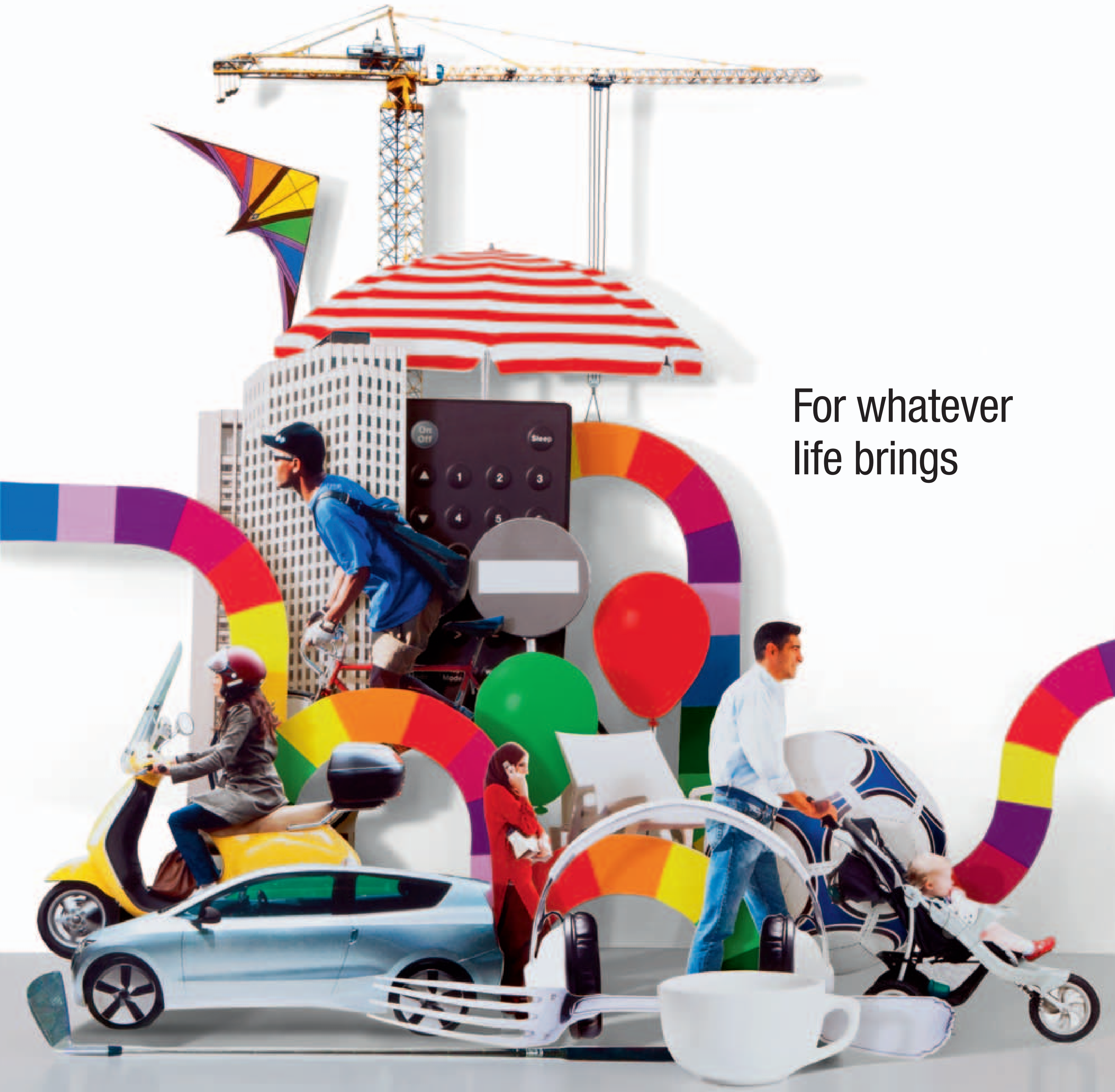
UniCredit Bank



For whatever
life brings

2010 Annual Report

UniCredit Bank

Everyone knows that life can be surprising. Many of these surprises are good things. Some are not so good. That is why people need their bank to be a reliable partner, helping them to deal with *whatever life brings*.

Because this year's report is inspired by real life, its graphics portray some of life's more pleasant aspects, as well as a few of its less enjoyable features. Thus, the images present a range of contrasts, and our cover offers up a kaleidoscope of moments drawn from daily life.

That is simply how life works. From the exciting to the ordinary, from the expected to the unanticipated, life is always changing and makes demands on all of us.

And UniCredit is here to lend a hand.

Our job is about more than offering products and managing transactions. It is about understanding the needs of our customers as individuals, families and enterprises.
Our goal is to deliver solutions for the everyday issues that people face. This means providing them with concrete answers – day by day, customer by customer, need by need.

2010 Annual Report

Content


For whatever life brings

Financial highlights

UniCredit Group Hungary – IFRS consolidated

Profit figures

(HUF million)

	2010	2009
Operating result	22,651	19,052
Profit before taxes	23,311	19,301
Profit after taxes	**18,795**	**15,491**

Balance sheet figures

(HUF million)

	2010	2009
Balance sheet total	**1,546,836**	**1,737,136**
Loans and advances to customers (net)	1,089,005	1,073,901
Deposits from customers	970,218	1,101,360
Shareholder funds	180,825	158,494

Indicators

	2010	2009
Return on equity before taxes (ROE)	13.74%	12.25%
Return on equity after taxes (ROE)	11.08%	9.84%
Return on average assets (ROA) before taxes	1.42%	1.09%
Return on average assets (ROA) after taxes	1.14%	0.87%
Cost income ratio	49.39%	44.56%
Net fee income in percentage of total operating income	29.99%	33.99%

Indicators prescribed by HFSA (PSZÁF, HAS*)

(HUF million)

	2010	2009
Regulatory capital**	178,910	165,046
Adjusted regulatory capital**	178,163	163,928
Risk weigthed assets	1,115,690	1,175,732
Total capital ratios (%)	**15.97%**	**13.94%**

Indicators prescribed by IFRS

(HUF million)

	2010	2009
Adjusted regulatory capital**	**198,833**	**180,014**
Total capital ratios (%)	17.82%	15.29%

Other figures

	2010	2009
Headcount (FTE)	**1,971**	**1,982**
Number of locations	135	135
Number of branches	133	133

* After dividend pay out

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

The management's report

Economic and financial environment in Hungary

The continuous money supply by national banks and the fiscal stimuli provided an impetus to global recovery. Due to its structural imbalances (external indebtedness, limitation of its fiscal policy), Hungary could not fully benefit from the sound German recovery on exports to Asia. The country's turnaround was mainly based on exports, as domestic demand was lagging throughout the year. The mounting debt problems of the euro zone periphery (especially Greece and Ireland) increased concerns about the resilience of the recovery and led to fiscal austerity measures in several countries. In 2010, various regions faced a range of challenges: the debt crises in Europe, benign inflation in Asia, and high unemployment and lacklustre growth in the US all contributed to a volatile year. The increased risks of sovereign defaults, the lack of confidence in the euro zone's ability to manage its debt, persistently rising oil and commodity prices, all point toward slower growth and worsening financial conditions for 2011 as compared to 2010.

Following an interim government with a one year mandate of acute crises management, FIDESZ seized an absolute majority in Parliament, winning the general election in spring 2010. In their first half year, the new government explored the possibility of a looser fiscal policy. Notwithstanding, markets fostered high hopes over immediate structural budget reforms, but these are still to be realized. Partly because of domestic affairs, and partly due to worsening investor sentiment, Hungary's risk assessment deteriorated. As the CDS quotations started to increase, the forint weakened, and the preceding monetary easing cycle halted. The Central Bank of Hungary, due also to rising inflationary pressures, started a monetary tightening cycle, increasing the base rate by 25 base points in November. International rating agencies responded to recent developments with a downgrade of Hungary's sovereign debt, which nevertheless remained in the investment-grade category. The deteriorating assessment of Hungary came to a halt when the government declared its full commitment to meeting the deficit target set at 3.8 percent of GDP for 2010. In order to accomplish this goal, fiscal adjustments became inevitable. Consequently, following the actions of mid-summer (tax cuts etc.), several major taxation-related changes were announced in autumn. These include the implementation of the financial sector levy accompanied not much later by other windfall taxes on the telecom, energy, and retail sectors, as well as the temporary suspension of contributions to private pension funds followed by the reform of the two-pillar pension system. The package did not fully please the markets, as it relied on temporary revenue increases. Moreover, the outlined medium-term economic policy eyes greater-than-expected economic expansion and lacks the necessary structural fiscal adjustments that are crucial to eliminating structural imbalances. Nonetheless, the central budget deficit was finally held within a 3.2 percent GDP proportional limit with the help of the windfall tax and a HUF 100 billion expenditure moratorium effective for December. Meeting the 3.8 percent state budget deficit target for 2010, however, became problematic due to the overshooting of deficit targets in municipal budgets, which according to preliminary data, reached HUF 247.7 billion vs. a planned HUF 190 billion. Recent budgetary developments pave the way for structural, expenditure-side reforms targeting long-term sustainability.

As for the real economy, despite the market turbulences, developments have surpassed even the most optimistic scenarios. Exports grew by 19 percent year-over-year on nominal terms, 1.8 percentage points faster than imports, thus generating more than a EUR 5.5 billion trade surplus, significantly larger than the EUR 3.8 billion surplus of 2009. This is the underlying reason that the current account has a 1.6 percent GDP proportional surplus, and that the country's external financing capability, together with the additional net EU transfers, improved to 2.9 percent of GDP. FDI flow accelerated and may expand by 40 percent compared to 2009, and there is more to come in the next three years given the announced billions of euro in investments by global brand manufacturers, overwhelmingly in the automotive and related sectors.

