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The art experience

2007 was a formative year for the bank's international activities in culture. It was a year that saw intense engagement in all the territories in which we operate.

We believe that culture, when viewed as a strategic resource, can bring tremendous value and foster new ideas. These new ideas are fundamental to innovation and sustainable social and economic growth.

In this year's annual report, we have decided to focus on images of the international events which comprised our work with important partners in art and culture rather than on individual pieces from our collection. Notable among these were events in partnership with the Education Department of the Castello di Rivoli Contemporary Art Museum.

These initiatives involving the broader public in art experiences illustrate the importance UniCredit Group attaches to entertain and promote an active dialogue with the communities in which our group operates. The large gatherings pictured in this report were held in city squares and museums and involved thousands of people. What you see is a single spontaneously generated expression of thousands of hands united together in a joyful and creative concert.

Contact with international artists and leading facilitators of culture, through diverse languages, styles and techniques, shows how art stimulates the development of relational and cognitive skills and the potential of the individual. Art, above all, generates significant positive energy which can connect people, bridge differences and promote dialogue. It offers an extraordinary repertoire for learning, exploring, experimenting and interpreting the present to build the future.

Art brings people together.
Which is why we say: ART TALKS.

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Financial highlights

UniCredit Group Hungary – IFRS consolidated

Profit figures	(HUF million)	
	2007	2006
Profit before tax	27,480	24,398
Profit after tax	21,944	19,110

Indicators	2007	2006
Return on equity after taxes (ROE)	17.16%	16.02%
Return on assets after taxes (ROA)	1.57%	1.57%
Cost/income ratio without rebranding costs	48.34%	48.13%
Cost/income ratio	50.38%	48.13%
Net fee income (as percentage of operating income)	33.22%	32.82%

Balance sheet figures	(HUF million)	
	2007	2006
Balance sheet total	1,554,912	1,334,675
Loans to customers	1,032,603	793,207
Deposits from customers	745,689	751,079
Shareholder's equity	134,450	127,859

Indicators prescribed by HFSA (PSZÁF)	(HUF million)	
	2007	2006
Regulatory capital *	145,788	123,923
Adjusted regulatory capital *	120,544	87,937
Risk weighted assets	1,025,690	923,123
Capital adequacy ratio	11.75%	9.70%
Regulatory capital index	14.21%	13.42%

Headcount	2007	2006
Headcount	1,583	1,520
Number of units in network	83	76
Number of branches	81	74

* The regulatory capital contains the retained profit for the year.

The management's report

UniCredit Bank Hungary a member of UniCredit Group

As a result of the merger of UniCredito Italiano S.p.A. with the financial group HypoVereinsbank AG – Bank Austria Creditanstalt AG in the year 2005, HVB Bank Hungary Zrt. has been continuing its operations under the name of UniCredit Bank Hungary Zrt. since February 1, 2007.

As one of the key players of the Hungarian banking sector, UniCredit Bank Hungary Zrt. closed the business year 2007 with outstanding results. On the basis of the consolidated balance sheet and income statement, prepared in accordance with International Financial Reporting Standards (IFRS), the Bank's balance sheet total increased by 16.5 percent to HUF 1,555 billion. In 2007, its after-tax profit of about HUF 22 billion exceeded the previous year's level by 14.8 percent, which is all the more noteworthy considering the modest overall performance of the banking sector in 2007. In addition to the strengthening of the corporate segment, a traditional pull sector for UniCredit Bank, a particularly important role was played by the further development of the retail business line, where the expansion of the branch network, the improvement of efficiency due to the development of support areas, and the continuous training of and incentives for staff were the main pillars. As a result of the successfully implemented brand name change, UniCredit Bank is a worthy heir to its predecessor, HVB Bank, not only in its operations, but also in its reputation.

UniCredit Group is one of the most important players in the European financial

system. In terms of market value, it ranked second in the Euro zone and ninth in the world in 2007. The main group-level indicators speak for themselves: at 9,000 branch offices, approximately 170,000 UniCredit employees serve over 40 million customers worldwide. Its banking operations cover 23 countries, but through related companies it is present in more than 50 countries. In Italy, Germany, and Austria, the Group has a dominant market share, whilst it holds the most extensive bank network in Central and Eastern Europe: where its network consisting of over 3700 branches and its over 76,000 regional employees serve about 27 million customers.

In 2007, the prestigious financial magazine, *The Banker*, granted its "Bank of the Year" Award to UniCredit for Central and Eastern Europe and Italy, in recognition of the Group's successful and exemplary performance. Its position within the European Union created a unique opportunity for the integration of banking and financial markets in its quality financial services provided to customers across the region, as well as an opportunity for the efficient exploitation of synergies in banking. Hence, the subsidiary banks of UniCredit can actually open new horizons for all customer segments.

Economic and financial environment in Hungary

In an attempt to restore financial stability, the changes in economic policy implemented in 2006 imposed heavy

burdens for both public and private sector entities in the economic year 2007. Budget austerity meant a setback in government spending in public projects, healthcare, and education, as well as a cutback of several dozens of thousands of public administration employees. The simultaneous re-introduction of healthcare reforms provoked significant social and political opposition.

Tax increases aimed at cutting the budget deficit and the subsequent inflation reduced the country's competitiveness, ability to attract capital, and the real income of the populace. According to preliminary data, the GDP increased by barely 1.3 percent in 2007, after an increase of 3.9 percent in the year 2006. A decisive factor in this slackening economic performance was a drop in public and household consumption: by 3.2 percent and 2.1 percent, respectively. Shrinking domestic demand was mitigated, to some extent, only by a dynamic increase in exports.

Still, by the end of 2007, recession fears provoked by the collapse of the US subprime mortgage market became increasingly dominant in the global economy; money markets suffered from liquidity crises and global securities markets posted a steep decline. Even if the worsening prospects of the domestic U.S. market did not exercise a direct impact on the Hungarian economy, carry-over effects started to appear through their impact on Hungary's main export markets. Both industrial output and exports are on a slowdown path. In 2007, the growth rate of industrial output exceeded the previous year's level by 8.1 percent, while exports increased by 13.7 percent, and imports by 12.1 percent.

Considering that the dwindling of internal demand and of investments led to a

The management's report (CONTINUED)

reduction in the import demand of the economy, the import/export gap kept narrowing and the monthly trade balance data turned positive by the end of the period, and Hungarian foreign trade closed the year with a minor deficit. This had a favourable effect on the current accounts balance, where as a result significant improvement could be observed.

According to preliminary estimates, the deficit of the current accounts represented -5.0 percent of GDP in 2007, as opposed to a rate of -6.5 percent in the year 2006. This considerable improvement of the foreign trade balance lessened the external financing needs of the economy and demand for foreign currencies on the Hungarian money market as well.

A major drop in general government demand that gave rise earlier to the well-known twin deficit in Hungary also played a role in the improving trend of the current accounts. According to preliminary data, the consolidated Hungarian general government deficit, under the European Union standard (ESA95), amounted to a preliminary 5.5 percent of the GDP in 2007, against a planned size of 6.8 percent, to which the Hungarian government committed itself in the Convergence Programme approved by the Brussels Commission in the autumn of 2006. Against a 9.2 percent deficit in the previous year, this improvement of 3.7 percentage points came primarily from an increase in tax rates, an extension of the tax base, and stricter tax collection. A spectacular improvement took place in the balances of the social security funds where a wide range of former tax evaders was successfully drawn into the community of contribution-payers and control of the eligibility of healthcare service users was tightened. Of course, a reduction in government expenditure also played a role, with a cutback in

consumer subsidies for energy and drugs, as well as restrictions in financing education and healthcare institutions.

A radical transformation of the social security system and the rationalisation of the healthcare structure have begun. Plans are also being formed for the transformation of the pension and education system, as well as the marketisation of the operation of large, state-owned, loss-making enterprises. Thanks to the streamlining and the modernisation of public administration, improved efficiency in public services is underway.

The budget austerity package launched in the summer of 2006 was successful in the stabilisation of the external financing of the state, that is, of the country and it led to a strengthening of the forint's exchange rate as well. For foreign creditors, the government's stabilisation programme proved feasible. It seeks to push down both the general government deficit and the inflation target by 2009, to levels close to the Maastricht criteria. The Hungarian budgetary policy, placed under continued monitoring due to the excessive deficit, is regularly approved by the Brussels Commission, but the Commission also keeps warning that the continuation of the reforms and steady implementation of budgetary discipline remain indispensable in the years to come as well, in order to proceed with the reduction of the public finance deficit.

The measures applied in September 2006 with immediate effect were aimed at keeping in check the current year's deficit, through an increase in administered prices as well as additional increases in income and corporate taxes. These put heavy burdens both onto the population and the corporate sector. Owing to the

VAT increases and the rise of administered prices, the average consumer price index for 2007 soared to 8.0 percent. However, after the one-off impact of the price measures, an unexpected jump in agricultural and food prices and in energy prices maintained high price levels and, contrary to general market expectations, price dynamics did not decline in the second half of the year as well. In the years to come, global inflationary pressure will likely exercise an upward pressure on prices, therefore, the inflation path outlined for 2007-2009 is also expected to be at higher levels.

This unfavourable development in domestic and international inflation also influenced the expected interest rate paths. During the year, the National Bank of Hungary cut the central bank's base rate in two steps by only 50 basis points, from 8.0 percent to 7.5 percent, while interest rate levels increased both for the Euro and Swiss francs. The risk gap decreased between the forint and the main currencies used in our financial system.

In July 2007, the market of subprime mortgage loans in the United States of America began to crumble. As a spill-over effect, a serious liquidity crisis developed on the international banking markets, threatening a global economic recession already by the end of the year. The general crisis in confidence worsened the risk ratings of emerging regions, including Hungary, with its vulnerable economic and financial equilibrium. Country and sector risk premiums, reflected in sourcing costs, climbed upwards. The Hungarian money market and banking system were especially sensitive to the impact of this, as they depend strongly on foreign financing. In addition to a jump in sourcing costs, the forint's exchange rate suffered a

The management's report (CONTINUED)

light devaluation, but yield expectations increased in the case of Hungarian government securities as well.

The international financial crisis in early 2008 further deteriorated the ratings of Hungarian investments. Prices for equities listed on the Budapest Stock Exchange started to decline, the BUX stock market index fell from a historical high of 30,000 points in early 2007 to below 23,000 points. In spite of an improving fiscal balance in the government budget, the exchange rate of the Hungarian forint has been subject to devaluation pressure and this may force financial authorities into a temporary rate hike.

This unfavourable development on the money and currency markets increased the Hungarian banking system's risk exposure both in terms of external financing and with regard to customer placements and securities portfolios. Shrinking domestic demand due to the austerity measures threatens some of the productive sectors, including the construction industry and property market, while a drop in the real income of the population jeopardises the quality of the mortgage loan portfolio. Previously, an overabundance of foreign currency loans was typical only in the corporate segment, in 2007, currency-denominated borrowing also became common in the retail loan market, and commercial banks are becoming increasingly sensitive to exchange rate risks.

The introduction of the interest rate tax and capital gains tax in the summer of 2006 spawned a significant rearrangement in the portfolio of the population's savings, primarily to the benefit of investment funds and insurance products.

Extremely tough competition had been unfolding for retail forint deposits during

the year, and this also contributed to a significant narrowing of interest margins. Even though lending remained heavy both in the corporate and retail sectors, more expensive sourcing and increased provisions significantly deteriorated profitability in the banking system.

Performance of the Hungarian banking sector in 2007

The Hungarian banking system was characterised by a slower, but still, extremely dynamic expansion in 2007. In spite of quite negative preliminary scenarios, the 18.2 percent growth in the sector experienced in 2006 was followed in 2007 by an expansion of 17.3 percent in the aggregate balance sheet total.

Similarly to previous years, the retail business line and, within this, lending represented the engine for growth in the sector last year as well. Last year, a strengthening of the lending trend originating from 2006 could be observed, with a shift in demand from housing-purpose products to consumption-related loans, including mortgage-backed personal loans. Household loans increased in nominal terms at rates exceeding the rates of all preceding years. By the end of 2007, the loan stock of households amounted to HUF 5,942 billion, which is 24.4 percent higher than the closing stock for the previous year. In 2007 as well, new retail loans were disbursed in foreign currencies, namely Swiss francs; in addition, two large banks launched loans based on the Japanese yen. The indebtedness level of the population is roughly half of the

indebtedness experienced in developed economies, but repayment burdens are close to the proportions typical in Western Europe or the United States and therefore, special attention should be given to this issue in the future.

