390
12.	Educational contribution	257	247
13.	Other personal type expenses	389	116
14.	Social security expenses (9.+10.+11.+12.+13.)	6 822	5 823
15.	Cost of transport and storage	232	213
16.	Rental fees	2 548	2 350
17.	Maintenance cost	2 504	2 596
18.	Marketing cost	3 508	1 228
19.	Training cost	224	137
20.	Travelling and delegation cost	255	92
21.	Post and telephone costs	1 842	1 547
22.	Intellectual services	5 447	2 870
23.	Other services used	2 735	3 118
24.	Material type services used (15.+16.+17.+18.+19.+20.+21.+22.+23.)	19 295	14 151
25.	Depreciation	3 917	4 311
26.	Other costs	-	-
27.	Subcontractors performance	-	-
28.	Reinvoiced capital work in progress	699	2 120
29.	Loss related to injury	-	-
30.	Cost of good sold	41 178	11 840
31.	Depreciation	3 850	3 647
32.	Assets received against receivables	-	-
33.	Material cost	32	26
34.	Personal cost	591	540
35.	Social security type costs	202	173
36.	Cost of used services	467	317
37.	Other costs	581	430
38.	Expenses of non-financial and non-investment services (27-37)*	47 600	19 093
39.	Total (1.+ 8.+ 14.+ 24.+ 25.+26.+38.) :	99 131	63 182

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

Budapest Bank Group
VI / 8. Other income and expense

Nr.	Description	in HUF MM	
		2008	2009
1.	Fixed assets sold out	-156	-114
2.	Self-revision	-17	-58
3.	OBA and other membership fees	-422	-483
4.	Uncollectable receivables forgiven	-230	-483
5.	Movements in provision	3 792	2 970
6.	Provision for stocks	-68	-49
7.	Extraordinary depreciation	-	-758
8.	Sale of receivables	-3 975	-2 649
9.	Previous year's expenditure	21	3
10.	Local taxes	-2 520	-2 630
11.	Taxes paid for the state	368	76
12.	Penalties and late payment fee	57	369
13.	Corporate Tax related to previous years	-73	-92
14.	Non-recoverable VAT	-151	-130
15.	Other	-473	-2 138
	Total	-3 848	-6 166

Budapest Bank Group

VI / 9. Cash-flow statement

		in HUF MM	
	Description	2008	2009
01.	Interest income	92 602	101 094
02.	+ Income on other financial services	48 803	52 604
03.	+ Other income (without provision)	4 831	4 382
04.	+ Income on investment related services	2 493	1 993
05.	+ Income on non-financial and non-investment related services	50 686	22 222
06.	+ Dividends received	145	176
07.	+ Extraordinary income	3	45
08.	- Interest expenses	-39 220	-43 129
09.	- Expenditures on of other financial services	-23 398	-19 992
10.	- Other expenditures (without provisions)	-4 392	-7 974
11.	- Expenditure on investment related services	-416	-666
12.	- Expenses on non-financial and non-investment related activity	-47 600	-19 093
13.	- Operating costs	-47 614	-39 779
14.	- Extraordinary expenditures	-169	-193
15.	- Taxes	-3 228	-2 246
16.	- Dividends paid	-8	-8
17.	OPERATING CASH FLOW (Lines 1-16)	33 516	49 436
18.	± Change in liabilities	107 393	-38 147
19.	± Change in receivables	-166 348	98 756
20.	± Change in inventories	-729	-777
21.	± Change in securities among current assets	31 389	-105 345
22.	± Change in investments	-1	30
23.	± Change in construction (including advances)	1 360	145
26.	± Change in intangible assets	-2 304	-1 332
24.	± Change in tangible assets (excluding constructions)	-5 760	1 798
25.	± Change in prepayments	-1 286	542
27.	± Change in accruals	3 418	-2 246
28.	+ Stock issue at selling price	-	-
29.	- Capital decrease	-	-
30.	+ Cash and cash equivalents received based on law	-	-
31.	+ Cash and cash equivalents given based on law	-	-
32.	- Cancelled own shares	-	-
33.	NET CASH FLOW (Lines 18-34)	650	2 860
34.	Of which: - change in cash (in HUF and foreign currency)	1 392	-1 517
35.	- money in account	-742	4 377

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

31 December 2009

Megnevezés	Disbursement HUF MM	Repayment HUF MM	Outstanding debt at year end HUF MM	Main conditions
1. Interest free employee loans				
- Board of Directors	-	-	-	Long-term loan with property pledge Insurance on Real Estate
- Management	-	-	-	
- Supervisory Board	1	1	-	
1. Subtotal:	1	1	-	
2. Employee loans on preferential rate				
- Board of Directors	-	-	-	Long-term loan with property pledge Insurance on Real Estate
- Management	-	-	-	
- Supervisory Board	-	-	-	
2. Subtotal:	-	-	-	
3. Mortgage				
- Board of Directors	45	7	38	Long-term loan with property pledge Insurance on Real Estate
- Management	-	-	-	
- Supervisory Board	80	16	64	
3. Subtotal:	125	23	102	
Total:	126	24	102	

Budapest Bank Group
VI / 11. Salaries and Wages

31 December 2009

in HUF MM

Description	Type of employee		Total:
	Manual worker	White collar	
1. Salaries and wages	-	18 580	18 580
a. Payroll cost	-	16 582	16 582
b. Other personal type payments	-	1 998	1 998
2. Salaries and wages paid on sick leave	-	148	148
Total (1 + 2):	-	18 728	18 728

Budapest Bank Group**VI / 12. Number of employees**

31 December 2009

PERIOD	Number of employees (average figure)		
	Manual worker	White collar	Total
2008	0	3 511	3 511
2009	0	3 176	3 176