Beside an excellent external performance, an improved net financial position for households also contributed to a decrease in the county's dependency on external financing, through the use of the 1.9 percent gain in purchasing power either for early credit repayment or for financial wealth accumulation. The flip side of the coin is that household consumption is likely to fall by a further 1.7 percent in 2010, and that retail trade may continue to contract as retail lending activity is rather muted. The rapidly strengthening CHF provided a boost to bringing a significant amount of retail loan repayments forward, as 62 percent of household debt is denominated in this currency, and the debt service ratio to disposable income was up by 30 percent in June 2010 compared to before the crisis. In parallel with the jump in advance repayments, the savings ratio of households in proportion to disposable income surged to 15 percent in the second quarter of 2010, up from the usual rates of between 2-6 percent. Investment expenditures, however, fell from 8 to 5 percent; the volume of household investment was down by 15 percent year-over-year from the already low 2009 base. In the absence of loans and a willingness to spend, the residential housing market has been going through a severe backslide, with the number of newly-built flats falling by 34 percent and the number of new residential permits down by 40 percent compared to 2009. The 9 percent bankruptcy rate in the construction industry is almost double the pre-crisis one and the overall national bankruptcy rate. In 2010, corporate investments also decreased, though at a decelerating pace. In fact, we expect a significant rise in 2011. After net exports, this may become the second most important GDP-boosting

The management's report (Continued)

element. According to preliminary data, the economy expanded by 1.2 percent in 2010 as opposed to the 0.5 percent contraction forecasted a year ago. For 2011, we expect a 2.8 percent GDP growth driven by a stabilizing domestic demand, a somewhat decelerating export dynamic, and a resumption of corporate investments accompanied by improving external stability.

Partly due to adverse weather conditions and also due to the global food and commodity price shock filtering down into domestic food and fuel prices, inflationary pressure rose to 4.7 percent in December from the November figure of 4.2 percent. The central bank, looking to anchor inflationary expectations and in response to Hungary's worsening risk perception, delivered a 25-25 base point base rate hike, both in November and in December, to finish the year at 5.75 percent. We expect inflation to moderate to 3,9 percent from the 2010 figure of 4.9 percent on average in 2011. Spring 2011 is likely to play a decisive role in the later performance of the HUF, as major changes are due at the Monetary Policy Committee of the National Bank of Hungary and long-awaited structural decisions are to be announced.

Performance of the Hungarian banking sector in 2010

From the point of view of profitability, 2010 was a difficult year for the credit institution sector. Under the impact of unfavourable factors, pre-tax profits faded away almost entirely: in contrast to the 2009 figure of over 300 billion forints, pre-tax profits fell 73 percent to a mere 80.8 billion forints in 2010. Within this reduced profit, commercial banks suffered a 76 percent decline, but significant differences evolved among the various banks. The most important role in this loss was played by the special bank tax, deteriorating the sector's profitability by about 134 billion forints in the second half of the year. At the same time, in terms of structure, a mixed picture is taking shape; while the decline in earnings can be explained by the special bank tax charged to the sector as well as a rise in risk costs, a stable revenue generation capacity continues to manifest itself in the increase of interest revenues. The point is that net interest income expanded by 12.7 percent in 2010, mostly due to interest income realised on currency-denominated assets, in particular because of a further weakening of the forint exchange rate against the Swiss franc experienced in 2010.

Non-interest income has shown a decrease, within which, fee and commission income dropped by 1 percent, whilst the reason behind a significant decrease in financial income was the outstandingly high figure for the previous year, 2009. Dividend income showed stable performance and a small increase in 2010.

While in 2009, adaptation to an unfavourable market environment led to major cutbacks in operating costs, in 2010 further cost-cutting measures (such as the closing of branch offices, headcount cut) occurred only at a few banks. This is evidenced in a small 1.8 percent increase in operating costs, within which a 4.7 percent increase in staff costs can be explained more by an improvement in wage levels than a major increase in headcount. Marketing costs continue to show a downward trend, with an 8 percent drop across the banking sector.

On the whole, net interest income, relatively favourable revenues from operation, and persistently strict cost management could not compensate for the burdens of the bank tax, and this was reflected in a significant deterioration of the cost/revenue ratio as well, which after a marked improvement in the year 2009, rose by 13 percentage points to 59 percent in the credit institution sector in 2010.

The level of provisions created for lending and investment risks, after an outstanding increase in the year 2009, was almost 20 percent lower in 2010. At the same time, it should be noted that while the size of provisions created was smaller with certain banks, an increase was observed at other market players, mainly due to an exceptional increase in provisions in the second quarter of the year.

A role in this relief in provisioning was played by the fact that the major jump in the number of non-performing loans experienced at the beginning of the year came to a slowdown by the end of the year. The decrease in the growth rate of the NPL ratios, indicating the share of problematic loans, can be attributed to a more intensive restructuring of loans (for instance, extension of the grace periods). The share of restructured loans continuously kept increasing and exceeded forecasts, reaching 9 percent within retail mortgage loans by the end of the year. This is largely due to the banks' proactive stance, aimed at setting off the negative effects from the consistently strong Swiss franc. The share of restructured loans may further increase in 2011 and top out at approximately 10 percent by the end of the year. In the corporate segment, the share of restructure loans levelled off at around 4.5 percent at the end of 2010. No substantive change is expected in respect of the corporate loan stock.

There is nonetheless a risk entailed by the fact that for a significant portion of the restructured mortgage loans, the grace period was over by the end of 2010 or the first quarter of 2011. In the case of every fourth restructured loan where the grace period ended in the fourth quarter of 2010, the banks applied an extension, so this phenomenon will be an issue within the coming period as well.

Due to the restructuring actions, the drastic increase in the ratio of non-performing loans experienced in 2009 slowed down during 2010, but even so, it still should be considered very high. The NPL ratio, after an ongoing increase since the last quarter of 2008,

The management's report (Continued)

continued to increase in 2009 by 4.2 percentage points in the retail segment and by 4.1 percentage points in the corporate sector. For the whole of 2010, a slowdown was observed in the growth rate of non-performing loans: in the retail segment the NPL ratio increased by 3.5 percentage points to reach 11.1 percent by the end of the year, whilst in the corporate sector, it exceeded the level of the year 2009 by 3.7 percentage points, increasing to 13.2 percent.

Gross lending to resident customers increased by 4 percent (nominal) in 2010, but after adjustment for the exchange rate effect, it decreased by the same extent. The reasons behind this equally include demand and supply factors. A more conservative business policy from the banks and a more rigorous attitude in terms of risk appetite played a role on the supply side, while on the other side the adverse situation in the real economy and the labour market, plus strong household indebtedness, meant that demand for loans was low in both the corporate and retail segments.

At a first glance, retail lending developed favourably, with loans to households increasing by 9.4 percent year-over-year in 2010, in spite of an ongoing net repayment from households. However, after adjusting for exchange rate effects, a 3 percent decrease was in effect, in harmony with processes in the real economy. That is, the increase in loan stock can be explained almost exclusively by revaluations due to the weak forint. This trend is reflected in the development of housing loans in the year 2010, where on the whole, a 9.5 percent increase occurred, but after adjustment for exchange rate effects, actual stock decreased by 2.5 percent, with a small increase in forint-denominated loans at the same time. The year 2010 brought about a paradigm change in the distribution of foreign currency loans. The reason for this is that as of 13 August 2010, a government Act prohibited entering a lien upon a real estate in case of new foreign currency loans, which actually meant the termination of foreign currency-based mortgage lending. In respect of newly granted consumer loans, after a continuous decline all over 2010, currency-denominated placements were almost completely gone by the end of the year. While the stock of consumer loans expanded by 9.9 percent on the whole, the most significant increase within that occurred at long-term, forint-denominated consumer loans with over 5 years to maturity.

Corporate loans continued to decline in 2010 (-0.7 percent), but to a smaller extent than in 2009. The driving force for growth in the real economy was entirely from external demand in 2010, whilst internal demand remained in the negative range. Therefore, in the corporate sector servicing the domestic market (excluding manufacturing companies producing for export), with the presence of lower capacity utilisation, no substantial investments were needed.

In a small decrease in the total asset stock of the banking sector a 7 percent drop in their securities portfolio is reflected. Whilst government securities increased by 3.7 percent due to an expansion in government bonds, a decrease in discount treasury bills occurred in almost the same proportion. After an outstanding improvement in the year 2009, a major correction occurred this past year in the stock of National Bank of Hungary bonds.

On the liability side, the big retail deposit-taking campaigns of the banks generally tapered off in 2010. This is also reflected in a 2.7 percent decrease in the stock of household deposits, attributable mainly to a more than 10 percent drop in term deposits with less than one year to maturity. In an environment of lower interest rates, bank deposits were no longer sufficiently attractive to retail customers, therefore many were looking for other forms of investment promising higher yields. In spite of low incomes and an unfavourable labour market, the savings rate of households on the whole continued to increase in 2010, reaching 4.6 percent of GDP, thanks to cautious consumer behaviour. Corporate deposits increased significantly, by 8 percent, and the placement of other financial companies improved by 16 percent.

The latter, however, could not compensate the decrease in retail deposits; so at the sector's level, the deposit stock decreased by 1.2 percent in 2010. As a result of the increase in loans at nominal and the decrease in deposits, the loan-to-deposit ratio increased from 130 percent in 2009 to 137 percent last year.