Corporate lending rose by 12.4 percent, primarily due to an acceleration in demand experienced in the second half of the year. The dynamic expansion of the SME sector played a role in this.

As a result of a low increase in household bank deposits during the year (+6.8%), we witnessed a significant break in the loan-deposit rate. This may be the result of a change in the savings preferences of the population, that is, instead of traditional banking instruments, people have opted for institutional investment forms that are riskier, but offer higher yield potentials. In 2007, the most dynamic components in the asset portfolio of households were investment funds (+29%) and pension schemes (+20%).

It may be considered a positive development that, parallel to a dynamic increase in lending, the portfolio quality of banks remained favourable, thanks to the prudent lending practices of credit institutions. Still, a warning sign may be that within problematic debts, there was an increase in the stock of bad and doubtful receivables.

Nonetheless, in 2007, for the first time in many years, the aggregate profits of credit institutions decreased. On the revenue side, a key factor in this drop was the lower-than-expected increase in the net interest margin. The reasons for this include a re-pricing of subsidised forint-denominated housing loans and significant redemptions of these, increasingly tough competition on the retail market, and the banks'

The management's report (CONTINUED)

deposit-taking campaign that continued throughout the year, sometimes offering yields above the central bank's base rate to encourage savings. On the expense-side, higher costs were mostly a result of the development of the sales network, branch office expansion, and the increase in the employee headcount in connection with the expansion of the retail business line. Extremely high impairment and changes in provisions further reduced bank profits, as trading on the extremely volatile money markets became riskier and the reserve requirement for the securities portfolio increased. In addition, the steady rise of both the corporate and retail loan portfolio also required prudence from the banks. As a result of all of this, profit before taxation in the banking sector was 10 percent lower than in the previous year.

Performance and results of UniCredit Bank Hungary Zrt. in the year 2007

In the business year 2007, the consolidated balance sheet total of UniCredit Bank Hungary under IFRS increased by 16.5 percent, to HUF 1,555 billion. This was

in line with the increase observed in the banking sector, thus the bank maintained its market share of 6.3 percent.

In terms of profitability, UniCredit Bank once again closed an excellent year. Operating revenues exceeded the previous year's levels by 12.4 percent. Yet again, a two-digit increase in interest and fee revenues contributed the most to a remarkable rise in the Bank's revenues. In 2007, the one-off income from the sale of the Bank's ownership stake in Giro Bank Card Zrt. was another beneficial contribution to the bottom line. The Bank's after-tax profit was almost 15 percent higher than in 2006. In addition to the increase in profits, it is worth mentioning that apart from the increased costs due to new branch openings and the change in the brand name, UniCredit's cost/income indicator continues to be one of the lowest on the market, remaining close to 50 percent in 2007 as well.

The stock of loans provided for customers during 2007 was 30.2 percent above the previous year's level. In terms of placings, a significant growth of 41 percent took place in loans to private individuals, almost twice the market average. On the source-side, stagnation in the stock of deposits reflected the changes in the investment preferences of the population and the lower saving potential caused by economic austerity measures.

UniCredit Bank forecasts a dynamic increase in 2008 as well, where the key will be the retail expansion strategy approved in 2007. The Bank will continue with the expansion of its branch network and internal efficiency improvement projects. Plans include the expansion of the nationwide branch network, up to 115 units by the end of the year and, in close connection with the opening of new branches, an increase in the number of employees. UniCredit Bank was the first on the Hungarian market to offer free withdrawals from UniCredit automated teller machines via debit cards, not only at home, but also in several European countries. This is an indication that the Bank considers high quality customer service, customer satisfaction, and, in an environment of growing competition between banks, innovation to be crucial to its business success.



Report on the divisions

Corporate Division

During the year 2007, Corporate Division of UniCredit Bank Hungary Zrt. further strengthened its market positions both on the lending and deposit markets amidst a very tough competitive environment.

One of the success factors was high quality customer service, flexibly adapted to the continuous changes on the market and hence, to customer needs. Within the scope of medium-sized and large companies, in addition to the traditionally-offered basic products and banking services, UniCredit Bank continued to attribute significant weight to "tailor-made" individual solutions, (for instance, in the area of structured and project financing), to the development of innovative schemes in treasury products supporting the management of interest rate and exchange rate risks, and to recommending reliable investment products. As one of the market leaders, UniCredit Bank delivers its services to its customers in the area of cash management as well, including a wide range of products, from simple account management to the most elaborate internet-based and cash pool services.

Based on the UniCredit Group's network extending to 23 countries, the Bank in Hungary provides unique services to its international corporate customers and to Hungarian subsidiaries of international companies. Our Bank offers products and services to this range of corporate customers which are exclusively available within the UniCredit Group, providing unique advantages, both in lending (such as group-level guarantees) and in payments (such as simplified procedure for opening accounts abroad, the introduction of a cross-border payment system – EuropeanGate, payments within the group at preferential conditions – FlashPayment, free-of-charge usage of ATMs in 18 countries, etc.).

From 2007, the International Desk has been operating within UniCredit Bank, established for the purpose of further broadening international relations and continually expanding opportunities for cooperation, with the application of a "single-point-of-entry" model in customer service. Our main objective is to increase the number of customers engaged in active business with the Group in several countries, through deepening the forms of cooperation. Services provided to international customers are supported by the wide-scale international interbank cooperation of UniCredit Group. Within this framework, we are in a position to increase the number of satisfied customers and raise the quality level of our customer service.

The Corporate Division pays particular attention to the small and medium business sphere, in order to exploit the market potential and growth opportunities offered by this segment. The service models and new products of the Division are adapted to the special needs of the customer group and are aimed at the achievement of a maximum level of customer satisfaction. As a responsible partner, UniCredit Bank endeavours to establish long-term cooperative partnerships where it can provide assistance to the development and strengthening of small and medium-sized customers throughout the life cycle of their business. Its associate companies, UniCredit Leasing and UniCredit Factoring, also contribute to the full range of services for this customer group.

Corporate Division demonstrates its commitment to small and medium-sized business also by dedicating SME consultants at another 20 locations by 2009, within the framework of UniCredit Bank's nationwide network's expansion programme.

In 2007, the Corporate Division elaborated a new, long-term market strategy for the local municipalities. As a result, a market share of more than 7 percent was acquired in that segment in that same year. Thanks to their professional skills and commitment, the staff of the Competence Centre for Local Municipalities have achieved outstanding success jointly with the local municipality partners. In 2007, the business unit obtained ISO 9001:2000 certification.

Structured and real estate financing represent a constantly increasing portion of the activities of the Corporate Division. Experience gathered in the area of large-volume project financing and the success of a variety of individual transactions in trade financing provide the grounds for the professional reliability and market recognition gained by the experts in this business unit. In addition to the classic objectives of project financing, the portfolio was further strengthened by the addition of modern, environment-friendly energy projects. Our Structured Finance unit maintains to act as a significant player in syndicated lending as well.

The Corporate Division holds a similarly good market position in the field of real estate financing: in both the commercial property and residential financing market segments, it continues to acquire key projects. On the market of housing projects, the number of investments decreased in 2007, and this has resulted in the development of a stronger and more diversified market. In residential financing, the contribution of UniCredit Mortgage Bank, a member of the UniCredit Group, helps to provide services for customers quickly and efficiently.

The money market sub-prime crisis that started in the second half of

Report on the divisions (CONTINUED)

2007 has not yet had an impact on the domestic commercial property market, on the investors' side. On the office market, deals can be still made

at low yield levels, even though these are continuously approaching those of Western Europe. In the case of industrial properties the picture is selective. Major

projects dominate the market in the field of commercial properties and hotel development projects as well (Budapest, Lake Balaton, wellness centres, etc.).

Report on the divisions (CONTINUED)

Retail Division

2007 was a successful year for the Retail Division of UniCredit Bank. Continuing the dynamic trend of previous years, there was growth in the number of the Bank's customers, as well as in its loan and saving volumes. Its market share increased significantly on the market of retail loans, with mortgage lending in the focus.

UniCredit Group, as one of the leading banking groups in Europe and the market leader in the Central and Eastern European region, is committed to further strengthening its position in Hungary. In 2007, the Hungarian Retail Division reached another milestone: the number of customers exceeded 200,000 and, by the end of the year, it was serving 231,000 customers.

In 2007, seven new branches were added to UniCredit Bank's branch network – four in Budapest, and one branch in Gödöllő, Debrecen, and Tatabánya. As a result, by the end of 2007, the country-wide network already consisted of 81 branches. Consequently, the Bank ranks seventh in the country in terms of the size of its branch network. UniCredit lays special emphasis on the training of its network staff, as well as on the development and active support of sales, in order to provide services to its customers at an even higher quality level. With the implementation of the retail business strategy approved by the shareholders in the autumn of 2007, the objective for 2008 is to expand the network to 115 units. Half of the new branch offices will be opened in Budapest and its conurbation.

Parallel to the expansion of its own network in 2007, UniCredit Bank also focused on the development of external sales channels (30 percent of the loans disbursed were intermediated by external partners), and by the end of the year, it already had contracts with more than 2000 external partners.

The headcount in the nationwide mobile sales network, set up in 2005, increase to almost 300 persons by the end of 2007, and the business line sold 20 percent of its newly disbursed loans through this mobile network.

There was a dynamic increase in the number of customers using electronic channels for their banking operations in the Retail Division, with over three quarters of customers holding a contract entitling them to use one or more electronic channel. The number of Telebank customers increased by 50 percent in 2007, and by the end of the year, more than 152,000 customers held Telebank contracts. SpectraNET Internet Banking, a service allowing comfortable home banking, available day and night, was used by 69,000 customers.

With the needs of its customers in view, UniCredit Bank offers a universal product range and up-to-date services. One of its key products is retail mortgage loans. The competitiveness of its mortgage loans was improved, in terms of products and work processes, via several measures. The product scope has been widened to include loan schemes available for the construction and/or the purchase of new homes, with staged financing. The Bank launched estate development and condominium building loan schemes for its small business customers.

In 2007, UniCredit Bank customers could select the most suitable investment form from a wide range of savings products. During the year, the Bank made available several savings deposit plans via special offers with different maturities and in different currencies. New investment funds were launched in 2007, in cooperation with Pioneer Fund Management, and on several occasions, bonds with a capital guarantee were offered to customers.

The range of UniCredit bank cards and services widened further. In addition to the continued success of the Fundamenta- UniCredit credit card, the debit card issued together with AVIVA Insurance also brought excellent results. The Bank also entered the card acceptance market, where it installs POS terminals for small business customers of the Division. Within the framework of the brand name and image change at the beginning of the year, UniCredit fully renewed its series of bank cards, and both customers and the industry responded with positive and strong recognition.

The number of bank cards issued by UniCredit Bank increased by 38,000 in 2007, a growth of 27 percent. Within this, the number of credit cards increased by 30 percent. By the end of the year, the number of credit cards issued reached 39,000. The number of retail and corporate debit cards reached 141,000 by the end of the year.

New functions were added to enrich UniCredit's internet banking services: among others, customers have access to their securities accounts and can also monitor their credit card spending on the internet.

The Retail Division of UniCredit Bank improved dynamically in 2007. The number of its customers increased by 25 percent, reaching 231,000, within which, the number of small business customers was in excess of 23,000. The loan volumes of the business line expanded dynamically, by 45 percent. On the savings side, the trend already observed in 2006 continued: the larger portion of new savings went into investment funds and guaranteed bonds. In 2007, the deposit volumes of the business line increased by 3 percent, and the volumes of securities grew by 17 percent.

Report on the divisions (CONTINUED)

International Markets Division

UniCredit Bank's International Markets Division maintained or improved its position among the leading players on the Hungarian money and capital markets, in all segments. Hence, and due also to a prudent risk management policy typical for the bank group, the division generated revenues close to that of previous year, in spite of the difficult situation in the global economy in the second half of the year.

The International Markets Division managed to further improve its already impressive market shares (including its share as the largest trader in forint-based treasury bill auctions and third largest market maker on the local interbank FX spot market). This specialist area achieved higher-than-planned revenues due to active trading on markets that remained volatile and due to increased cooperation with institutional investors primarily in derivatives, which substantially contributed to the successes of this business line.