Budapest Bank Group

VI / 13. Large loans

in HUF MM

	31. december 2008.	31. decemer 2009.
The total of large loans as at balance sheet closing date	-	-
Number of clients, having large loans	-	-

Budapest Bank Group**VI / 14. Remuneration of the Board of Directors and the Supervisory Board**

31 December 2009

Description	Number of people entitled to remuneration	Amount of remuneration in HUF MM
Work Council	-	-
Board of Directors	5	3
Supervisory Board	6	8
Total :	11	11

VII.
CONSOLIDATED BUSINESS REPORT

BUDAPEST BANK GROUP

31 DECEMBER 2009.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2009

CAPITAL POSITION OF THE BANK GROUP

The capital position of the Bank-group is stable. At the end of 2009, the shareholders' equity, together with the HUF 11,9 billion retained profit proposed for approval to the shareholders' meeting, amounted to HUF 106,7 billion.

At 31 December 2009 General Electric (GECIFC) held 99.73% of the shares.

In addition to the HUF 65,8 billion retained earnings accumulated in the course of the previous years, the Bank-group has a total general reserve of HUF 7,7 billion, created for unforeseeable risks in accordance with the effective provisions of law on credit institutions.

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

QUALITY OF ASSETS

The total assets of the Bank-group decreased by 3% and amounted from HUF 909 billion from HUF 938 billion in previous year.

The low-risk government securities, the inter-bank placements and cash represented a significant part of the assets of the Bank-group amounting to HUF 197 billion (22 % of the total assets on December 31, 2009).

Loan receivable decreased 13 % to HUF 665 billion at the end of the year. During 2009 the Bank-group focused on the consumer, small and medium size loan portfolio as in prior year. As a result, the Bank-group was able to maintain the portfolio level of the customer lending, namely in the area of sales finance, personal loans, mortgage, autofinance and credit cards products. By the end of the year, the consumer portfolio achieved HUF 452 billion.

The small and medium-size loan decreased by 16%, below the market rate change, and amounted to HUF 184 billion, indicating the importance of this segment in the Bank-group's strategy.

Reserves made on loan receivables increased from HUF 32 billion to HUF 57 billion, which reflects a low level of credit risk reserve coverage of 7,9% at the end of the year. The ratio of the delinquent loans increased during 2009 but the professional risk management tools of the Bank-group minimized the actual losses below the growth of delinquency increase.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2009

MANAGEMENT AND BUSINESS POLICY

For 2009, Budapest Bank projected an economical slowdown and consumption drop, consequently it emphasized its business focus to maintain the portfolio level in the consumer and SME segment.

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

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

As a result of a customer focused product development new products have been introduced and some existing were further developed:

The consumer deposits remained stable at HUF 293 billion during 2009. The mortgage loans are also at a same level of HUF 193 billion is in prior year end due to the product innovation (mortgage in downment, housing, debt consolidation mortgage).

The unsecured product portfolio (including credit card, private loan, sales finance) increased by 1% to 113 billion. Within this portfolio, credit card expanded the highest by 17% compared to last year.

Budapest Autófinanszírozási Zrt. decreased its auto loan portfolio only by 7,9% to 144 billion in spite of the strong recession of autofinancing market in 2009.

The Budapest Bank network had 107 units at the end of the year including 106 branches and 1 Money Plus centers which serves the private banking customers.

The branches are considered aera of operation (telephely in Budapest, and fióktelep outside Budapest).

The Bank invested HUF 3 billion into the Békéscsaba operation in the last 3 years. This covers expenditures paid for training, digitalization, office equipments and IT infrastructure.

The number of employees was 628 at the end of 2009.

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

In summary the Bank-group achieved its 2009 target, mainly due to the successful maintainance of the consumer lending and SME portfolio.

The Bank-group maintained its reputation for one of the most innovative financial service provider by mean of introducing indexed deposit,s and the 3.0 generation internet banking.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2009

PROFITABILITY

In the year 2009, the annual net income after tax of Budapest Bank-group was HUF 12,9 billion, which is HUF 600 million higher than in prior year.

The increase has several factor.

The net interest increased 9% by HUF 4,5 billion compared to prior year, generated mainly by the higher HUF/CHF rate on an average basis in 2009.

Still a similar driver of profitability remained the generation of fee and net financial income, which increased by 23% in amount by HUF 6,5 billion compared to 2008.

The Bank-group changed overall interest rates of both commercial and consumer saving deposits several times in line with the prime bank and competitive banks' rate changes. Since the beginning of 2009, the interest rate of deposits decreased in line with the continuous prime rate drop.

Interest rates of commercial loans followed the market trends, and also in case of personal loans and mortgage products, rates increased on a selective way.

In the year 2009, operating expenses decreased 20% by HUF 7,8 billion compared to prior year. Within this, salary is reduced by HUF 2,4 billion. Also the marketing expenses were reduced despite that marketing is still an important element of sales support.

The Bank provide forward hedging to its customers and made currency swaps:

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

During 2009 the Bank-group increased significantly its loan loss allowance. The net change of reserves resulted in a loss of HUF 16,6 billion representing a negative 128 % net income change.

CONSOLIDATED BUSINESS REPORT

31 DECEMBER 2009

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

In the course of the year, the volume of credits provided to customers decreased due to the economical slowdown. The majority of the currency denominated loans was provided to the subsidiaries of the Bank-group.

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

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

33% of the total liabilities are denominated in currencies mainly in CHF, EUR and USD.

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

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

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

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

There was no occurrence after 31 December 2009 that influences significantly the operation of the Bank-group.

Budapest, 24 March 2010

Sean Morissey

CEO

Pálcza Edit

CFO