Following a continuous increase during the year, with an expansion of more than 25 percent by the end of the year 2010, the asset of mutual funds reached another record level, exceeding a net asset value of 3800 billion forints. This is due both to capital inflow and the good performance of these funds. It should be noted at the same time that in December 2010 a net capital outflow took place, which has not occurred since the summer of 2009.

In 2010, the banking sector's performance was basically determined by processes in the real economy and by changes in regulations. The domestic consumption remained in a negative range in 2010, and the processes observed on the labour market, all led to loan demand reaching a low. And the banks' income situation was further complicated by the special bank tax. As a result, the activity of banks remained weak throughout last year. In 2011, parallel to a rise in domestic demand, the demand for loans may become more favourable, and thus an increase may be expected in new retail loans, but no softening of the loan terms is likely in the short run. In the corporate segment, an expansion of loan demand can be expected in the first half of 2011 as well, mainly in case of short-term loans. Due to the Széchenyi Programme, the small and medium businesses sector might become a priority target for new loans. This year, the increase in the share of restructured mortgage loans may continue and could reach 10 percent.

The management's report (Continued)

Performance and results of UniCredit Bank Hungary in the year 2010

In 2010, unfavourable conditions in the real economy, as well as the special bank tax, represented a serious challenge for the domestic banking sector. Leveraging on its ability to adapt quickly, the continued ongoing developments and the stable corporate customer base, UniCredit Bank Hungary Zrt. is able to report financial indicators for 2010 outperforming the market trends. The Bank managed to maintain its profitability and high level of capital adequacy without having to decrease its headcount or shut down branches – unlike some other market players –, thus maintaining its capacities and capabilities in full while developing them in the services field. Its capital situation, already strong, continued to strengthen in 2010 as well, thanks to which no equity capital injection was required from the shareholders.

Based on the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), the balance sheet total of UniCredit Bank reached 1,546.8 billion forints in 2010. The Bank ranks seventh among large banks in Hungary, based on a market share of 5.3 percent calculated on the balance sheet total according to the Hungarian Accounting Standards. The success of quick adaptation to a changed market environment was confirmed by the Bank's profit after taxes as well: 18.8 billion forints, up 21 percent over the previous year's value and representing a significant contribution to the overall profits of the sector.

The volume of loans to customers grew in 2010 above the average rate on the market, increasing to 1,089.0 billion forints. Within this, UniCredit Bank firmly maintained its market shares in the corporate and retail business lines, and in the municipal government segment the Bank was even able to increase its share.

In a stable financial situation, there was no need in 2010 for carrying on the major campaigns aiming at the expansion of the customer deposit stock, launched in the previous year. The volume of deposits amounted to 970.2 billion forints. At the division level, the volume of deposits further increased in the retail sector. The Bank's gross loan-to-deposit ratio was 118.5 percent at the end of the year 2010, which was among the most favourable ratios in the banking sector.

UniCredit Bank's 49 percent cost income ratio increased slightly in 2010 over the previous year, primarily because of the special bank tax, but it still ranks among the lowest in the domestic market and is evidence of the Bank's continued cost-efficient operation. Due to the stability of UniCredit's corporate customer base and its crisis-resilience also supported by financial services, the rate of non-performing loans was kept below the market average, which provided a solid basis for the profitability of the Bank.

UniCredit Bank, which offers its products and services at 133 branch offices nationwide, continued to strengthen its customer focus. Supported also by its higher-than-market-average customer satisfaction and good reputation, UniCredit successfully increased its number of customers in 2010, with 370,000 customers using the Bank's products and services by the end of the year.

The Bank's efforts to pursue customer interest is also confirmed by the fact that UniCredit won the "Superbrands" title for the third consecutive year, a prestigious recognition for top brands awarded on standardised international criteria, as well as "The Retail Savings Product of the Year, 2010" award.

UniCredit Bank's corporate social responsibility

UniCredit Bank's corporate social responsibility programme has by now not only become an organic component of management philosophy, it is also integrated into the bank's daily work. As a socially responsible organisation, UniCredit has not only awaken to and understood the responsibility taken for its immediate and wider environment, as well as for local communities, but it even actively strives to create more opportunities for appropriate actions as well.

Responsibility for future generations – this is why in 2010 UniCredit again supported the Choosing Sport event. A key goal of this event, making really crowds move already, is to make even more children find a sport suitable for them, and opt for regular exercise, which might even become a decisive feature of his/her quality of life for a lifetime, as a favourite pastime. In 2010, UniCredit continued its "Pass it on!" campaign as well, within the framework of which kids from 150 schools participated in sport events organised nationwide. Parallel to promoting health through sport, another prime target of the Bank is to provide support for children's health institutions as well. Consequently, for Christmas 2010, the Bank made cash donations to 20 institutions operating in this field, to help cover their most urgent needs.

Responsibility in emergency situations – where only quick and targeted help can bring relief or even a solution to damages suffered, as in the case of the destruction caused by spring floods in Hungary or the red mud disaster in the autumn 2010. Following the initiative of Bank employees to donate voluntarily, cash donations were matched by UniCredit Bank for both these emergencies, and UniCredit Group's non-profit foundation, UniCredit Foundation, added further significant amounts. As a result, the Bank was able to contribute to reconstruction in disaster-struck areas and to assistance for affected people with an amount of about ten million forints. Beyond financial

The management's report (Continued)

assistance, a personal presence and hands-on help can be even more important. Therefore, a group of UniCredit Bank staff volunteers participated in the repair as well as the cleaning and restoration of the surroundings of a flood-damaged building belonging to the Symbiosis Foundation, active in the training, education, and social integration of autistic and disabled children and youth.

Responsibility for a liveable environment – within the framework of this commitment, UniCredit Bank pursues and further develops a series of ongoing Green initiatives. This is why used, but completely operational, bank IT equipment was donated to schools in need; why the use of recycled paper was introduced in the Bank's daily routine, and parallel to this, the green printing. This environmentally-conscious approach is present not only in the offices, but also in the Bank's client services, including the option of electronic account statements for customers aiming to reduce paper use.

From a healthy lifestyle to education and culture, from diverse forms of expressing commitment to the environment and beyond all these: a series of examples exist where an action was taken many times on the basis of staff members' own initiative and increasingly frequently, the corporate social responsibility appears in product development as well, showing that it has already become an integrated part of the Bank's internal culture.


For whatever life brings

Report on the divisions

Corporate, Investment Banking and Private Banking Division

The Corporate, Investment Banking and Private Banking Division came into existence in 2010 after the merger of the Corporate and Investment Banking Division and the Private Banking business line, which previously operated as a part of the Retail Division. The aim of the merger was to provide a wider scale of products and services to customers, and to exploit the cross-sell potential at the same time.

The private banking client service model is very similar to that of the corporate business line; both are definitely characterized by a close customer relationship, tailor-made advice, and unique solutions and products. These two business lines can leverage on their similar client approach and exploit the cross-sell potential as their clientele overlap one another. The merger reflects these facts and will explore and exploit the potential in their cooperation.

2010 was a challenging year for the Corporate, Investment Banking and Private Banking Division, considering the unfavourable conditions which affected the entire banking market, such as the depressed market environment and the special bank tax. In spite of these setbacks, the division managed to exceed its ambitious revenue objective. This extraordinary performance can be explained by the stable income generation of Corporate, the outstanding trading result of Markets arising from good positioning, and the excellent performance of Equity Brokerage and Institutional Sales, as well as Private Banking.

The special bank tax mentioned above had a severe impact on expenses, and thus overall profitability. But on the other hand, loan loss provisions lag behind both last years' figures and the current forecasted figures thanks to a quite healthy loan portfolio, and efficient restructuring and work-out activity.

During the year, the loan market shrank slightly, and the demand for financing remained typically low. Therefore, loan volume was lower than planned, but it was at 8.4 percent of the corporate credit market by the year-end. On the other hand, deposit volume increased continuously, and the Bank's market share in the corporate deposit market was at 10.23 percent at the end of the period.

Customer satisfaction as a key factor for sustainable growth is regarded as having great importance at UniCredit Bank. According to the most recent customer satisfaction survey results, UniCredit is far above the Hungarian market average, and has reached one of the best positions in Hungary. The bank is strongly committed to maintaining and even improving these outstanding results during the coming years.

The realization of the so-called product factory concept was further strengthened during 2010, and the organization was adjusted according to the new Matrix model in order to foster cooperation between product lines and relationship managers. A key factor of the successful new service model is the dedicated relationship management for financial institutions and municipalities, enabling an even greater degree of professional client care. In line with the merger with UniCredit Factoring Zrt., a wider product range is available to customers looking for an optimal financing solution. These organizational changes took effect as of 1 January 2011.

The performance of the Global Securities Services was also excellent in 2010. UniCredit strengthened its market leader position further in the custody business, with an approximately 20 percent market share based on asset size. The Global Securities Services launched several new services for its customers in 2010. Among these are the ability for foreign broker clients to participate in the primary dealer system of the Hungarian State, the settlement of stock exchange transactions by foreign customers with remote access to the Budapest Stock Exchange, and a new service developed for domestic customers that has allowed the settlement of more than 60,000 foreign investment units through an internet platform.

Some of the hot topics of 2010 that made an exciting and shaky year for the Fixed Income, Currencies and Interest Rate Management (FIC) Department include the Hungarian parliamentary and municipal elections; doubts regarding the euro zone thanks to the Greek crisis and the Irish bailout etc.; FED's quantitative easing; and Hungarian reform plans. The income of interbank trading towered above its plans by far, with moderate risk taking, due to the high standard of expertise. The front-rank Treasury retained or ameliorated its market share in the main segments compared to previous years. In addition, FIC – arm-in-arm with Asset/Liability Management – also managed to strengthen UniCredit Bank's liquidity further, while taking into consideration strict external and internal regulations.