In the area of sales, the International Markets Division continued to provide consulting services for corporate customers in the field of active risk management. An important contribution to the higher-than-planned revenues for the year 2007 came from the product pattern in the structured finance and derivatives segment, which expanded continuously (with new investment products, and hedging products

for raw materials), at high professional levels together with the activities of the regional treasury competence centres. As a result, in addition to the strengthening of existing customer relationships, a significant increase was achieved in the segment of small and medium-sized businesses.

In 2007, the upward movement of the equities market of the Budapest Stock Exchange continued, though only to a modest extent. The BUX index closed the year at 26,235 points, a strengthening of 5.6 percent, but this meant last place within the region. Turnover increased further on the equity market, exceeding the previous year's level by 33.7 percent. The index reached its historical high on July 23, with 30,118 points, supported by a positive international climate and the treasury share purchases of MOL. Storm clouds began to appear above the international capital markets by the middle of the summer, and the collapse of the subprime mortgage bond market, with the losses originating thereof, pulled down first the banking sector, and then, the whole of the equity market. By the end of November, the index fell 20 percent from its high, but it rose almost 10 percent when the selling pressure was over. UniCredit Bank, with a market share of 10.8 percent, ranked third in terms of turnover on this market; its traded

volume increased by 29 percent over the preceding year.

There was no break in the trend of previous years in custodianship either. Its profitability was basically determined by the volatile price movements on the BSE, with high turnovers in the first half of the year; therefore, the number of transactions settled by the bank also increased proportionately. Even though the BSE index, in a global comparison, showed a relatively modest performance in 2007, the defining process observed on the Hungarian stock exchange continued to be the steady increase in turnover. In addition, fund managers were extremely active, which can be measured by the large number of newly launched funds.

As in previous years, the specialist area of custodian services managed to maintain its position as a market leader, and as a result of the successful acquisitions made during the year, it was even able to significantly stabilise that position. In 2007, the Custodianship Directorate received two international awards: recognition as the best Hungarian sub-custodian and an award from Global Custodian, which performed an assessment of this business line for the first time, on the basis of feedback from Hungarian customers.

Report on the divisions (CONTINUED)

Human Resources

A key task in the year 2007 was the implementation of and support for UniCredit's Human Resources strategy. The UniCredit Group regards committed, open, and proactive cooperation from its employees, in line with the values of the banking group, as a key factor in the achievement of long-term business success.

An important element thereof was the development and implementation of an action plan, prepared on the basis of a survey on employee satisfaction, to determine the development guidelines for the organisation's future operation. A significant aspect of this strategy remains the hiring and long-term employment of staff with appropriate qualifications. Attention was focused not only on the hiring of experienced employees, but also, in accordance with the market (and regulatory) environment,

several trainee programmes were launched during the year for fresh graduates. Within the framework of the trainee programmes, new entrants have an opportunity, through a special internal training programme, to acquire the skills of banking and to familiarizing local culture.

UniCredit Bank emphasises long-term job and career support for employees within the Bank, through its Integrated Grading and Career Planning System.

To provide the Bank's manpower needs, in addition to external sources, a major role is played by the support for the internal mobility of employees, both at the national and international levels. In the case of new posts or vacancies, internal possibilities are first investigated and external searches only start afterwards. In 2007, UniCredit Bank published 223 internal

tenders and invited 68 applications for jobs offering an international career, providing an additional opportunity for staff for promotion and development.

To help create a uniform management culture and approach, UniCredit Bank developed a management training programme. This programme builds on the basic management principles of the UniCredit Group, ensuring the preparedness of old and newly-appointed managers for the challenges and management tasks at the company.

Keeping employee knowledge up-to-date and providing training is a strategic tool of prime importance in the achievement of business goals. In 2007, the number of training days for training aimed at the improvement of efficiency and quality of work, was 8 per employee.

Report of UniCredit Mortgage Bank Zrt.

UniCredit Mortgage Bank, which is a 100 percent subsidiary of UniCredit Bank Hungary, actively cooperates with the bank, in particular with the latter's division that specialises in property financing, as well as its division dealing with retail customers and small businesses, in order to jointly better satisfy the needs of their customers.

UniCredit Mortgage Bank deals principally with long-term loans where the primary collateral for the transaction represents first-ranking mortgage liens or stand-alone liens on properties financed on the territory of Hungary. Sourcing is provided by the issue of mortgage bonds.

The property financing business line of UniCredit Mortgage Bank carries out lending for business properties, in close cooperation with the property financing division of UniCredit Bank Hungary Zrt. The purpose of financing can be the maintenance of the ownership of properties, construction, or development for sale, or property development for the purpose of business utilisation or renting. On December 31, 2007, property financing represented 18 percent of the total loan portfolio of mortgage banking.

UniCredit Mortgage Bank also offers a financing solution for private individuals who wish to buy new homes built for sale, from construction entrepreneurs that signed a cooperative agreement with the mortgage bank. With regard to the growth rate of the loan portfolio, the division providing financing for private individuals buying homes proved to be the most successful in 2007: a 44 percent increase took place, year-on-year, in the loan portfolio, amounting to 26 percent overall of the total mortgage banking portfolio. Within the framework of

its business strategy, UniCredit Mortgage Bank wishes to maintain an above-market growth rate in this particular segment and intends to provide a wide range of products at favourable conditions for the buyers of new homes.

Estate development loans are provided by UniCredit Mortgage Bank to agricultural producers (prime producers, individual entrepreneurs, young farmers) who intend to take a long-term loan to buy agricultural land. This financing solution is offered by the mortgage bank for borrowers in cooperation with the branch network of UniCredit Bank Hungary. In 2007, this loan stock amounted to HUF 2.5 billion, representing a significant increase over the previous year.

The refinancing business line of UniCredit Mortgage Bank provided resources for its partners in two areas in 2007: in foreign currency and in forint refinancing with interest subsidies. Such cooperation is based on the acquisition of stand-alone liens, with residential or commercial properties as collateral. A traditionally successful business line of the mortgage bank from the point of view of business results, is the area of refinancing partner banks. At the same time, a decrease was observed in the forint-denominated loan stock of the refinancing area, compensated only partially by an expansion in currency-denominated refinancing. This area accounted for more than half (52 percent) of the total loan portfolio of the Bank. The decrease in the stock of forint-denominated refinancing reflects a trend on the mortgage loan market, namely, that in many cases retail customers continue to move from loans received earlier in forints to currency loans. This resulted in a significant amount of early redemptions

at the mortgage bank in the business year 2007 as well, to be set off in the medium term by new business initiatives in this specialist area.

Sources for the four main business lines are ensured mostly by mortgage bond issues from UniCredit Mortgage Bank. The offering of mortgage bonds is realised within the framework of the so-called "Mortgage Bond Issue Programme". This means that the mortgage bank acquires sources from the capital market, partially in order to offer its customers housing loans with low interest and long-term predictability, and partially to allow them to make full use of the interest subsidies provided by the government.

Normally, the mortgage bank issues mortgage bonds with a monthly regularity. Several forms of such issues are applicable. In a private placement, mortgage bonds are sold to a particular circle of investors; public offerings are typically carried out within the framework of an issue programme, where the basic terms of the mortgage bond issue are fixed in the prospectus of the issue programme. On December 4, 2007, UniCredit Mortgage Bank initiated a new Mortgage Bond Issue Programme, with a framework amount of HUF 50 billion.

The total value of the mortgage bonds denominated in forints and foreign currency, not yet redeemed and outstanding on December 31, 2007, was HUF 69.4 billion at nominal. The balance sheet total of the mortgage bank exceeded HUF 112.2 billion on December 31, 2007. The profit before taxation calculated in accordance with international accounting standards was HUF 2,417 million on December 31, 2007, the profit after taxation was HUF 1,844 million.



Independent Auditor's report



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AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholder of UniCredit Bank Hungary Zrt.

We have audited the consolidated financial statements of UniCredit Bank Hungary Zrt. ("the Bank"), for the year ended 31 December 2007, from which the attached summarised consolidated financial statements set out on pages 18 to 46 were derived, in accordance with International Standards on Auditing. In our report dated 27 February 2008, we expressed an unqualified opinion on the consolidated financial statements from which the summarised consolidated financial statements were derived.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

Without qualifying our opinion on the summarised consolidated financial statements, we draw attention to the fact that we have not audited the Euro amounts in the accompanying summarised consolidated financial statements, which are presented solely for the convenience of users.

For a better understanding of the Bank's financial position and the results of its operations for the year and the scope of our audit, the summarised consolidated financial statements should be read in conjunction with the consolidated financial statements from which the summarised consolidated financial statements were derived and our audit report thereon.

27 February 2008

KPMG Hungária Kft.

John Varsanyi
Partner

KPMG Hungária Kft., a Hungarian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. Company registration: Budapest, no 01-09-063183

Financial statements

Consolidated balance sheet (31 December 2007)

Assets					
	NOTE	2007		2006	
		HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Cash and unrestricted nostros with Central Bank	14	34,411	136.9	28,961	110.0
Financial assets held for trading	15	95,383	379.5	38,884	147.7
Available for sale financial assets	16	174,439	694.0	154,394	586.5
Held to maturity investments	17	20,674	82.3	31,562	119.9
Placements with, and loans and advances to banks	18	145,045	577.1	236,985	900.2
Loans and advances to customers	19	1,032,603	4,108.2	793,207	3,013.2
Hedging derivatives assets	20	869	3.5	649	2.5
Equity investments	21	3,052	12.1	3,290	12.5
Property, plant and equipment	22	26,921	107.1	27,795	105.6
Intangible assets	23	3,966	15.8	4,341	16.5
Tax assets	13	775	3.1	236	0.9
Other assets	24	16,774	66.7	14,371	54.6
Total assets		1,554,912	6,186.2	1,334,675	5,070.0

Liabilities					
	NOTE	2007		2006	
		HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Deposits and loans from banks	25	532,796	2,119.7	330,097	1,253.9
Deposits from customers	26	745,689	2,966.7	751,079	2,853.1
Subordinated loans	27	17,284	68.8	17,212	65.4
Issued bonds	28	51,312	204.1	51,898	197.1
Financial liabilities held for trading	15	25,020	99.5	19,954	75.8
Hedging derivative liabilities	20	554	2.2	686	2.6
Tax liabilities	13	322	1.3	169	0.6
Other liabilities	29	46,350	184.4	34,837	132.3
Other provisions	31	1,135	4.5	884	3.4
Total liabilities		1,420,462	5,651.3	1,206,816	4,584.3

Shareholder's funds					
	NOTE	2007		2006	
		HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Share capital	30	24,118	96.0	24,118	91.6
Capital reserve		3,900	15.5	3,900	14.8
Retained earnings		57,869	230.2	57,124	217.0
Other reserves		26,392	105.0	23,027	87.5
Valuation reserves		227	0.9	580	2.2
Net profit for the year		21,944	87.3	19,110	72.6
Total Shareholder's funds		134,450	534.9	127,859	485.7

Total liabilities and Shareholder's funds		1,554,912	6,186.2	1,334,675	5,070.0
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The accompanying notes (1-33) form an integral part of these financial statements.
HUF/EUR exchange rate: 263.247 for 2006; 251.352 for 2007

Financial statements (CONTINUED)

Consolidated income statement

Consolidated income statement – 31 December 2007					
	NOTE	2007		2006	
		HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Interest and similar income	5	91,607	364.5	73,158	277.9
Interest expense and similar charges	5	(53,843)	(214.2)	(39,274)	(149.2)
Net interest income	5	37,764	150.2	33,884	128.7
Fee and commission income	6	28,326	112.7	24,745	94.0
Fee and commission expense	6	(7,528)	(29.9)	(6,468)	(24.6)
Net fee and commission income	6	20,798	82.7	18,277	69.4
Dividend income	7	852	3.4	796	3.0
Net trading income	8	2,736	10.9	2,641	10.0
Net gain and loss on other financial instruments	9	453	1.8	96	0.4
Operating income		62,603	249.1	55,694	211.6
Impairment and losses on credit products	31	(5,686)	(22.6)	(3,597)	(13.7)
Net financial activity result		56,917	226.4	52,097	197.9
Personnel expenses	10	(14,905)	(59.3)	(13,421)	(51.0)
General operating expenses	11	(12,991)	(51.7)	(10,163)	(38.6)
Other provision	31	(306)	(1.2)	(308)	(1.2)
Amortization and impairment on property, plant and equipments	22	(1,627)	(6.5)	(1,634)	(6.2)
Amortization and impairment on intangible assets	23	(1,828)	(7.3)	(1,629)	(6.2)
Other income/(expenses)	12	(370)	(1.5)	212	0.8
Operating costs		(32,027)	(127.4)	(26,943)	(102.3)
Gain (losses) on other equity investments	21	2,590	10.3	(207)	(0.8)
Goodwill amortisation		–	–	(535)	(2.0)
Profit before tax		27,480	109.3	24,412	92.7
Income tax expense	13	(5,536)	(22.0)	(5,302)	(20.1)
Net profit for the year		21,944	87.3	19,110	72.6

The accompanying notes (1-33) form an integral part of these financial statements.