Corporate Treasury Sales' results in 2010 were again excellent, in spite of economic stagnation, closing the year 20 percent above the planned figure. Among the success factors that deserve mention are a good cooperative relationship with FIC, the strengthening of a proactive and follow-up oriented attitude by customer management, and ClickFX, UniCredit's electronic trading system, which all increased the efficiency of Corporate Treasury Sales' work. Besides active customer relationships, the acquisition activity of Corporate Treasury Sales was characterized by a road-show organized in spring. The success of this road-show focusing on export companies was proven by the growing activity and satisfaction of customers. Cooperation with Private Banking brought very good revenues again through the joint selling of the bestseller FX premium deposit.

The Equity Brokerage of UniCredit Bank was ranked No 4. by turnover at the Budapest Stock Exchange in 2010. It recorded a 15.7 percent increase in yearly turnover, while the market as a whole grew only by 7.5 percent. The Equity Brokerage & Institutional Sales desks both reported 2010 revenues above the budgeted level, thanks to improving institutional investor activity.

Report on the divisions (Continued)

Several new products were introduced during 2010, including financing products such as special types of refinanced loan facilities provided by the Hungarian Development Bank (MFB) and the European Investment Bank, and municipal private bond-issuing; as well as other banking products such as cross currency cash pool solutions and PayPass card acceptance.

Private Banking also showed outstanding performance. With the re-segmentation, the new client service model, and well-trained consultants, Private Banking improved both its results and customer satisfaction.

Report on the divisions (Continued)

Retail Division

In 2010, UniCredit Bank's Retail Division continued to consistently monitor and flexibly adapt to the changes in the market, while at the same time, it continued to keep in mind their customers' needs and the goal of increasing customer satisfaction. With a constantly renewing product offering and customer-focused services, the Division was at the disposal of both private individual clients and small business customers. As in previous years, the Division paid particular attention to the training of staff in the branch network, the development and active support of sales.

Thanks to these activities, the Division managed to increase its number of customers by 10 percent in 2010, with over 362,000 customers by the end of the year, including almost 45,000 small business customers.

In 2010, the loan stock of the Retail Division increased by 8 percent, that is by 27 billion forints. This increase in stock was primarily the result of a nominal increase in foreign currency-denominated loan stock, due to a revaluation caused by the weakening of the forint against the Swiss franc. Through law enacted, foreign exchange mortgage lending was terminated in the middle of August, and thus, out of the stock of new loans placed during the whole of the year, forint-based loans represented 80 percent and euro-based loans 20 percent. UniCredit Bank's share of the retail loan market was 4.01 percent at the end of the year, representing a 10 basis point increase in one year.

In addition to its branch network, UniCredit paid attention to the development of external sales channels in 2010, including its own mobile sales and external agent networks. During the year, a mandatory change ordered by the Hungarian Financial Supervisory Authority requiring a permit for the operation of external intermediaries resulted in a significant reduction in the Bank's number of contractual partners. Nevertheless, half of the loans granted by the Retail Division were applied for by customers through external sales partners.

The deposit stock of the retail business line decreased at the beginning of the year as a consequence of a new customer segmentation rule applied within UniCredit Bank, according to which a portion of private banking customers was transferred to the Corporate and Investment Banking Division. Within the newly segmented customer base of the Retail Division, the deposit stock increased by 3.1 percent in 2010. UniCredit's market share increased in terms of savings deposits made by the retail and by non-profit institutional customers, representing a total increase of 14 basis points, to 5.49 percent at the end of the year.

During the year, the Hungarian National Bank modified the base rate six times in total, which meant an overall cut of 50 basis points from 1 January to the end of the year. UniCredit Bank compensated for this on an ongoing basis, offering special competitive deposit interest rates; therefore, it managed to draw significant new sources from its old and new clientele. One outstandingly successful product was the special 2-month Hetedhét deposit, which led to a significant expansion of funding and customer base during the autumn campaigns.

As a consequence of the new customer segmentation, a reduction occurred in the stock of securities as well. By the end of 2010, the securities stock of the Division's clientele amounted to 152 billion forints, of which 59 percent was placed in investment funds. Among investment funds distributed by UniCredit Bank, the Super 8 Capital Protected Derivative Fund was particularly popular, which was awarded the title of "The Retail Savings Product of the Year, 2010" in the "MasterCard – The Bank of the Year" competition. At the end of the year, the Bank's market share of retail investment funds was 5.3 percent.

In August 2010, UniCredit Bank introduced a new bank account on the market, under the name "Bonus Account". A special customer benefit of this package is that it includes several free-of-charge services and, subject to appropriate conditions, account handling can also be free for customers. One of the most popular free services is free cash withdrawal from UniCredit ATMs using the Bank's debit cards not only in Hungary, but in another 17, mostly European countries – from totally more than 19,000 automated teller machines.

The number of Retail Division customers with contracts entitling them to the use of one or more electronic channels increased by 12.7 percent during 2010. 77 percent of the total clientele have TeleBank contracts, a total of some 278,000 customers. Easy banking from home is made possible by the SpectraNet Internet Banking service, available day and night, and 211,000 customers had already opted for this service by the end of the year, a growth of 31 percent. The most significant increase occurred in the number of customers using the Bank's SMS text message service: a growth of 37 percent, meaning a total of 203,000 customers have this type of contract.

The number of bank cards issued by UniCredit Bank increased by 8 percent, or some 22,000 cards, in 2010. This can be attributed to an increase in the sales of retail and small business debit cards. By the end of the year, the number of bank cards exceeded 287,000, whereof the number of credit cards was around 42,000.

Report on the divisions (Continued)

Human Resources

In 2010, the prime task of the Human Resources Department was to give support to achieving profit targets, in cooperation as a strategic partner, offering new, creative solutions and development projects. A key element in the human resources strategy remained the retention of existing staff in the business and support fields, as well as the integration of new staff selected on the basis of their skills and professional experience into the organisation, ensuring their permanent development and long-term cooperation.

UniCredit Bank's Human Resources continues to stress the importance of ongoing professional training for staff to ensure that they keep their knowledge up-to-date. In both business divisions, a significant portion of the sales staff attended customer management training: in the Retail Division, 79 percent of staff, and in the Corporate, Investment Banking and Private Banking Division, 43 percent of employees attended training sessions.

The Human Resources Department considers job and career support for employees as a priority task, and this is implemented through the following programmes: Annual Appraisal System, Talent Management Programme, and the Executive Development Plan.

The review and development of the Annual Appraisal System, carried out year by year, contributes to a deepening of the awareness of being part of the UniCredit Group, thus supporting the implementation of business targets. This system promotes the mapping of employee career plans and readiness for mobility, contributing to the stimulation of internal mobility and the filling of vacant positions from internal resources.

One of the most important elements of the human resources strategy at the UniCredit Group is to take care of talent. The Talent Management Programme is a Group-level initiative, introduced also by UniCredit Bank Hungary Zrt. in 2007. Its goal is to identify people within the organisation with outstanding skills and professional knowledge, and take charge of the implementation of their career plans at both national and international levels. 73 employees participated in the updated programme over the course of 2010. The Bank pays particular attention to the development of these employees, ensuring the pool of capable managers in the organisation.

In 2010, a number of new initiatives were introduced in the area of human resources development, one of these is the internal trainer-education academy. Training for Hungarian employees is also ensured at Group-level programmes, such as the Risk Management Academy, the Small Business Academy, and the Corporate Manager Training.

UniCredit Bank continues to place particular stress on the importance of employee mobility within the organisation, both on the domestic and international levels. For any vacancies or newly opened positions, the Bank first reviews internal applications from employees, and the evaluation of external applications only follows after this. The young mothers' reintegration programme, launched at the end of 2009, also serves this objective, and in 2010, 33 mothers returned to the work world.

UniCredit took on 270 new employees during 2010, and through internal reassignments and promotions, almost 100 employees accessed new career possibilities. Ten employees submitted successful applications to international positions within the UniCredit Group. Thanks to deliberate, appropriately-timed staffing at the Bank level, there was no need to lay off staff – in spite of the market trend. For the whole of the Bank, the annual fluctuation was 8.82 percent. The successful application of the Captain work attitude test in 2010 made the hiring process even more efficient. This methodology was also used for organisational development purposes.

The staff of the Human Resources Department will continue, with the same commitment in 2011, their support work for the business and other areas, so that and the endeavours formulated by UniCredit Group can be realised at the highest possible levels and in line with corporate values. An important part thereof is the already regular survey of staff satisfaction, and the results obtained were used for creating action plans. As to the tasks determined in these plans, the Bank implemented these under the management of participants in the Talent Management Programme. The human resources strategy for 2011 is determined by the dimensions of transparency and partnership, in order to promote more efficient operation.

Report on UniCredit Jelzálogbank Zrt.

UniCredit Jelzálogbank Zrt. is a mortgage bank, operating as a specialised credit institution. It was established on 8 June 1998, with a share capital of 3,000,000,000 forints, by Bayerische Vereinsbank AG. Since 22 December 2006, the sole shareholder of UniCredit Jelzálogbank has been UniCredit Bank Hungary Zrt.

In addition to issuing mortgage bonds and unsecured bonds, UniCredit Jelzálogbank deals principally with long-term mortgage loans where the primary collateral for the transaction represents first-ranking mortgage lien or independent mortgage right on properties financed in the territory of Hungary.

Starting in 2008, UniCredit Jelzálogbank gradually outsourced some of its servicing operations (including bank operation, human resources, information technology, accounting etc.) to UniCredit Bank Hungary Zrt. in order to improve efficiency. From 1 April 2009, the tasks of certain business areas of UniCredit Jelzálogbank have also been performed by UniCredit Bank Hungary Zrt. Accordingly, the complete service of commercial real estate financing, as well as retail and agricultural land financing, is carried out by UniCredit Bank Hungary Zrt. Mortgage bond and unsecured bond issuance, serving as the basis for lending operations, and refinancing activities continue to be carried out by UniCredit Jelzálogbank.

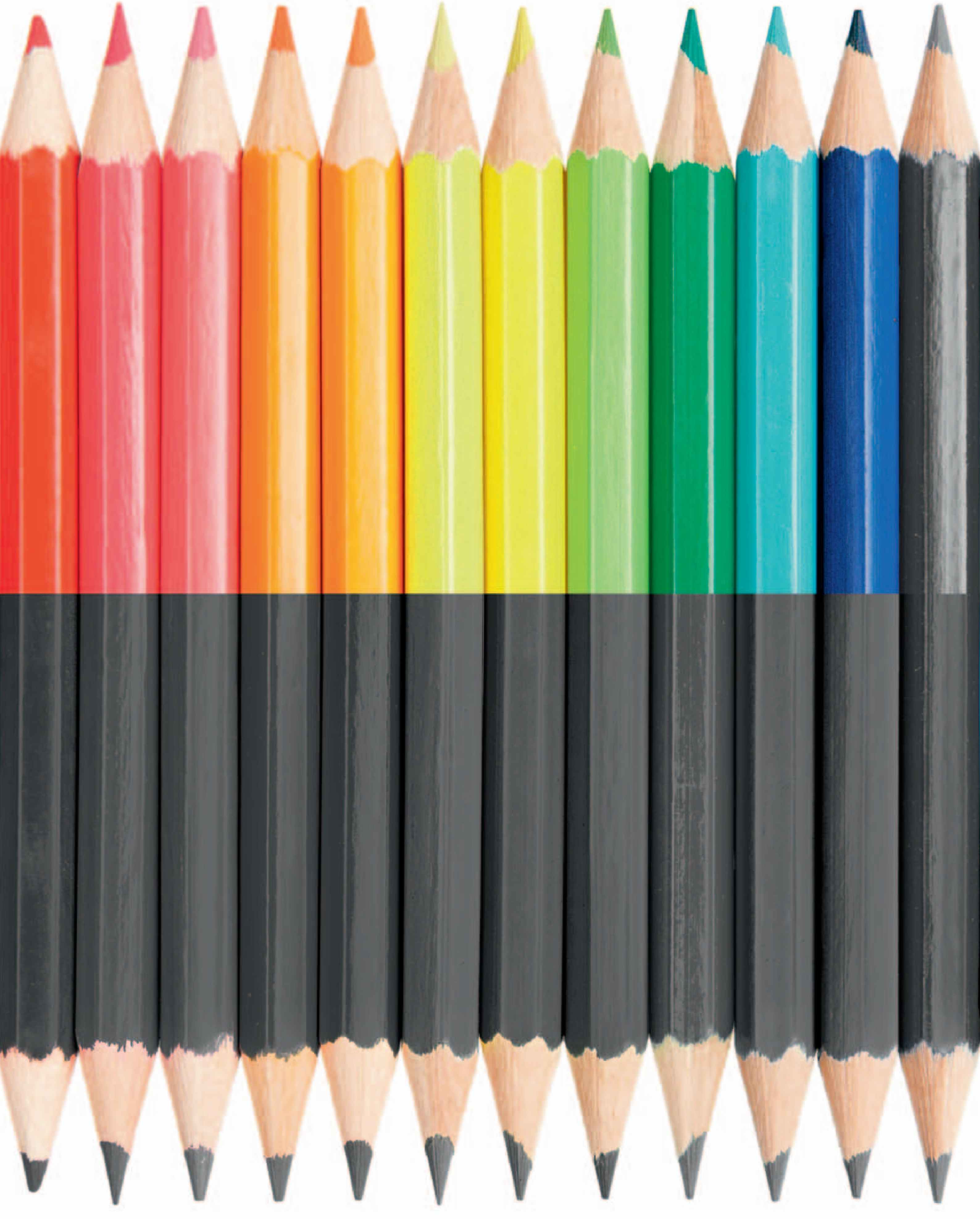
UniCredit Jelzálogbank's balance sheet total, under the International Financial Reporting Standards (IFRS), was 136.9 billion forints as of 31 December 2010, its profit before taxes was 2,281 million forints, and its profit after taxes was 1,794 million forints. Its overall loan stock was 122.5 billion forints as of 31 December 2010.

The main activity of UniCredit Jelzálogbank is the issuance of mortgage bonds and unsecured bonds, typically providing medium and long-term funds for its own and refinanced loan stocks. In the issues, UniCredit Jelzálogbank raises forint and foreign exchange-denominated funds on the capital market in order to offer partner banks refinancing loans calculable on long term and at lower interest rates than the market interest rate of products for similar purposes, and to allow the customers of partner banks to make maximum use of the interest rate subsidies provided by the government.

Since demand from households for loans with interest rate subsidies typically appears for housing loan products with longer interest periods, subject to circumstances on the capital market, UniCredit Jelzálogbank also issues a larger portion of longer-term or fixed-rate mortgage bonds and unsecured bonds. On the investor side, demand is also considerably greater for fixed-rate mortgage bonds and unsecured bonds. The reason for this is primarily the limited predictability of capital market trends and low liquidity on the market. Even though mortgage bonds may have risk ratings identical to those of government securities or even better and may offer higher yields than these, the participation of households in public auctions is still not widespread, and henceforward the presence of institutional investors is dominant on tenders.

In addition to financing through issuing mortgage bonds and unsecured bonds, UniCredit Jelzálogbank obtains long and short-term forint and foreign exchange resources from the money market. Typically, these funds are provided by UniCredit Bank Hungary Zrt.

For whatever life brings



Independent Auditor’s report

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Independent Auditor's Report on the Financial Statements

To the shareholder of UniCredit Bank Hungary Zrt.

The accompanying summary financial statements presented on pages 18 to 47 of the 2010 Annual Report, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated income statement and consolidated statement of comprehensive income for the year then ended, the consolidated statement of changes in shareholder's equity, the consolidated statement of cash-flows and related notes (hereinafter referred to as "the summary financial statements"), are derived from the audited financial statements of UniCredit Bank Hungary Zrt. (hereinafter referred to as "the Company") as at and for the year ended December 31, 2010 prepared and presented in accordance with IFRSs (hereinafter referred to as "the IFRS financial statements"). We expressed an unmodified audit opinion on those IFRS financial statements in our report dated February 16, 2011. Those IFRS financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those IFRS financial statements.

The summary financial statements do not contain all the disclosures required by the IFRSs. Reading the summary financial statements, therefore, is not a substitute for reading the audited IFRS financial statements of UniCredit Bank Hungary Zrt..

Management's Responsibility for the Summary Financial Statements

It is the responsibility of the management to ensure that the summary financial statements presented in the 2010 Annual Report are identical to the financial statements under the same titles in the audited IFRS financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the statement of financial position as at December 31, 2010, the statement of comprehensive income for the year then ended and related notes presented on pages 18 to 47 of the 2010 Annual Report are identical to the consolidated statement of financial position as at December 31, 2010, the consolidated income statement and consolidated statement of comprehensive income for the year then ended, the consolidated statement of changes in shareholder's equity, the consolidated statement of cash-flows and related notes, respectively, included in the audited IFRS financial statements of UniCredit Bank Hungary Zrt. as at and for the year ended December 31, 2010.

Emphasis of matter

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

Budapest, July 14, 2011

KPMG Hungária Kft.
Registration number: 000202

John Varsanyi
Partner

Financial statements

Consolidated statement of financial position (balance sheet) – 31 December 2010

Assets

		2010		2009	
	NOTE	HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Cash and unrestricted nostros with Central Bank	14	8,633	31.0	8,230	30.4
Financial assets held for trading	15	79,553	285.4	295,652	1,091.6
Available-for-sale financial assets	16	242,286	869.2	88,788	327.8
Held-to-maturity investments	17	9,469	34.0	11,254	41.5
Placements with, and loans and advances to banks	18	39,120	140.3	177,339	654.8
Loans and advances to customers	19	1,089,005	3,906.7	1,073,901	3,965.1
Hedging derivative assets	20	6,066	21.8	2,657	9.8
Equity investments	21	1	0.0	751	2.8
Investment properties		25,765	92.4	24,690	91.2
Property, plant and equipment	22	28,940	103.8	28,730	106.1
Intangible assets	23	3,672	13.2	4,868	18.0
Tax assets	13	3,187	11.4	7,027	25.9
Other assets	24	11,139	40.0	13,249	48.9
Total assets		**1,546,836**	**5,549.2**	**1,737,136**	**6,413.9**

Liabilities

		2010		2009	
	NOTE	HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Deposits and loans from banks	25	277,614	995.9	350,091	1,292.6
Deposits from customers	26	970,218	3,480.6	1,101,360	4,066.5
Subordinated loans	27	19,016	68.2	18,477	68.2
Issued bonds	28	29,127	104.5	31,768	117.3
Financial liabilities held for trading	15	36,926	132.5	29,173	107.7
Hedging derivative liabilities	20	5,391	19.3	10,915	40.3
Tax liabilities	13	2,029	7.3	2,325	8.6
Other liabilities	29	24,035	86.2	33,611	124.1
Other provisions		1,655	6.0	922	3.4
Total liabilities		**1,366,011**	**4,900.5**	**1,578,642**	**5,828.7**

Shareholder's funds

		2010		2009	
	NOTE	HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Share capital	30	24,118	86.6	24,118	89.1
Capital reserve		3,900	14.0	3,900	14.4
Retained earnings		102,716	368.5	85,560	315.9
Statutory reserves	31	33,237	119.2	34,863	128.7
Valuation reserves		(2,195)	(7.9)	(5,438)	(20.1)
Other reserves		254	0.9	–	–
Net profit for the year		18,795	67.4	15,491	57.2
Total Shareholder's funds		**180,825**	**648.7**	**158,494**	**585.2**

Total Liabilities and Shareholder's funds		**1,546,836**	**5,549.2**	**1,737,136**	**6,413.9**

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

These figures have been recalculated to EUR using the closing HUF/EUR rate published by the Hungarian National Bank on the last business day of the respective years.