HUF/EUR exchange rate: 263.247 for 2006; 251.352 for 2007

Financial statements (CONTINUED)

Consolidated statement of changes in Shareholder's equity

Consolidated statement of changes in Shareholder's equity – 31 December 2007								(HUF million)
	ORDINARY SHARES	CAPITAL RESERVE	RETAINED EARNINGS	OTHER RESERVES		VALUATION RESERVES	NET PROFIT	TOTAL
				GENERAL RESERVE	GENERAL RISK RESERVE			
Balance 1 January 2006	24,118	3,900	50,688	9,750	10,270	741	19,443	118,910
Gains and losses recognised directly in equity in accordance with IAS 39						(161)		(161)
Net profit for the previous year			19,443				(19,443)	
Net profit for the current year							19,110	19,110
Dividend to equity holder			(10,000)					(10,000)
Appropriations transfer from retained earnings			(3,007)	1,760	1,247			
Balance 31 December 2006	24,118	3,900	57,124	11,510	11,517	580	19,110	127,859
Gains and losses recognised directly in equity in accordance with IAS 39						(353)		(353)
Net profit for the previous year			19,110				(19,110)	
Net profit for the current year							21,944	21,944
Dividend to equity holder			(15,000)					(15,000)
Appropriations transfer from retained earnings			(3,365)	1,999	1,366			
Balance 31 December 2007	24,118	3,900	57,869	13,509	12,883	227	21,944	134,450

The accompanying notes (1-33) form an integral part of these financial statements.

Financial statements (CONTINUED)

Consolidated statement of cash flows

Cash flows from operating activities			(HUF million)
	NOTE	2007	2006
Profit before tax		27,480	24,412
Items not involving movement of cash			
Depreciation and amortisation	22, 23	3,455	3,263
Scrapped and transferred fixed assets		–	5
Profit on disposal of property, plant and equipment		252	56
Net impairment and losses in credit products		4,470	1,173
Net loss/gain from cashflow hedging assets		(381)	164
Foreign exchange loss/(gain) on subordinated loans		72	(29)
Taxation paid	13	(5,536)	(5,302)
Cash flows from operating profits before changes in operating assets and liabilities		29,812	23,742
(Increase) in financial assets held for trading		(56,499)	(11,766)
Increase in tax assets		(511)	(15)
Decrease in other assets		(2,445)	(4,160)
(Decrease)/Increase in tax liabilities		213	(89)
Increase in other liabilities		10,745	5,410
Decrease/(Increase) in unrestricted nostros with Central Bank		(5,226)	(5,652)
(Increase) in loans and advances to customers		(242,805)	(108,859)
(Increase)/Decrease in deposits with other banks		91,940	(102,319)
Increase in deposits from customers		(5,390)	191,992
Increase/(Decrease) in deposits from other banks		202,699	83,168
Increase in financial liabilities held for trading		5,066	13,088
Net cash from operating activities		(2,213)	72,102

Cash flows from investing activities			(HUF million)
	NOTE	2007	2006
Proceed on sale of property, plant and equipment		227	162
Proceed on sale of intangible assets		10	–
Addition of property, plant and equipment		(1,232)	(3,370)
Addition of intangible assets		(1,463)	(1,225)
(Increase)/Decrease in equity investments		238	(599)
Decrease in held to maturity investments		10,888	36,146
(Increase) in available for sale financial assets		(20,457)	(110,041)
(Decrease)/Increase in mortgage issued bonds		(586)	(5,535)
Net cash used in investing activities		(12,375)	(84,462)

Cash flows from financing activities			(HUF million)
	NOTE	2007	2006
Dividend paid		(15,000)	(10,000)
Net cash from financing activities		(15,000)	(10,000)
Net increase in cash		224	1,382
Cash at the beginning of the year	14	4,820	3,438
Cash at the end of the year	14	5,044	4,820

The accompanying notes (1-33) form an integral part of these financial statements.

Notes to the financial statements

1. General

UniCredit Bank Hungary Zrt. ("UniCredit" or "the Bank") is registered as a joint-stock company under Hungarian law and is licensed to conduct universal banking activities in Hungary. The Bank's name changed from HVB Bank Hungary Zrt. to UniCredit Bank Hungary Zrt. on 1 February 2007. The address of the Bank's registered office is H-1054 Budapest, Szabadság tér 5–6. The Bank is a wholly owned subsidiary of Bank Austria Creditanstalt AG Austria (BA-CA), with the ultimate parent company being UniCredito Italiano S.p.A.

Transactions with members of the UniCredit Group include credit relationships, where the related parties are borrowers or guarantors, and deposit relationships. Such transactions are conducted under substantially the same terms and conditions as are applied to third parties, unless otherwise stated.

A new two-tier system has been introduced in the Bank on 1st December 2007. The Management Board is an operational managing body responsible for the Bank's business activities and under the actual control of the Supervisory Board, which obtained a decisive role in the multilevel internal control system of the Bank.

The financial statements were authorised by the Supervisory Board on 27th February 2008.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a.) Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards

Board ("IASB") and all applicable interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ("IFRIC").

b.) Basis of preparation

The financial statements are presented in millions of Hungarian Forint (HUF million).

These consolidated financial statements consolidate the result of the following entities: UniCredit Bank Hungary Zrt. and UniCredit Jelzálogbank Zrt. ("Mortgage bank") (together the "Group").

The consolidated financial statements are prepared on a fair value basis for derivative financial instruments, trading financial assets and liabilities and available-for-sale financial assets, except those for which a reliable measurement of fair value is not available. The latter items are stated at either amortised, or historical cost. Other financial assets and liabilities and non-financial assets and liabilities are stated at either amortised cost or historical cost.

c.) Consolidation methodology

All companies that are material and are directly or indirectly controlled by the Bank have been consolidated into these consolidated financial statements. These consolidated financial statements of the Group, that are presented in accordance with IFRS are based on the stand-alone financial statements of all consolidated subsidiaries, which have been prepared in accordance with IFRS.

Investments in associated companies, which are neither indirectly nor directly controlled by the Bank but over which it can exercise a significant influence, are accounted for using the equity method.

Shares in all other companies are classified as available for sale investments and recognised at their fair values, when that fair value is reliably measurable. Changes in fair values are thus directly recognised in equity. In cases where the fair value cannot be reliably determined, shares are carried at cost. In case of there is any objective evidence that a financial asset is impaired, a loss is recorded in the consolidated income statement. As soon as the circumstances which lead to the impairment cease to exist, the loss is reversed.

Notes to the financial statements (CONTINUED)

d.) Consolidation procedures

When a subsidiary or associated company is acquired, the acquirer determines its goodwill, which is recognised in the balance sheet.

Intragroup receivables, liabilities, expenses and income are eliminated. Intragroup profits are also eliminated.

e.) Comparatives

Certain balances have been restated and reclassified to provide consistency for presentation purposes.

f.) Cash and cash equivalents

The amount of cash in the cash flow statement is equal to the cash on hand from balance sheet item Cash and unrestricted nostros with Central Bank in Note 14.

g.) Financial instruments

i) Classification

Trading financial assets and financial liabilities are those that the Group principally holds for the purpose of short-term profit taking. These include shares, bonds, certain purchased loans and derivative contracts that are not designated as effective hedging instruments. All non-hedge derivatives in a net receivable position (positive fair value), are classified as trading financial assets. All trading derivatives in a net payable position (negative fair value), are classified as trading financial liabilities.

Loans and receivables are loans and receivables created by the Group other than those created with the intention of short-term profit taking. Loans and receivables consists of loans and advances to banks and customers.

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. These include certain debt instruments.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or trading financial assets. Available-for-sale instruments include certain debt and equity investments.

Hedging instruments. There are certain derivatives, that are designated as cash-flow hedges. They serve as hedges against the variability of cash flows within the framework of the Group's asset-liability management activities. For the purpose of cash-flow hedge accounting, variable-rate interest receivables and payments on variable-rate assets and liabilities are swapped for fixed-rate interest payments, primarily by means of interest rate swaps. The effective portion of the changes in the fair values of derivatives designated as hedging instruments is recognised as a separate component of shareholder's equity (cash-flow hedge reserve) with no effect on income.

ii) Recognition and de-recognition

The Group recognises financial assets and liabilities from trade date. From this date any gains and losses arising from changes in fair value of the assets are recognised. All Loans and receivables are recognised when cash is advanced to the counterparty.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

iii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition all trading financial assets and liabilities and all available-for-sale financial assets are measured at fair value, except that, where no quoted market price exists in an active market and fair value cannot be reliably measured, these are stated at cost (including transaction costs) less impairment.

All non-trading financial assets, loans and receivables and held-to-maturity investments are measured at amortised cost less accumulated impairment losses. Premiums and discounts are included in the carrying amount of the related instrument and are amortised. Financial assets, with the exception of loans which are reviewed quarterly, are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indicator of an impairment exists, the asset's recoverable amount is estimated.

Notes to the financial statements (CONTINUED)

Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash-flow techniques.

Where discounted cash-flow techniques are used, the estimated future cash-flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at balance sheet date.

The fair value of derivatives that are not exchange-traded are estimated at the amount that the Group would receive upon normal business conditions to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

The Group makes fair value adjustments which arise from close out costs and less liquidity positions. Trading assets and available-for-sale assets are adjusted by fair value adjustments figures.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of trading financial assets and financial liabilities are recognised in the income statement. Gains and losses arising from a change in the fair value of available-for-sale financial assets are recognised in the Available for sale reserve, whereas gains and losses arising from a change in the fair value of derivatives, designated as effective hedging instruments are recognised in the Cash flow hedge reserve. Any permanent impairment loss on available-for-sale financial assets and hedging derivatives is recognised in the income statement.

h.) Transactions in foreign currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The accounting records of the Group are also maintained in this currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the

settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges.

i.) Securities

Securities can be held for short-term profit taking, available-for-sale or held-to-maturity purposes. The principles governing the recognition and recording of each category of security are stated in Note 2.(g.) above.

Investments that the Group holds for the purpose of short-term profit taking are classified as trading financial assets. Debt instruments that the Group has the intent and ability to hold to maturity are classified as held-to-maturity investments. Other investments are classified as available-for-sale financial assets.

j.) Equity investments

Equity investments that the Group holds for the purpose of short-term profit taking are classified as trading financial assets. Other equity investments are classified as available-for-sale financial assets. The measurement of these equity investments is stated in Note 2.(g.) except for equity investments in associated companies that are measured based on Note 2.(c.).

k.) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Property, plant and equipment are reviewed periodically and items which are considered to have no further value are depreciated in full.

l.) Intangible assets and goodwill

Intangible assets are stated at historical cost less accumulated depreciation. Intangible assets are reviewed periodically and items which are considered to have no further value are depreciated in full.

Notes to the financial statements (CONTINUED)

Goodwill arise on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated impairment losses.

m.) Depreciation and amortisation

Depreciation is charged to write off the cost of all such assets which are to be depreciated to the income statement over their anticipated useful lives. All of the above assets, with the exception of land and assets under construction, are depreciated on a straight line basis. The annual rates of depreciation used are as follows:

	Depreciation rate (%)
Buildings	2 – 6
Office equipment	14.5 – 33
Motor vehicles	20

Property rights, being the right to use certain land and buildings, are amortised at a rate of 10% per year. It is the Group's policy to review the book value of the property rights periodically to ensure that such rights are not stated at amounts greater than their realisable value.

n.) Finance lease

Leases in terms of which the Group assumes substantially all the risk and rewards of ownership are classified as finance leases. The Group occasionally enters into finance lease obligations in order to finance certain fixed assets. These leases typically run for a period of 10 to 20 years, with the transfer of ownership of the leased asset occurring at the end of the lease term. Interest is charged over the period of the lease based on market related interest rates.

o.) Loans and advances

Loans and advances originated by the Group are classified as loans and receivables. Purchased loans that the Group has the intent and ability to hold to maturity are also classified as loans and receivables.