Financial statements (Continued)

Consolidated income statement – 31 December 2010

		2010		2009	
	NOTE	HUF MILLION	EUR MILLION	HUF MILLION	EUR MILLION
Interest and similar income	5	119,228	427.7	138,699	512.1
Interest expense and similar charges	5	(60,435)	(216.8)	(94,160)	(347.6)
Net interest income	**5**	**58,793**	**210.9**	**44,539**	**164.5**
Fee and commission income	6	36,656	131.5	35,383	130.6
Fee and commission expense	6	(10,817)	(38.8)	(9,752)	(36.0)
Net fee and commission income	**6**	**25,839**	**92.7**	**25,631**	**94.6**
Dividend income	7	139	0.5	35	0.1
Net trading income	8	(117)	(0.4)	5,130	18.9
Net gain and loss on other financial intruments	9	1,448	5.2	1,137	4.2
Operating income		**86,102**	**308.9**	**76,472**	**282.3**
Impairment and losses on credit products	32	(22,111)	(79.3)	(24,163)	(89.2)
Net financial activity result		**63,991**	**229.6**	**52,309**	**193.1**
Personnel expenses	10	(16,041)	(57.5)	(16,670)	(61.5)
General operating expenses	11	(23,368)	(83.8)	(13,611)	(50.2)
Other provision	32	(297)	(1.1)	275	1.0
Amortization and impairment on property, plant and equipments	22	(1,844)	(6.6)	(1,925)	(7.1)
Amortization and impairment on intangible assets	23	(1,304)	(4.7)	(1,400)	(5.2)
Other income/(expenses)	12	1,514	5.4	74	0.3
Operating costs		**(41,340)**	**(148.3)**	**(33,257)**	**(122.7)**
Gain/(losses) on other equity investments	21	618	2.2	249	0.9
Gain/(losses) on investment properties		42	0.1	–	–
Profit before tax		**23,311**	**83.6**	**19,301**	**71.3**
Income tax expense	13	(4,516)	(16.2)	(3,810)	(14.1)
Net profit for the year		**18,795**	**67.4**	**15,491**	**57.2**

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

These figures have been recalculated to EUR using the closing HUF/EUR rate published by the Hungarian National Bank on the last business day of the respective years.

Financial statements (Continued)

Consolidated statement of comprehensive income – 31 December 2010

(HUF million)

	NOTE	2010	2009
Net profit for the year		**18,795**	**15,491**
Movement in fair value reserve (available-for-sale financial assets)		(2,716)	6,549
Income tax on fair value reserve	13	523	(1,269)
Net movement in fair value reserve		**(2,193)**	**5,280**
Movement in cash flow hedge reserve		6,711	(4,729)
Income tax on cash flow hedge reserve	13	(1,275)	839
Net movement in cash flow hedge reserve		**5,436**	**(3,890)**
Total comprehensive income for the year		**22,038**	**16,881**

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

Financial statements (Continued)

Consolidated statement of changes in Shareholder's equity – 31 December 2010

(HUF million)

	ORDINARY SHARES	CAPITAL RESERVE	RETAINED EARNINGS	STATUTORY RESERVES	VALUATION RESERVES		OTHER RESERVES	NET PROFIT	TOTAL
					Fair value reserve	Hedging reserve			
Balance at 1 January 2009	**24,118**	**3,900**	**75,407**	**30,798**	**(2,057)**	**(4,771)**	**–**	**29,112**	**156,507**
Net profit for the previous year	–	–	29,112	–	–	–	–	(29,112)	–
Total comprehensive income for the year	–	–	–	–	5,280	(3,890)	–	15,491	16,881
Dividend to equity holder	–	–	(15,000)	–	–	–	–	–	(15,000)
Change in the scope of consolidation	–	–	106	–	–	–	–	–	106
Appropriations transfer from retained earnings	–	–	(4,065)	4,065	–	–	–	–	–
Balance at 31 December 2009	**24,118**	**3,900**	**85,560**	**34,863**	**3,223**	**(8,661)**	**–**	**15,491**	**158,494**
Net profit for the previous year	–	–	15,491	–	–	–	–	(15,491)	–
Total comprehensive income for the year	–	–	–	–	(2,193)	5,436	–	18,795	22,038
Dividend to equity holder	–	–	–	–	–	–	–	–	–
Business combination	–	–	–	–	–	–	254	–	254
Change in the scope of consolidation	–	–	39	–	–	–	–	–	39
Appropriations transfer to retained earnings	–	–	1,626	(1,626)	–	–	–	–	–
Balance at 31 December 2010	**24,118**	**3,900**	**102,716**	**33,237**	**1,030**	**(3,225)**	**254**	**18,795**	**180,825**

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

Financial statements (Continued)

Consolidated statement of cash flows – 31 December 2010

Cash flows from operating activities

(HUF million)

	NOTE	2010	2009
Profit before tax		**23,311**	**19,301**
Items not involving movement of cash:			
Depreciation and amortisation	22, 23	3,148	3,325
Scrapped and transferred fixed assets		29	–
Profit on disposal of property, plant and equipment		(100)	(134)
Consolidation effect		(985)	-
Net impairment and losses in credit products		17,259	22,863
Net loss/gain from cash flow hedging assets		(2,222)	229
Foreign exchange loss/(gain) on subordinated loans		539	414
Taxation paid	13	(4,516)	(3,810)
Cash flows from operating profits before changes in operating assets and liabilities		**36,463**	**42,188**
Change in financial assets held for trading		216,099	(125,729)
Change in tax assets		2,565	(2,923)
Change in other assets		3,672	4,928
Change in tax liabilities		167	812
Change in other liabilities		(9,674)	989
Change in unrestricted nostros with Central Bank		–	94
Change in loans and advances to customers		(33,094)	142,353
Change in deposits with other banks		138,219	(67,664)
Change in deposits from customers		(131,142)	198,994
Change in deposits from other banks		(72,477)	(203,252)
Change in financial liabilities held for trading		7,753	(15,668)
Net cash from operating activities		**122,088**	**(67,066)**

Cash flows from investing activities

(HUF million)

	NOTE	2010	2009
Proceeds on sale of property, plant and equipment		517	181
Proceeds on sale of intangible assets		1,552	–
Addition of property, plant and equipment		(1,504)	(1,724)
Addition of intangible assets		(1,357)	(2,744)
Change in equity investments		750	433
Change in held-to-maturity investments		1,785	11,346
Change in available-for-sale financial assets		(156,214)	69,507
Change in investment properties		(1,075)	(22,936)
Net cash used in investing activities		**(155,546)**	**54,063**

Cash flows from financing activities

(HUF million)

	NOTE	2010	2009
Change in issued bonds		(2,641)	(15,696)
Change in the scope of consolidation		39	106
Dividend paid		–	(15,000)
Net cash from financing activities		**(2,602)**	**(30,590)**
Net increase in cash		403	(1,405)
Cash at the beginning of the year	14	8,230	9,635
Cash at the end of the year	**14**	**8,633**	**8,230**

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 address of the Bank's registered head office is H-1054 Budapest, Szabadság tér 5–6. The Bank is a wholly owned subsidiary of UniCredit Bank Austria AG, Austria 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.

These financial statements were authorised by the Supervisory Board on 16 February 2011.

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") issued 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").

These consolidated financial statements consolidate the accounts of the following entities: UniCredit Bank Hungary Zrt., UniCredit Jelzálogbank Zrt. ("Mortgage Bank"), UniCredit Factoring Zrt., Arany Pénzügyi Lízing Zrt., Sas-Reál Kft. and Europa Investment Fund (together the "Group").

These consolidated financial statements have been 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 amortised cost, net of accumulated impairment losses (if applicable) or historical cost.

c.) Consolidation principles

All companies directly or indirectly controlled by the Bank have been consolidated into these consolidated financial statements. These consolidated financial statements are based on the stand-alone reporting packages of the consolidated subsidiaries, which have also 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 significant influence, are accounted for using the equity method.

Investments in shares in companies, which are not consolidated 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. When there is objective evidence that a financial asset is impaired, a loss is recorded in the consolidated income statement. As soon as the circumstances which led to the impairment cease to exist, the recovery in the fair value of the impaired available-for-sale equity security is recognised directly in equity.

Notes to the financial statements (Continued)

d.) Consolidation procedures

When a subsidiary or associated company is acquired, the acquirer determines the related goodwill, which is recognised in the statement of financial position. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Intra-group balances, and income and expenses arising from intra-group transactions are eliminated in preparing these consolidated financial statements.

e.) Comparatives

Certain items previously reported in the prior years' financial statements have been restated and reclassified to provide consistency for presentation purposes, if applicable.

f.) Cash and cash equivalents

Cash and cash equivalents include nostros with the Central Bank and are carried at cost in the statement of financial position.

The amount of cash in the statement of cash flows is equal to the cash on hand from statement of financial position item Cash and unrestricted nostros with the Central Bank (see Note 14).

g.) Financial instruments

i) Classification

Financial assets and financial liabilities held for trading 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 financial assets held for trading. All trading derivatives in a net payable position (negative fair value) are classified as financial liabilities held for trading.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and which are created by the Group with no intention of short-term profit taking. Loans and receivables consist 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, and which are not designated as at fair value through profit or loss or as loans and receivables. 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 on the trade date. A financial asset or financial liability is initially measured at fair value plus (for an item, that is not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue. From this date any gains and losses arising from changes in fair value of the assets are recognised either in income statement or in equity. 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. Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Notes to the financial statements (Continued)

iii) Measurement

Financial instruments are measured initially at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

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 carried at cost less impairment.

All non-trading financial assets, loans and receivables and held-to-maturity investments are measured at their 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 reporting date to determine whether there is objective evidence of impairment. If any such indicator of impairment exists, the asset's recoverable amount is determined and compared with its carrying amount to assess the amount of any impairment.

Fair value measurement principles

The fair value of financial instruments is based on their quoted price in an active market for that instrument at the reporting date without any deduction for transaction costs. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a quoted market price is not available or the market is not active, 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 reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at reporting 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 reporting 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 liquid 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

These consolidated financial statements are presented in Hungarian Forints, 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. Except as indicated, financial information presented in Hungarian Forints has been rounded to the nearest million.

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 classification of each category of security are stated in Note 2. g.) above.

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 in Note 2. c.).

Notes to the financial statements (Continued)

k.) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. 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 and accumulated impairment losses. Intangible assets are reviewed periodically and items which are considered to have no further value are depreciated in full. The Group has no intangible assets with an indefinite useful life.

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
Property rights	10
Office equipment	14.5–33
Hardware	25
Motor vehicles	20
Rental rights	10
Licenses	10
Software	20

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 leases

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.) Impairment on non-financial assets

If there is objective evidence that a non-financial asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flow expected to originate from the asset. Any value adjustment is recognised in the income statement.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no impairment losses recognised in prior years.

p.) 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 advances is determined using the effective interest method. The effective interest rate is established individually for all loans and advances. When calculating the effective interest rate, all contracted cash flows are taken into account including fees

Notes to the financial statements (Continued)

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.

q.) 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. Further details on loan assessment are provided under the Risk Management Policies.

r.) Deposits from banks and customers

Deposits are cash amounts, accepted by the Group from other banks and its customers, and they serve as funds to the active side of the business. Deposits are initially measured at fair value, and subsequently at their amortised cost. The Group does not classify any deposits as financial liability at fair value through profit and loss.

s.) Issued bonds

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

Issued bonds are classified as financial liabilities, initially recognised at face value, plus directly attributable transaction costs and subsequently measured at amortised cost.

t.) Equity elements

i) Statutory reserves

General reserve

In accordance with Section 75 of Hungarian Act No. CXII of 1996, a general reserve equal to 10 percent 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.

General risk reserve

Under Section 87 of Hungarian Act No. CXII of 1996, a General Risk Reserve of 1.25 percent of the risk weighted assets is 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.

Tied-up reserve

This reserve is an appropriation from the retained earnings, for future purchases of tangible or intangible assets, in order to obtain tax benefits. It is released to retained earnings in line with the expenditure for such assets. The amount that is utilised each year is reallocated again, up to the maximum level, based on the law in force.

ii) Valuation reserves

Valuation reserves are part of Shareholder's equity. Under the IFRS principles the valuation reserves include exclusively 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 bases, and changes in value are immediately recognised in the income statement.

Notes to the financial statements (Continued)

v.) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. The Group normally issues either short-term guarantees, with an initial payment, or long-term guarantees, for which it receives regular fee income. Financial guarantees are reviewed quarterly, and a provision is created in the amount of any expected payment. These provisions are included within other liabilities.

w.) 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.

For loans and advances, the effective interest rate is established individually. 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.

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. Net commissions and fees are included in the income statement as they are received and paid.

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 is related to non-trading financial assets and equity investments and includes the realized result at derecognition.

Gains and losses on other equity investments

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

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

y.) Events after the reporting date

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting 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 reporting date (adjusting events after the reporting date); and those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Notes to the financial statements (Continued)

All adjusting events after reporting 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 reporting date, the appropriate disclosure thereof has been made in the consolidated financial statements.

z.) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's format for segment reporting is based on business segments and the Group's management and internal reporting structure.

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)
- Private Banking
  Includes the loans, deposits and other transactions and balances with private banking customers
- Markets and Investment Banking (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 contain the Group's funding and centralised risk management activities through borrowings, use 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 includes the head office costs (indirect and overhead) allocated on a reasonable basis.

aa.) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group, with the exception of:

- IFRS 9 Financial Instruments published, on 12 November 2009 as part of phase I of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

  The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated, instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

  The standard is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted.

  The Group is currently in the process of evaluating the potential effect of this standard. Given the nature of the Group's operations, this standard is expected to have an impact on the Group's consolidated financial statements.

3. Risk management policies

The most significant business risks to which the Bank is exposed are credit risk, liquidity risk, market risk (includes interest rate and foreign exchange rate risks), and operational risks. The Group takes a group-wide 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.

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 Risk Officer and the Credit Committee. 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 are submitted by the Credit Risk Officer and approved in general by the Management Board, in details by the Chief Executive Officer.

Client classification

All outstanding loans are reviewed at least yearly, and monitored quarterly. Clients are classified based on a point rating system, which incorporates qualitative and quantitative factors, or in case of retail clients the classification is based on scorecards.

The Group applies a rating masterscale consisting of 26 notches within 10 rating classes. Thereof three notches serve for the defaulted customers, the others for the performing ones. The latter refers to the probability of default (PD) according to the (group-wide used) masterscale. (Certainly, in case of defaulted clients PD is 100 percent.) Client classification is not equivalent to loans classification.

Collateral

Principles and methods for the valuation of collateral securing the transactions of the Group involving risk-taking, as well as certain legal stipulations affecting the collateral applied by the Group and the principles for the monitoring of collateral are set out in the collateral valuation rules.

General principle is that the collateral
- shall be legally binding and recoverable,
- shall be directly accessible and appropriate to be liquidated in time.

The Group accepts and registers in its system the following types of collaterals:
- financial collateral held at own bank
- financial collateral held with other institutions
- insurance
- personal collateral – direct
- personal collateral – indirect
- real estate collateral
- assignment of receivables
- tangible asset collateral
- other collateral.

The basis for the valuation of collateral is the market value adjusted by the following factors:
- Collateral haircut: a percentage showing the expected loss (in percent) of the market value in case of realisation of the collateral. Haircut is separately defined for every collateral type.
- Currency haircut: in case of mismatch between the currency of the loan and that of the collateral, the Group applies currency haircut to take into account currency risk. The extent of haircut for each currency is specified centrally by the Market Risk Department of UniCredit Bank Austria and this is also the department which carries out the regular review (at least once a year).
- Maturity haircut: maturity mismatch occurs if the term of the collateral/collateral agreement is shorter than that of the agreement for the commitment. In such cases a haircut must be applied.

In case of real estate collateral, the value is established by an independent technical expert from the credit process. The value of real estate shall be reviewed regularly, in compliance with the legal provisions: at least once a year for non-residential real estate and once every 3 years for residential real estate. In case of residential real estate the Group applies statistical revaluation.

The price/value of financial collateral is updated daily in the collateral system. Eligibility of guarantees and surety is subject to proper evaluation of the guarantor according to the respective internal rules.

Notes to the financial statements (Continued)

Loan classification
The Group assesses whether there is objective evidence that loans and advances are impaired. Loans and advances are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that loans and advances are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications, that a borrower will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers, or economic conditions that correlate with defaults in the Group.

Assets obtained by the Group during the year by taking possession of collateral held as security against loans and advances have to be evaluated as well, taking into account the possibility of expected loss at the sale of that asset, however. The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group generally does not use the non-cash collateral for its own operation.

Loans are classified at least quarterly, individually or (below a certain threshold) collectively.

Individual classification is necessary if the total exposure of the client exceeds a certain predefined limit. In this case the classification has to be based on the expected cash flows, evaluated and revised according to the following aspects:
a) the credit rating of the customer or the partner: the financial position, stability and income-generating capacity of the customer or partner affected by the financial or investment service and issuer of the security, and any changes thereto;
b) compliance with the rules of repayment (delay): delays in the repayment of the principal and its interests arising in connection with the repayment of the receivable;
c) the country risk relating to the customer (in respect of both political and transfer risks) and any changes thereto;
d) the value of collateral pledged in security, their liquidity and accessibility, and any changes therein;
e) the resaleability and liquidity of the item (the market conditions of supply and demand, the available market prices and participation in the issuer's equity capital in proportion to the investment);
f) the future payment obligation recognized as a loss arising from the item.

For the purpose of evaluation, the criterion set out in point e) applies to the classification of investments, stocks received in payment for claims and off-balance sheet liabilities, and the criterion set out in point f) typically applies to the classification of off-balance sheet liabilities. In the process of classifying items, all of the criteria indicated above have to be taken into consideration in a way where the amount of loss expected in the future in relation to the item shall be assessed on the basis of points a)-c) and points e)-f) as a result of the lack of return, the future payment obligations recorded as a loss, and the expected costs of enforcement of the collateral. Subsequently, the value of collaterals relating to the given item shall be deducted from the probable future loss, following the order of enforcement. Time effect of the future cash flows has also to be taken into consideration during the evaluation.

Collective impairment can be applied if the total exposure of the client does not reach the predefined limit. Impairment is calculated in this case also at individual level, but with a simplified – standardized – method: taking into account certain – statistically estimated – parameters of both the client and the loan. Any deviation from this result is allowed only by taking over the item into individual classification.