Loans and advances are reported net of impairments for credit losses to reflect the estimated recoverable amounts.

Income for the period on loans and receivables is determined using the effective interest rate method. The effective interest rate is established individually for all loans and receivables. When calculating the effective interest rate, all contracted cash-flows are taken into account including fees commissions, as well as possible premiums or discounts. Estimated future credit losses are however not included. The result of this calculation is charged to the income statement.

p.) Impairment and losses on credit products

It is the policy of the Group to review periodically its portfolio of loans and advances to make provisions for impairment where necessary. Impairment is based on an individual assessment of the recoverability of outstanding amounts. Increases and decreases in the provisions for impairments are charged to the income statement.

q.) Mortgage bonds

The Mortgage bank's primary source of funds is generated from issuance of mortgage bonds. Mortgage bonds are secured bonds. Mortgage bank may issue such a bond only if it has sufficient collateral, which may include independent mortgage rights and other securities such as government bonds and treasury bills.

r.) General reserve

In accordance with Section 75 of Hungarian Act No. CXII of 1996, a general reserve equal to 10% of the net post tax income is required to be made in the Hungarian statutory accounts. Increases in the general reserve, as calculated under Hungarian Accounting and Banking Rules are treated as appropriations from retained earnings, and are not charged against income.

Notes to the financial statements (CONTINUED)

s.) General risk reserve

Under Section 87 of Hungarian Act No. CXII of 1996 a General Risk Reserve of 1.25% of the risk weighted assets may be made. Under Hungarian law the amount of the general risk reserve is charged to the income statement and is a tax deductible expense. This amount has been reversed from the Hungarian statement of income in these IFRS financial statements and has been treated as an appropriation of retained earnings.

t.) Valuation reserve

The valuation reserves are part of the Shareholder's equity. Under the IFRS principles the valuation reserves include the cash-flow hedge reserve and available-for-sale instrument reserve less deferred tax as stated in Note 2.(g.) above.

u.) Derivative financial instruments

The Group uses the following derivative financial instruments: futures, interest rate swaps, options, forward rate agreements and spot and forward foreign exchange contracts to manage its exposure to foreign exchange, interest rate and market risks arising from operational, financing and investment activities.

The recognition of income/expenses relating to non-hedge derivative transactions are on a mark-to-market basis, and changes in value are immediately recognised in the income statement.

v.) Income

Net interest income

Interest income and interest expense for the year are recognised on an accruals basis, together with the application of the effective interest rate method on all instruments measured at amortised cost. Interest income is not recognised on loans where there is a reasonable likelihood of non-collection.

Dividend income

Dividend income is recognised in the income statement on the date that the Group's right to receive payment has been established.

Net fee and commission income

Net fee and commission income consists of income from services, provided on a fee and commission basis as well as expenses incurred for services provided by third parties and related to the Group's fee-earning business. Commissions and fees are included in the income statement as they arise.

Net trading income

Net trading income includes gains and losses arising from disposals and changes in the fair value of trading financial assets and liabilities.

Net gain and loss on other financial instruments

Net gain and loss on other financial instruments are related to non-trading financial assets and equity investments and includes the realized result at derecognition of them.

Gain and losses on other equity investments

Gain and losses on other equity investments includes the net result arising from capital transactions from equity investments related to associated companies.

w.) Impairment

The carrying amount of the assets of the Group are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any resulting impairment loss is recognised in the income statement.

x.) Income tax

Income tax on the profit or loss for the year consists of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date. The profit for the year is adjusted according to the relevant tax regulations to calculate the taxable income.

Deferred tax is provided using the balance sheet liability method, in respect of which temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes are recognised in full.

Notes to the financial statements (CONTINUED)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the difference in the carrying amounts of assets and liabilities in the IFRS balance sheet and in the balance sheet for local tax purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

y.) Currencies and effective interest rates

The Group conducts transactions in the ordinary course of business in various currencies including HUF and uses various financial instruments at its disposal. Financial assets and financial liabilities on and off balance sheet are denominated in these currencies and unless otherwise stated are disclosed at fair value. Banking transactions unless otherwise stated are effected at market rates.

z.) Events after the balance sheet date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. These events fall into two categories: those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

All adjusting events after balance sheet date have been taken into account in the preparation of the consolidated financial statements of the Group. Where there were material non-adjusting events that occurred after the balance sheet date, the appropriate disclosure thereof has been made in the consolidated financial statements.

aa.) Segment reporting

Segment information is presented in respect of the Group's business segment. The format, business segments, is based on the Group's management and internal reporting structure.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Business segments

The Group separates the following main business segments:

- **Corporate**
includes the loans, deposits and other transactions and balances with corporate customers (excludes small enterprises)
- **Retail**
includes the loans, deposits and other transactions and balances with retail customers (includes small enterprises)
- **INM (Treasury&Custody)**
includes trading activities and equity sales activities with customers. Includes the custody service transactions and balance.
- **Others**
includes Assets Liabilities Management activities that contains the Group's funding and centralised risk management activities through borrowings, used of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.

The result of each segment also include the head office direct costs allocated on a reasonable basis.

3. Risk management policies

The most significant business risks to which the Group is exposed are credit risk, liquidity risk, market risk (includes interest rate and foreign exchange rate risks), operational risks. The Group takes a group approach to manage risk, tailored for specific Hungarian legal and business requirements. Integrated and on-line systems ensure constant, timely monitoring of risk.

The Group's policies for managing each of the major financial risks are reviewed regularly by the respective business areas, internal audit, senior management and the Management Board.

Notes to the financial statements (CONTINUED)

i) Credit risk

Credit risk is the risk of financial loss occurring as a result of a default by counterparty in their contractual obligation to the Group. Credit risk is primarily managed by the Credit Committee. The committee establishes credit regulations including the approval process, portfolio limit concentration guidelines, approval of discretionary limits, formulation of standards for the measurement of credit exposures and the risk rating of clients based on the assessment of management quality and financial statements. All outstanding loans are reviewed at least quarterly. Loans are classified based on a point rating system, which incorporates qualitative and quantitative factors.

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loans or securities agreements.

Past due but not impaired loans

Loans and securities where the contractual interests and principal payments are past due but the Group believes that impairment is not necessary on the basis of the level of security/collateral available or the stage of collection of amounts owed to the Group.

Impairment loss

The Group establishes impairment losses that represent its estimate of the incurred losses in its loan portfolio. The main components of this impairment loss are a specific loss component that relates to individually significant exposures, and collective loan impairment losses established for groups of loan portfolios based on internal policies which are allocated to individually assets of these loan portfolios.

The Group establishes an impairment for incurred but not reported loss based on the historical database for the loan portfolios.

Write-off policy

The Group writes-off the loans or securities balance (and any related impairment losses balance) when the Group determines that the loans or securities are uncollectible.

The industrial sector and collateral details of loan portfolios are presented in Note 19.

ii) Liquidity risk

The objective of prudential liquidity management is to ensure that the Group has the ability to generate sufficient funds to meet all cash flow obligations as these fall due. Effective liquidity management is critical to maintain market confidence, and protect the capital base while permitting effective growth. In managing its liquidity the Group takes into account various legal requirements and limitations.

Limits regarding the maximum net outflow of funds in a particular period are in place and are approved and monitored by the Banks' Asset Liability Committee ('ALCO').

In line with UniCredit Group-wide standards, the Group deals with liquidity risk as a central risk in banking business by introducing and monitoring short-term and medium-term liquidity requirements. In this context the liquidity situation for the next few days and also for longer periods is analysed against a standard scenario and against scenarios of a general and a bank-specific liquidity crisis. The degree of liquidity of customer positions and proprietary positions is analysed on an ongoing basis. Procedures, responsibilities and reporting lines in this area have been laid down in the liquidity policy, which includes a contingency plan in the event of a liquidity crisis.

Short-term and long-term liquidity limits of the Group were observed at all times in 2007. The degree to which accumulated liquidity outflows are covered by accumulated inflows within the following month and year is determined on an ongoing basis. It is used as a key figure in managing the Group's liquidity and funding.

iii) Market risk

Market risk management encompasses all activities in connection with Group's International Markets operations and management of the balance sheet structure. Risk positions are aggregated at least daily, analysed by the independent risk management unit and compared with the risk limits set by the Management Board and the ALCO designated by the Management Board. At the Group market risk management includes ongoing reporting on the risk position, limit utilisation, and the daily presentation of results of International Market's operations.

The Group based on Bank Austria Creditanstalt Group standard (as a subgroup of UniCredit Group) uses uniform risk management procedures. These procedures provide aggregate data and make available the major risk parameters for the various trading operations at least once a day. Besides Value at Risk, other factors

Notes to the financial statements (CONTINUED)

of equal importance are stress-oriented volume and position limits. Additional elements of the limit system are loss-warning level limits and options-related limits applied to trading and positioning in non-linear products.

The risk model ("NoRISK") was developed by the Bank Austria Creditanstalt and adopted by the Group and has been used for several years. The "NoRISK" internal risk model is used for computing economic capital in Hungary, but the capital requirement is calculated by the regulatory standard method. The computation of economic capital takes into account the statutory parameters (confidence interval of 99%, 10-day holding period) and additionally the multiplier determined as part of the model review is applied. The system comprises all major risk categories: interest rate risk and equity position risk (both general and specific risk) and exchange rate risk.

Regular and specific stress scenario calculations complement the information provided to ALCO and the Management Board. Stress scenarios are based on assumptions of extreme movements in individual market risk parameters. The Group analyses the effect of such fluctuations and a liquidity disruption in specific products and risk factors on the Group's results.

In addition to the risk model results, income data from market risk activities are also calculated and communicated on a daily basis. Such data are presented over time and compared with current budget figures. Reporting includes marking to market of all investment positions regardless of their treatment/classification in the IFRS-based financial statements ("total return"). The results are reported directly to Group's trading and risk management units, and also via the access-protected Intranet application "ERCONIS" maintained centrally in Vienna, analysed by portfolio, income statement item and currency.

The Group uses the "MARCONIS" intranet-based system developed by the Bank Austria Creditanstalt to comprehensively and systematically review the market conformity of its trading transactions.

The daily reporting also includes details of volume-oriented sensitivities which are compared with the respective limits. The most important detailed presentations include: basis point results (interest rate/spread changes of 0.01%) by maturity band, FX sensitivities and sensitivities in equities and emerging-market/high-yield positions (by issue, issuer and market). Risk management is performed with details varying according to the risk-takers.

In the interest rate sector, for example, basis point limits per currency and maturity band, basis point totals per currency and/or per maturity segment (total of absolute Basis Point Values - BPV) are used for risk management. By analogy to the detailed presentation of basis point positions in the interest rate sector, daily reporting presents details of credit spread by curve and maturity band (the Bank currently uses credit spread curves for its risk calculations).

Management of balance sheet structure

Interest rate risk and liquidity risk from customer transactions is attributed to Group's treasury operations through a matched funds transfer pricing system applied throughout the UniCredit Group. This makes it possible to attribute credit, market and liquidity risk and contribution margins to the bank's business divisions in line with the principle of causation. ALCO ensures that the Group's overall maturity structure is optimised.

Products for which the material interest-rate and capital maturity is not defined, such as variable-rate sight and savings deposits, are modelled in respect of investment period and interest rate sensitivity by means of analyses of historical time series, and taken into account in the bank's overall risk position.

Interest rate sensitivities are determined and taken into account in hedging activities, which results in a positive contribution to profits from customer business.

To assess its balance sheet structure, the Group uses the Value-at-Risk approach, complemented by a scenario analysis covering subsequent quarters and years. The Group is about to implement the Basel II recommendation concerning the simulation of future net interest income under different interest rate scenarios ("earnings perspective").

In the earnings perspective analysis, simulations of the future development of net interest income and of the market value of the banking book are generally based on assumptions regarding volume and margin developments under different interest rate scenarios. Parallel interest rate shocks of $\pm 1\%$ and $\pm 2\%$ as well as inversions and low-interest-rate scenarios can be analysed to identify their possible impact on the Group's net interest income and market value.

Foreign exchange rate risk

The Group has assets and liabilities (on and off-balance sheet) denominated in several foreign currencies, and it is therefore exposed to foreign exchange rate risk. Foreign exchange rate

Notes to the financial statements (CONTINUED)

risk arises when a mismatch occurs in the spot and forward asset/liability structure within a currency.

The statements of foreign exchange exposures (currency structure of assets and liabilities) is presented in Note 33.

iv) Compliance with Basel II

The Basel II implementation has been established as a group-wide project overseen by UniCredito Italiano S.p.A. (hereafter: "UniCredit Group") with regard to group-wide topics and decisions. The Group has also joined this Basel II project. Close cooperation ensures group-wide consistency in the implementation of Basel II. UniCredit Group standards prepared by the UniCredit Group company in cooperation with the major legal entities are used as an instrument for group-wide implementation with a view to meet the legal requirements and ensuring group-wide control. Integrating the UniCredit Group standards in the processes and organisational set-up of all business divisions within a short time makes substantial demands on all those involved, all the more so as specific local features and legal requirements have to be taken into account.

The Group will use the Basel II standardised approach from the beginning of 2008. Efforts will be made to switch to the A-IRB approach in order to realise the expected cost savings on the cost of capital. A high-level roll-out plan for the gradual switch to the IRB approaches at the subsidiaries is being set up and will be refined on an ongoing basis. At the first phase, the Group will introduce Foundation IRB (hereafter F-IRB) approach for corporate clients and then A-IRB will be used for retail and corporate segments starting from 2012 and 2013, respectively.

In October 2007, a local Basel II IRB project was set up comprising all three pillars of Basel II. The IRB roll-out will be carried out locally. This decentralized approach means that the requirements of A-IRB approach will be implemented by the UniCredit Group but Strategic Risk Management of UniCredito Italiano S.p.A. and BA-CA will provide support during the implementation by providing guidelines and standard and in terms of coaching and advice. The UniCredit Group will be responsible for the use and development of methods and the compliance to local regulatory requirements, while the approval of the developed models and methods will be under the responsibility of the Strategic Risk Management.

v) Operational risk

Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel or systems or caused by external events.

Operational risk events are those resulting from inadequate or failed internal processes, personnel and systems or from systemic and other external events: internal or external fraud, employment practices and workplace safety, clients claims, products distribution, fines and penalties due to regulation breaches, damage to Group's physical assets, business disruption and system failures, process management.

Strategic risk, business risk and reputational risk is different from operational risk, whereas legal and compliance risk is included in the operational risk definition.

The Group's Management Board is responsible for the effective oversight over operational risk exposure. The operational risk office will notify the Management Board about considerable operational risks, their changes as well as relevant breaches to policies and limits. The Management Board shall have an overall understanding of the operational risk control framework and of how operational risk affects the Group.

The Group's Management Board ensures that:

- the operational risk control process is sound and fully communicated and implemented in specific policies process and procedures within the business units taking into account the appropriateness and effectiveness;
- operational risk managers in the business lines are appointed and given adequate support in order to perform their duties;
- the relevant committees are informed of changes in risk profiles and exposure, supported by the operational risk office;
- major operational risk drivers are identified, also examining reports from the Operational Risk Office, Compliance and Internal Audit.

The Group's Management Board is responsible for approving all the material aspects of the operational risk framework, including the operational risk rulebook, the appointment of the office responsible for its implementation and operational risk control.

In the Group, the body responsible for making decisions on Operational Risk topics is the Operational Risk Committee.

Members of Operational Risk Committee are the Management Board members, representing: CEO's Division, Corporate Division, Retail Division, International Markets Division, Global Banking Services Division. In further it consists of Chief Financial Officer and Chief Risk Officer of the Bank.

Notes to the financial statements (CONTINUED)

Operational Risk Committee holds its meeting at least quarterly or earlier if necessary.

Besides the responsibilities stated in internal regulation, in reviewing the operational risk framework, the Internal Audit Department is responsible for evaluating its functionality and effectiveness, as well as its compliance with the regulatory requirements. At least annually, it analyses the operational risk data collection, management and storage process to ensure the data quality.

The centralized Operational Risk Controlling has to operate the whole framework and to coordinate the decentralized activity of operational risk management carried out by the nominated operational risk managers in each business unit.

4. Use of estimates and judgements

These disclosures supplement the commentary on risk management policy.

i) Impairment for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 2.(o.), (p.) and risk management policy 3.(i).

ii) Financial assets and liabilities classification

The Group's accounting policies determine the different accounting categories for the classification of financial assets and liabilities. The criteria for classification is described in accounting policies 2.(g.), (i.) and (j.).

iii) Qualifying hedge relationships

In designating financial instruments as qualifying hedge relationships, the Group has determined that it expects the hedge to be highly effective over the life of the hedging instrument. In accounting for derivatives as cash flow hedges, the Group has determined that the hedged cash flow exposure relates to highly probable future cash flows.

Notes to the financial statements (CONTINUED)

5. Net interest income

Net interest income	(HUF million)	
	2007	2006
Interest and similar income		
Interest income from nostros with Central Bank	3,316	2,468
Interest income from banks	9,983	14,304
Interest income from customers	61,418	43,793
Interest income on trading financial instruments	3,576	2,612
Interest income on available for sale financial assets	10,949	6,196
Interest income on held to maturity assets	2,365	3,785
Total	91,607	73,158
Interest expense and similar charges		
Interest expense to banks	(14,304)	(8,961)
Interest expense related to hedge derivatives	(940)	(24)
Interest expense to customers	(33,557)	(25,176)
Interest expense on subordinated loans	(779)	(596)
Interest expense on issued bonds	(4,263)	(4,518)
Total	(53,843)	(39,274)
Net interest income	37,764	33,884

6. Net fee and commission income

Net fee and commission income	(HUF million)	
	2007	2006
Fees and commission income		
Payment transaction fees	19,044	16,404
Financial guarantees fee	737	772
Custody service fees	3,167	2,806
Brokerage	4,951	4,502
Other financial fees and commissions	427	261
Total	28,326	24,745
Fees and commission expense		
Payment transaction fees	(5,687)	(4,947)
Financial guarantees fee	(103)	(132)
Custody service fees	(783)	(658)
Brokerage	(586)	(563)
Other financial fees and commissions	(369)	(168)
Total	(7,528)	(6,468)
Net fee and commission income	20,798	18,277

Notes to the financial statements (CONTINUED)

7. Dividend income

Dividend income		(HUF million)
	2007	2006
Dividends on trading assets	9	–
Dividends on investments	843	796
Total	852	796

8. Net trading income

Net trading income		(HUF million)
	2007	2006
(Loss)/Profit on foreign exchange	3,051	2,223
Loss)/Profit on trading interest rate swaps	441	248
(Loss)/Profit on debt securities	(754)	178
(Loss)/Profit on trading FRA's	(6)	130
Other trading income	4	(138)
Total	2,736	2,641

9. Net gain and loss on other financial instruments

Net gain and loss on other financial instruments		(HUF million)
	2007	2006
Gain		
Available for sales debt securities	634	213
Total	634	213
Loss		
Loans and receivables	–	(109)
Available for sales debt securities	(181)	(8)
Total	(181)	(117)
Grand total	453	96

Notes to the financial statements (CONTINUED)

10. Personnel expenses

Personnel expenses	(HUF million)	
	2007	2006
Wages and salaries	10,281	9,412
Statutory social-security contributions	3,113	2,724
Other employee benefits	1,066	903
Employer's contributions	445	382
Total	14,905	13,421

The number of employees was 1,583 on 31 December 2007 (2006: 1,520).

11. General operating expenses

General operating expenses	(HUF million)	
	2007	2006
Other indirect tax expense and costs of authorities	2,824	2,299
Renting costs and operating expenses of property	2,460	2,097
Advertising	3,194	1,770
Information technology costs	1,692	1,475
Material and office equipments costs	403	389
Other administrative expenses	2,418	2,132
Total	12,991	10,163

Notes to the financial statements (CONTINUED)

12. Other income and expenses

Other income and expenses		(HUF million)
	2007	2006
Operating income		
Service transfer fees received	392	505
Rental fee received	15	13
Proceeds on sale of tangible and intangible assets	237	162
Other	67	322
Total	711	1,002
Operating expenses		
Service transfer fees paid	(404)	(531)
Penalties	(4)	(1)
Scrapped assets	-	(2)
Cost of tangible and intangible assets sold	(489)	(218)
Other	(184)	(38)
Total	(1,081)	(790)
Net other operating income/expense	(370)	212

13. Taxation

The tax charge for the year is based on the profit for the year according to the statutory accounts of the Group as adjusted for relevant taxation regulations. The corporate income tax rate in Hungary for the year ended 31 December 2007 was 16% and an additional 4% (2006: 16% and an additional 4% applicable to the profit earned from 1 September 2006). The Group must pay the additional supplementary tax to income earned from loans shouldn't be subsidized by state.

Taxation		(HUF million)
	2007	2006
Tax expense for the year		
Current tax expense	5,823	5,225
Adjustments for prior years	82	14
Total	5,905	5,239
Deferred tax charge	(369)	63
Total income tax expense in income statement	5,536	5,302

Notes to the financial statements (CONTINUED)

Reconciliation of effective tax rate				
	2007		2006	
	(%)	(HUF MILLION)	(%)	(HUF MILLION)
Profit before tax		27,480		24,412
Income tax using the domestic corporate tax rate	20.0	5,496	17.3	4,221
Supplementary corporate tax for banks	1.3	345	8.0	1,954
Adjustments for prior years	0.3	82	0.1	14
Tax effects of income/expenses exempt from corporate tax	(0.2)	(61)	(1.4)	(347)
Income/expenses giving rise to permanent differences				
Equity contribution in kind	—	-	0.1	29
General Risk Reserve	(1.0)	(263)	(0.9)	(216)
Other	(0.3)	(85)	(1.4)	(339)
Changes in the equity of associated companies	0.1	22	(0.1)	(14)
Total	20.2	5,536	21.7	5,302

In 2007, deferred taxes amounting to HUF 57 million (2006: HUF 145 million) were recognised directly in equity. Of the total amount, HUF 58 million (2006: HUF 140 million) was debited to the available for sale reserve and HUF 1 million was credited to the cash flow hedge reserve (2006: HUF 5 million was debited).

Balances related to taxation		(HUF million)
	2007	2006
Tax assets		
Tax assets for the year	141	199
Deferred tax assets	634	37
Total	775	236
Tax liabilities		
Tax liabilities for the year	16	2
Deferred tax liabilities	306	167
Total	322	169

14. Cash and unrestricted balance with the Central Bank

Cash and unrestricted balance with the Central Bank		(HUF million)
	2007	2006
Cash on hand	5,044	4,820
Unrestricted balance with the Central Bank	29,367	24,141
Total	34,411	28,961

Notes to the financial statements (CONTINUED)

15. Financial instruments held for trading

Financial instruments held for trading		(HUF million)
	2007	2006
Financial assets held for trading		
State treasury bills	1,273	2,281
State bonds	52,108	10,544
Other bonds	18,809	2,686
Investment units	4	–
Equity securities	43	49
Positive fair value of derivatives		
FX derivatives	15,171	19,950
Interest rate derivatives	8,182	3,374
Total	95,590	38,884
Fair value adjustment	(207)	–
Grand total	95,383	38,884
Financial liabilities held for trading		
Negative fair value of derivatives		
FX derivatives	16,774	16,361
Interest rate derivatives	8,246	3,593
Total	25,020	19,954

16. Available-for-sale financial assets

Available-for-sale financial assets		(HUF million)
	2007	2006
State treasury bills	10,651	11,335
State bonds	156,128	136,434
Other bonds	7,539	6,326
Equities	361	369
Total	174,679	154,464
Fair value adjustment	(170)	–
Impairment loss	(70)	(70)
Grand total	174,439	154,394

Notes to the financial statements (CONTINUED)

17. Held-to-maturity investments

Held-to-maturity investments		(HUF million)
	2007	2006
State bonds	15,155	26,043
MNB bonds	5,519	5,519
Total	20,674	31,562

The net market value of the held-to-maturity securities portfolio as at 31 December 2007 is HUF 21,978 million (2006: HUF 33,319 million).

18. Placements with, and loans and advances to banks

Placements with, and loans and advances to banks		(HUF million)
	2007	2006
Placements with Central Bank		
Maturity less than one year	73,270	32,927
Loans and advance to other banks		
Nostros with other banks	8,375	7,663
Maturity less than one year	43,769	175,333
Maturity more than one year	19,631	21,062
Total	145,045	236,985

19. Loans and advances to customers

Private and commercial		(HUF million)
	2007	2006
Maturity less than one year	478,531	399,166
Maturity more than one year	567,071	403,623
Total	1,045,602	802,789
Provision for impairment and losses on credit products (Note 31)	(12,999)	(9,582)
Grand total	1,032,603	793,207

Notes to the financial statements (CONTINUED)

A. Analysis by industrial sector

	2007		2006	
	HUF MILLION	%	HUF MILLION	%
Real estate finance	178,100	17.03	166,074	20.69
Private clients	178,329	17.06	124,698	15.53
Financial activities	147,814	14.14	95,155	11.85
Trade	84,849	8.11	76,104	9.48
Community	87,094	8.33	62,547	7.79
Transportation	64,458	6.16	50,992	6.35
Electric energy industry	27,802	2.66	36,639	4.56
Chemicals/Pharmaceutical	77,007	7.36	33,489	4.17
Food processing	34,598	3.31	26,982	3.36
Construction	37,277	3.57	26,952	3.36
Machine industry	31,089	2.97	23,879	2.97
Light industry	27,743	2.65	16,723	2.08
Communication	19,077	1.82	13,073	1.63
Catering trade	10,820	1.03	10,616	1.32
Agriculture	7,927	0.76	8,418	1.05
Metallurgy	6,556	0.63	6,653	0.83
Mining	1,316	0.13	296	0.04
Other	23,746	2.28	23,499	2.93
Total	1,045,602	100	802,789	100

Notes to the financial statements (CONTINUED)

B. The estimate value of collateral and other security for loans were followings		(HUF million)
	2007	2006
Against individually impair		
Warrant and guaranties	2,388	3,162
Cautions	81	1,099
Property	18,363	16,034
Debt securities	–	25
Equities	–	47
Others	1,579	3,566
Against collectively impaired		
Warrant and guaranties	287	41
Cautions	19	10
Property	3,874	3,356
Debt securities	–	–
Equities	4	2
Others	26	1
Against past due but not impaired		
Warrant and guaranties	11	58
Cautions	794	339
Property	504	388
Debt securities	–	–
Equities	–	–
Others	–	–
Against neither past due nor impaired		
Warrant and guaranties	138,880	85,166
Cautions	150,346	21,775
Property	261,694	243,092
Debt securities	1,587	38,112
Equities	10,995	8,889
Others	115,330	125,147

20. Hedging derivative instruments

Hedging derivative instruments		(HUF million)
	2007	2006
Derivative assets held for risk management purposes		
Interest rate swap	869	649
Derivative liabilities held for risk management purposes		
Interest rate swap	554	686

Notes to the financial statements (CONTINUED)

21. Equity investments

Equity investments		(HUF million)
	2007	2006
Investments in associated companies	1,987	2,225
Other investments	1,183	1,183
Total	3,170	3,408
Impairment losses (Note 31)	(118)	(118)
Grand total	3,052	3,290

As at 31 December 2007 and 2006 the equity investments in associated companies and other investments were as follows:

Composition of equity investments		(HUF million)
NAME OF INVESTMENT	GROSS BOOK VALUE	
	2007	2006
Associated companies		
UniCredit Független Biztosításközvetítő Kft.	1	–
Giro Bankkártya Zrt.	–	329
Budapesti Értéktőzsde Zrt.	1,986	1,896
Total	1,987	2,225
Other investments		
UniCredit Factoring Zrt.	168	168
Sas-Reál Kft.	500	500
Arany Pénzügyi Lízing Zrt.	453	453
CELER Zrt.	62	62
Total	1,183	1,183

The Group sold the investment in Giro Bankkártya Zrt. during 2007. The net result of transaction is included in gain and losses on other equity investments. All equity investments are in companies incorporated in Hungary.

Notes to the financial statements (CONTINUED)

22. Property, plant and equipment

Movement in property, plant and equipment (HUF million)						
	ACQUISITION COST AT THE BEGINNING OF THE YEAR	ACCUMULATED DEPRECIATION AND AMORTISATION AT THE BEGINNING OF THE YEAR	ADDITIONS	DISPOSALS NET	DEPRECIATION AND AMORTISATION	CARRYING AMOUNT AT THE END OF THE YEAR
2007						
Land and buildings	25,807	1,962	417	436	417	23,409
Office equipment	9,935	6,767	781	28	1,074	2,847
Motor vehicles	926	520	124	15	133	382
Capital work in progress	377	–	1,231	1,322	3	283
Total	37,045	9,249	2,553	1,801	1,627	26,921
2006						
Land and buildings	24,134	1,657	1,909	171	370	23,845
Office equipment	10,380	7,677	1,611	32	1,114	3,168
Motor vehicles	892	551	232	18	150	405
Capital work in progress	761	–	3,375	3,759	–	377
Total	36,167	9,885	7,127	3,980	1,634	27,795

23. Intangible assets

Movement in intangible assets (HUF million)						
	ACQUISITION COST AT THE BEGINNING OF THE YEAR	ACCUMULATED DEPRECIATION AND AMORTISATION AT THE BEGINNING OF THE YEAR	ADDITIONS	DISPOSALS NET	DEPRECIATION AND AMORTISATION	CARRYING AMOUNT AT THE END OF THE YEAR
2007						
Rental rights	112	88	7	–	13	18
Licenses	1,274	417	393	10	318	922
Software	7,272	4,681	1,063	–	1,497	2,157
Goodwill	996	127	–	–	–	869
Total	9,654	5,313	1,463	10	1,828	3,966
2006						
Rental rights	111	84	11	–	9	29
Licenses	861	228	494	–	275	852
Software	6,016	3,335	1,255	–	1,345	2,591
Goodwill	1,535	131	–	535	–	869
Total	8,523	3,778	1,760	535	1,629	4,341

Notes to the financial statements (CONTINUED)

24. Other assets

Other assets		(HUF million)
	2007	2006
Trade receivables and advances	719	482
Accrued income and prepaid expenses	15,970	13,919
Other	225	68
Total	16,914	14,469
Impairment losses (Note 31)	(140)	(98)
Grand total	16,774	14,371

25. Deposits and loans from banks

Deposits and loans from banks		(HUF million)
	2007	2006
Maturity less than one year	425,779	199,314
Maturity more than one year	107,017	130,783
Total	532,796	330,097

26. Deposits from customers

Deposits from customers		(HUF million)
	2007	2006
Maturity less than one year	708,227	646,349
Maturity more than one year	37,462	104,730
Total	745,689	751,079

The above balances include customer transit accounts. Amounts included in customer transit accounts are held pending clarification and completion of transactions with customers undertaken in the ordinary course of business.

Notes to the financial statements (CONTINUED)

27. Subordinated loans

Subordinated loans	(HUF million)	
	2007	2006
Bank Austria Creditanstalt AG	8,605	8,569
Bank Austria Creditanstalt AG	8,679	8,643
Total	17,284	17,212

The amount due to the parent company consists of two separate loans, one of ATS 200 million received in July 1994 and another of DEM 38 million received in 1997. On 19 December 2001 the loans were consolidated and converted into EUR. The agreement contains an automatic annual extension clause subject to further written notice by the lender. Interest based on EURIBOR is payable quarterly in arrears.

28. Issued bonds

Issued bonds	(HUF million)	
	2007	2006
Maturity less than one year	4,622	2,879
Maturity more than one year	46,690	49,019
Total	51,312	51,898

29. Other liabilities

Other liabilities	(HUF million)	
	2007	2006
Financial lease obligation	15,090	15,281
Accrued expenses and prepaid income	24,791	12,626
Financial guarantees and unutilised loans	3,663	2,880
Trade payable	266	471
Other taxes payable	1,230	2,212
Other	1,310	1,367
Total	46,350	34,837

Notes to the financial statements (CONTINUED)

30. Share capital

Share capital (HUF million)		
	2007	2006
Authorised and issued share capital	24,118	24,118

Share capital consists of 4,823,644 ordinary shares with a par value of HUF 5,000 each.
100% of the issued shares are held by Bank Austria Creditanstalt AG.

31. Impairments and provisions

Impairments and provisions on credit products (HUF million)				
	LOANS	INVESTMENTS (AVAILABLE FOR SALE AND EQUITY INVESTMENTS)	GUARANTEES AND UNUTILISED LOANS	TOTAL FINANCIAL INSTRUMENTS
Balance 31 December 2006	9,582	188	2,880	12,650
Write-offs	(1,628)	–	–	(1,628)
Amounts released	(5,940)	–	(2,520)	(8,460)
Additional impairment provisions	10,977	–	3,288	14,265
Effect of FX rate fluctuation	8	–	15	23
As at 31 December 2007	12,999	188	3,663	16,850
Net movement in impairment provisions	3,409	–	768	4,177
Write-offs	1,628	–	–	1,628
Net amount charged to the income statement	5,037	–	768	5,805
Receivables written-off	(119)	–	–	(119)
Total charged to the income statement, excluding the effect of f/x rate fluctuation	4,918	–	768	5,686

Other impairments and provisions (HUF million)	
PROVISION MOVEMENT FOR NON-CREDIT RISK ITEMS	
Balance 31 December 2006	982
Write-offs	(13)
Amounts released	(365)
Additional impairment provisions	671
As at 31 December 2007	1,275
Net movement in impairment provisions	293
Write-offs	13
Net amount charged to the income statement	306

Notes to the financial statements (CONTINUED)

32. Commitments and contingent liabilities

At 31 December 2007, the Group had the following commitments and contingent liabilities (at nominal values)		(HUF million)
	2007	2006
Loan and overdraft facilities granted not disbursed	369,062	369,419
Guarantees	168,436	152,307
Letters of credit	28,586	5,554
FX spot sales (notional)	157,543	76,727

As at 31 December 2007, the total face value of client assets held in safe custody by the Group was HUF 2,586,214 million (2006: HUF 2,070,380 million).

33. Currency structure of assets and liabilities

The currency structure of assets and liabilities as at 31 December 2007 is as follows					(HUF million)
CURRENCY	ASSETS	EQUITY AND LIABILITIES	OFF BALANCE SHEET NET POSITION	TOTAL NET FOREIGN CURRENCY EXPOSURE LONG/(SHORT)	
Euro	410,720	399,078	8,096		19,738
Swiss Francs	249,158	246,692	2,814		5,280
United States Dollars	22,728	40,714	(19,167)		(37,153)
Czech Crowns	1,764	3,916	(2,082)		(4,234)
British Pounds	184	4,853	(4,890)		(9,559)
Slovakian Crowns	555	694	(157)		(296)
Japanese Yen	2,276	2,523	–		(247)
Polish Zloty	73	857	(795)		(1,579)
Other	980	2,358	(490)		(1,868)
Total foreign currency	688,438	701,685	(16,671)		(29,918)
Hungarian Forint	866,474	853,227	18,640		31,887
Total	1,554,912	1,554,912	1,969		1,969

The currency structure of assets and liabilities as at 31 December 2006 is as follows					(HUF million)
CURRENCY	ASSETS	EQUITY AND LIABILITIES	OFF BALANCE SHEET NET POSITION	TOTAL NET FOREIGN CURRENCY EXPOSURE LONG/(SHORT)	
Euro	424,666	381,736	(34,140)		8,790
Swiss Francs	152,610	126,277	(26,133)		200
United States Dollars	70,194	85,041	8,691		(6,156)
Slovenian Tolars	1,754	–	–		1,754
Czech Crowns	1,284	1,326	26		(16)
British Pounds	755	3,033	(236)		(2,514)
Slovakian Crowns	735	842	103		(4)
Japanese Yen	470	227	(2,766)		(2,523)
Polish Zloty	179	217	(8)		(46)
Other	688	736	(15)		(63)
Total foreign currency	653,335	599,435	(54,478)		(578)
Hungarian Forint	681,340	735,240	58,520		4,620
Total	1,334,675	1,334,675	4,042		4,042



Supervisory Board and Management Board

UniCredit Bank Hungary Zrt.

Supervisory Board

Mag. Peter Hofbauer
Chairman (Bank Austria Creditanstalt AG)

Elena Goitini (UniCredito Italiano S.p.A.)

Deputy Chairperson

Mag. Martin Klauzer (Bank Austria Creditanstalt AG)

Mag. Friederike Kotz (Bank Austria Creditanstalt AG)

Dr. Matthias Kunsch

Carlo Marini (UniCredito Italiano S.p.A.)

Dr. Pettkó-Szandtner Judit (UniCredit Bank Hungary Zrt.)

Management Board

Dr. Patai Mihály (UniCredit Bank Hungary Zrt., Chairman and Chief Executive Officer)

Ralf Cymanek (UniCredit Bank Hungary Zrt., Deputy Chief Executive Officer)

Radványi Ágnes (UniCredit Bank Hungary Zrt., Deputy Chief Executive Officer till 29 February 2008)

Tátrai Bernadett (UniCredit Bank Hungary Zrt., Deputy Chief Executive Officer)

Mag. Markus Winkler (UniCredit Bank Hungary Zrt., Deputy Chief Executive Officer)

UniCredit Mortgage Bank Zrt.

Supervisory Board

Ralf Cymanek
Chairman (UniCredit Bank Hungary Zrt.)

Dr. Pettkó-Szandtner Judit (UniCredit Bank Hungary Zrt.)

Mag. Karin Schmidt (Bank Austria Creditanstalt AG)

Tóth Balázs (UniCredit Bank Hungary Zrt.)

Mag. Franz Wolfger (UniCredit Bank Hungary Zrt.)

Management Board

Dr. Patai Mihály
Chairman (UniCredit Bank Hungary Zrt.)

Baranyai Dávid (UniCredit Jelzálogbank Zrt., Chief Executive Officer)

Mag. Reinhard Madlencnik (Bank Austria Creditanstalt AG)

Radványi Ágnes (UniCredit Bank Hungary Zrt., till 29 February 2008)

Tátrai Bernadett (UniCredit Bank Hungary Zrt.)

Gianluca Totaro (UniCredit Bank Hungary Zrt.)

Mag. Markus Winkler (UniCredit Bank Hungary Zrt.)

Calendar

1 February 2007

HVB Bank, well-known on the domestic market, changed its brand name to UniCredit, continuing its operations under the name UniCredit Bank Hungary Zrt. The change in the brand name took place subsequent to the accession of HVB Bank as a member of the Bank Austria Creditanstalt Group, to the UniCredit Group in 2005. As one of Europe's top banking groups, by far the market leader in Central and Eastern Europe, UniCredit reached a new development stage with the integration of subsidiaries in the region and decided to adopt its brand architecture to this new dimension. From 2007, the majority of its banks in Central and Eastern Europe changed their names to UniCredit (the bank in Hungary was first to do so), to express, with this common brand name, the strength of the banking network and the opportunities offered to customers.

16 March – 1 April 2007

In March 2007, the Budapest Spring Festival was organised for the 27th time. As a truly European service provider, UniCredit Bank joined this outstanding European and world cultural event as a Main Partner. Value creation and value-based thinking represent the common feature that laid the grounds for the cooperation between the local member of UniCredit Group, one of Europe's largest financial groups, and the Budapest Spring Festival.

16 April 2007

Bernadett Tátrai was appointed, as Deputy CEO, to be the Head of Retail Division and member of the Management Board of UniCredit Bank Hungary Zrt. The professional acquired her banking experience in the field of sales, later in the development of retail products, and in leading Erste-Postabank integration and in the management of retail business development. Prior to joining UniCredit Bank, she performed management tasks at a local commercial bank as the member of the Management Board in charge of the retail business line.

May 2007

In 2007, the New York-based Global Finance magazine published, for the fifth time, the ranking of the Best Sub-Custodians of the year. In its review, the prestigious professional magazine selected, with the participation of international experts, the financial institutions providing the best custodian services on the local and regional markets for global custodians. Recognition for being the best in Hungary was awarded to UniCredit Bank. In addition to Hungary, UniCredit Group proved to be the best sub-custodians in Austria, the Czech Republic, and Russia as well.

26 October 2007

The European Investment Bank and UniCredit Bank Hungary Zrt. signed another Framework Agreement in the amount of 30 million euros to finance small and medium size enterprises loans and municipality projects. As a result, the European Investment Bank, with the inter-mediation of UniCredit Bank, already made a total of 264 million euros available for supporting the capital investment projects of the Hungarian private and municipality sectors.

1 January 2008

Alone in the domestic banking market, UniCredit Bank no longer charges a fee for cash withdrawals using UniCredit debit cards from over 13,000 of the banking group's automated teller machines in Hungary and abroad. The free service without any quantitative restrictions, simultaneously became available in Hungary and in 15 European countries as of January 1, 2008. With this step, the largest banking group in Central and Eastern Europe has also opened the borders between the countries of Europe.

Branch offices

Head office

H-1054 Budapest, Szabadság tér 5–6.

Telephone: +36-1/269-0812

Fax: +36-1/353-4959

E-mail: info@unicreditgroup.hu

UniCredit Call Center 0-24: 06-40/50-40-50 (from abroad: +36-1-325-3200)



On 31 March 2008 UniCredit Bank's network consisted of 85 units throughout Hungary, from which 45 branches were located in Budapest, while 40 in the country.

Branch offices (CONTINUED)

Branches in Budapest

Törökvész úti fiók

1022 Budapest, Törökvész út 30/a

Bécsi úti fiók

1023 Budapest, Bécsi út 3–5.

Mammut II. fiók

1024 Budapest, Margit körút 87–89. (Mammut II.)

Pesthidegkúti fiók

1028 Budapest, Hidegkúti út 167. (Széphalom Üzletközpont)

Stop Shop fiók

1036 Budapest, Bécsi út 136. (Stop.Shop)

Lajos utcai fiók

1036 Budapest, Lajos utca 48–66.

Békásmegyeri fiók

1039 Budapest, Heltai Jenő tér 15. (Heltai Bank Center)

Újpesti fiók

1042 Budapest, István út 10. (Újpest Áruház)

Fehér Hajó utcai fiók

1052 Budapest, Fehér Hajó utca 5.

Szervita téri fiók

1052 Budapest, Szervita tér 8.

Ferenciek tere fiók

1053 Budapest, Ferenciek tere 2.

Alkotmány utcai fiók

1054 Budapest, Alkotmány utca 4.

Szabadság téri fiók

1054 Budapest, Szabadság tér 5–6. (UniCredit Bank székház)

Deák téri fiók

1061 Budapest, Deák tér 6.

Nagymező utcai fiók

1065 Budapest, Nagymező utca 44.

Nyugati fiók

1066 Budapest, Teréz körút 62.

Erzsébet körúti fiók

1073 Budapest, Erzsébet körút 56.

Baross téri fiók

1076 Budapest, Thököly út 4.

József körúti fiók

1085 Budapest, József körút 46.

Arena Corner fiók

1087 Budapest, Hungária körút 40–44. (Arena Corner)

Blaha Lujza téri fiók

1088 Budapest, József körút 13.

Ferenc körúti fiók

1092 Budapest, Ferenc körút 24.

Vámház körúti fiók

1093 Budapest, Vámház körút 15.

Lurdy-Ház fiók

1097 Budapest, Könyves Kálmán körút 12–14. (Lurdy-Ház)

Kőbányai fiók

1102 Budapest, Kőrösi Csoma sétány 8.

Lágymányosi utcai fiók

1111 Budapest, Lágymányosi utca 1–3.

Bartók Béla úti fiók

1115 Budapest, Bartók Béla út 88.

Fehérvári úti fiók

1117 Budapest, Fehérvári út 23.

Új Buda Center fiók

1117 Budapest, Hengermalom út 19–21.

Alkotás utcai fiók

1123 Budapest, Alkotás utca 50.

Branch offices (CONTINUED)

Váci út 20. fiók

1132 Budapest, Váci út 20.

Duna Plaza Fiók

1138 Budapest, Váci út 178. (Duna Plaza)

Váci úti fiók

1139 Budapest, Váci út 99.

Nagy Lajos király úti fiók

1141 Budapest, Nagy Lajos király útja 214.

Örs vezér téri fiók

1148 Budapest, Örs vezért tere 24. (Sugár Üzletközpont)

Pólus fiók

1152 Budapest, Szentmihályi út 137.

Mátyásföldi fiók

1165 Budapest, Veres Péter út 105–107.

Pestszentlőrinci fiók

1182 Budapest, Üllői út 455.

Pestszentimrei fiók

1188 Budapest, Nagykőrösi út 49.

Europark fiók

1191 Budapest, Üllői út 201. (Europark)

Pesterzsébeti fiók

1201 Budapest, Kossuth Lajos utca 32–36.

Csepeli fiók

1211 Budapest, Kossuth Lajos út 93.

Csepel Plaza fiók

1211 Budapest, II. Rákóczi Ferenc út 154–170. (Csepel Plaza)

Campona fiók

1222 Budapest, Nagytétényi út 37–43. (Campona)

Soroksári fiók

1239 Budapest, Hősök tere 14.

Branch offices (CONTINUED)

Branches in the country

Bajai fiók

6500 Baja, Tóth Kálmán tér 3.

Békéscsabai fiók

5600 Békéscsaba, Andrássy út 37–43. (Csaba Center)

Budaörsi fiók

2040 Budaörs, Szabadság út 49.

Budakeszi fiók

2092 Budakeszi, Fő út 139.

Ceglédi fiók

2700 Cegléd, Kossuth tér 4.

Debrecen – Kálvin téri fiók

4026 Debrecen, Kálvin tér 2/A

Debreceni fiók

4024 Debrecen, Kossuth Lajos utca 25–27.

Dunaújvárosi fiók

2400 Dunaújváros, Dózsa György út 4/D

Egri fiók

3300 Eger, Bajcsy-Zsilinszky utca 2.

Eger – Agria Park fiók

3300 Eger, Törvényház utca 4. (Agria Park)

Érdi fiók

2030 Érd, Budai út 13. (Stop.Shop)

Esztergomi fiók

2500 Esztergom, Vörösmarty utca 5.

Gödöllői fiók

2100 Gödöllő, Dózsa György út 13.

Gyöngyösi fiók

3200 Gyöngyös, Péter Kis Szaléz utca 22.

Győri fiók

9021 Győr, Árpád út 45.

Győr – Árkád fiók

9027 Győr, Budai út 1. (Árkád Üzletház)

Jászberényi fiók

5100 Jászberény, Szabadság tér 3.

Kaposvári fiók

7400 Kaposvár, Dózsa György utca 1.

Kecskeméti fiók

6000 Kecskemét, Kisfaludy utca 8.

Miskolci fiók

3530 Miskolc, Hunyadi utca 3.

Mosonmagyaróvári fiók

9200 Mosonmagyaróvár, Fő utca 6.

Nagykanizsai fiók

8800 Nagykanizsa, Fő út 8.

Nyíregyházi fiók

4400 Nyíregyháza, Dózsa György út 1–3.

Pécsi fiók

7621 Pécs, Rákóczi út 17. (Fészek Áruház)

Pécs – Árkád Üzletház fiók

7621 Pécs, Rákóczi út 58. (Árkád Üzletház)

Salgótarjáni fiók

3100 Salgótarján, Rákóczi út 13.

Siófoki fiók

8600 Siófok, Fő út 174–176.

Soproni fiók

9400 Sopron, Várkerület 1–3.

Szeged – Kárász utcai fiók

6720 Szeged, Kárász utca 16.

Szegedi fiók

6722 Szeged, Kossuth Lajos sugárút 18–20.

Székesfehérvári fiók

8000 Székesfehérvár, Budai út 1.

Szekszárdi fiók

7100 Szekszárd, Arany János utca 15–17.

Branch offices (CONTINUED)

Szentendrei fiók

2000 Szentendre, Dobogókői út 1. (Városkapu Üzletház)

Szolnoki fiók

5000 Szolnok, Baross Gábor út 27.

Szombathelyi fiók

9700 Szombathely, Kőszegi utca 30–32.

Tatabánya – Vértess Center fiók

2800 Tatabánya, Győri út 7–9. (Vértess Center)

Tatabányai fiók

2800 Tatabánya, Szent Borbála tér 2.

Törökbálinti fiók

2046 Törökbálint, DEPO – Raktárváros

Veszprémi fiók

8200 Veszprém, Óváros tér 7.

Zalaegerszegi fiók

8900 Zalaegerszeg, Kovács Károly tér 1/a