Distressed restructuring
Restructuring is to be considered destressed (and thus resulting in a default event) in case of restructuring of principal and interest which is necessary because of the client's poor financial situation, and which results in a certain degree of debt forgiveness (that of principal, interests or fees, deferred payments). Restructuring or re-aging for business considerations (e.g. the adjustment of the repayment schedule to the cash flow of the client) does not constitute a default signal.

In this regard, a restructuring is considered as distressed, and resulting in a default event if the net present value of the loan is negatively affected by the restructuring.

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.

Notes to the financial statements (Continued)

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 individually non-significant loans based on internal policies.

The Group establishes an impairment for incurred but not reported loss based on the parent Group guidelines.

For predefined subportfolios expected loss is calculated based on the following formula:

EL = EaD × PD × LGD, where
EL is expected loss,
EaD is exposure at default,
PD is probability of default (within one year), and
LGD is loss given default.

Also at subportfolio level the loss confirmation period (LCP) is defined (ranging 4-6 months), which shows the average time period between the deterioration of the client's financial situation and its detection by the Group.

IBNR is calculated by multiplying EL by LCP, and increase/decrease is booked accordingly.

Write-off policy
The Group writes-off a loan or security balance (and any related impairment losses balance) when they prove to be uncollectible.

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

In the retail portfolio the effects of the economic turmoil were perceivable also in 2010, but their seriousness eased compared to the previous year. While at the beginning of the crises the quality of the retail portfolio abruptly and rapidly worsened, the pace of deterioration stabilized in the second half of 2009, which tendency continued also in 2010.

A remarkable element of the legal environment in 2010 was the cease of foreclosure on residential real estates (i.e. in case of mortgage loans granted to private individuals), which is a strong limitation for the collection process. Due to that, the Group lays emphasis on other elements of collection. Thus continuously offers the possibility of renegotiation to its private individual clients in payment delay due to the negative effects of the unfavourable exchange rate movements.

As for new retail loans, the Group applies selectivity, meaning more focus on products and segments with lower risk profile, also in accordance with the legal provisions implemented in 2010 about responsible lending.

Also in case of the corporate portfolio, the rate of growth slowed down in 2010, because the Group lays special emphasis on strengthening the monitoring, restructuring, and collection activity. In case of corporate portfolio the Group's lending policy is differentiated by sectors and it defines a selective risk approach for new transactions in the most endangered sectors.

ii) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities.

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 (typically short-term) and in a particular currency and all currencies are in place and are monitored daily. Long-term fundedness is 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 several general and 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 continuously in 2010. 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.

Notes to the financial statements (Continued)

iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's default) will affect the Group's income or the value of its holdings of financial instruments.

Market risk management encompasses all activities in connection with Group's Treasury and Asset-Liability Management ("ALM") operations and management of the statement of financial position 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 Markets and Investment Banking business line's operations.

The Group based on UniCredit Bank Austria 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 ("VaR") other factors 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 UniCredit Bank Austria 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 percent, 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, credit spread risk, 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 the 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 UniCredit Bank Austria 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 percent) 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 statement of financial position 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 Group'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.

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

Notes to the financial statements (Continued)

iv) Compliance with Basel II

The Basel II implementation has been established as a group-wide project overseen by UniCredit 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 consistency within the Group, during the implementation of Basel II. UniCredit Group standards prepared by the UniCredit Group in cooperation with the major legal entities are used as an instrument for common implementation with a view to meet the legal requirements and ensuring group-wide control.

The Group uses the Basel II standardised approach from the beginning of 2008. Efforts will be made to switch to the Advanced Internal Rating-Based Approach ("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 was set up and is being refined on an ongoing basis. At the first phase, the Group intends to introduce Foundation IRB (hereafter "F-IRB") approach for corporate clients from 2011 and then A-IRB should be used for retail and corporate segments starting from 2014.

In October 2007, a local Basel II IRB project was set up comprising all three pillars of Basel II. The IRB roll-out is being carried out locally.
This decentralized approach means that the requirements of A-IRB approach will be implemented by the UniCredit Group with the support of the Strategic Risk Management Department of UniCredit Italiano S.p.A. and UniCredit Bank Austria AG they provide support during the implementation by providing guidelines and standards and in terms of coaching and advice. The Group is responsible for the use and development of methods and the compliance to local regulatory requirements, while the approval of the developed models and methods have to be confirmed (by a non-binding opinion) by the Group Internal Validation unit.

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 are different from operational risk, whereas legal and compliance risk are 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 Operational Risk Committee is responsible for making decisions on Operational Risk.

Members of the Operational Risk Committee are the Management Board members representing: CEO's Division, Corporate, Investment Banking and Private Banking Division, Retail Division, Global Banking Services Division, Risk Management Division, and Finance Division. Representatives of Internal Audit, Human Resources, Legal Department, and Identity & Communications are also invited.

The Operational Risk Committee holds its meeting at least quarterly or more frequently 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 divisional and administrative 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) Determining fair value

As far as valuation prices and techniques of financial instruments are concerned, the Group follows a measurement using a three-level fair valuation hierarchy that reflects the significance of the inputs used in measuring fair values and contains the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 – inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices),

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

iii) 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.).

iv) Qualifying hedge relationships

In designating financial instruments to 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.

In addition, the Group continuously monitors the correlation of the underlying financial assets and liabilities with the hedges on a volume basis. This specific documentation also exhibits the periods when the cash flows are expected to occur and affect profit and loss, as well as if any forecast transaction is no longer expected to occur; the amount that was recognized in equity, or was removed from equity and included in profit or loss for the period; or the amount that was removed from equity during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence was a hedged highly probable forecast transaction; and any potential ineffectiveness recognised in profit or loss that arises from cash flow hedges.

v) Effect of credit crunch and sovereign debt crisis in valuations

a) In addition to ii) the Fair Valuation, which is supplemented by a Fair Valuation Reserve that inter alia covers the effect of widened bid-ask spreads and the deteriorated liquidity of respective securities.

b) As described in iv), the underlying of the hedge relationship is always reported net of impairment (currently the Group does not apply credit impairment on own obligations). Correspondingly, the future cash flows of the hedging derivative have to be highly probable; hence the impairment rule under i) shall apply. The counterparties of cash flow hedge deals were in the best rating classes and their credit standing did not come into question, no impairment was charged.

c) Cash flow hedge effectiveness is assured through applying rigorous volume limits incorporating past back-testing charges (e.g. in case of a significant prepayments or deposit withdrawals).

d) Debt securities classified as available-for-sale were not impaired, as the issuers' (Hungarian Government, local mortgage banks) default is considered to be unlikely. The few price losses observed through market prices, hence, were realised in the AFS Reserves in the Equity statement.

e) The Group was not engaged in securitization, nor does it possess financial instruments particularly hit by the 2008 market crisis, such as asset-backed securities, credit derivatives and structured OTC products (e.g. CDOs, ABCP, SIV), or assets affected by the 2009-2010 sovereign crises (e.g. Irish, Greek, Portuguese debt securities).

f) The major effect of the long lasting liquidity crisis is that the liquidity charges (CDS of the Group) and the country spread of Hungary have widened significantly. These impact the Bank through repricing of its funding mix, and incorporated in the net interest income of loans and deposits, in tandem with the corresponding hedging instruments, such as cross-currency basis swaps (designated as cash flow hedge).

Notes to the financial statements (Continued)

5. Net interest income

(HUF million)

	2010	2009
Interest and similar income		
Interest income from Central Bank	1,278	2,894
Interest income from banks	3,686	5,350
Interest income from customers	65,338	80,082
Interest income on trading financial instruments	6,375	17,672
Interest income on hedge derivatives	23,517	22,134
Interest income on available-for-sale financial assets	17,894	8,788
Interest income on held-to-maturity assets	1,140	1,779
Total	**119,228**	**138,699**
Interest expense and similar charges		
Interest expense to Central Bank	(17)	(111)
Interest expense to banks	(8,638)	(17,556)
Interest expense related to hedge derivatives	(14,302)	(15,618)
Interest expense to customers	(35,067)	(57,592)
Interest expense on subordinated loans	(210)	(378)
Interest expense on issued bonds	(2,201)	(2,905)
Total	**(60,435)**	**(94,160)**
Net interest income	**58,793**	**44,539**

6. Net fee and commission income

(HUF million)

	2010	2009
Fees and commission income		
Payment transaction fees	29,167	28,330
Custody service fees	2,766	2,356
Brokerage	3,155	2,774
Financial guarantee fees	1,206	1,138
Other financial fees and commissions	362	785
Total	**36,656**	**35,383**
Fees and commission expense		
Payment transaction fees	(8,828)	(8,361)
Custody service fees	(656)	(469)
Brokerage	(402)	(356)
Financial guarantee fees	(366)	(282)
Other financial fees and commissions	(565)	(284)
Total	**(10,817)**	**(9,752)**
Net fee and commission income	**25,839**	**25,631**

Notes to the financial statements (Continued)

7. Dividend income

(HUF million)

	2010	2009
Dividends on trading assets	1	1
Dividends on investments	138	34
Total	**139**	**35**

8. Net trading income

(HUF million)

	2010	2009
Gain/(loss) on foreign exchange	(538)	5,044
Gain/(loss) on trading interest rate swaps	705	(1,627)
Gain/(loss) on debt securities	(366)	1,418
Gain/(loss) on equities	5	16
Gain/(loss) on trading FRAs	61	373
Other trading income	16	(94)
Total	**(117)**	**5,130**

9. Net gain and loss on other financial instruments

(HUF million)

	2010	2009
Gain		
Available-for-sale debt securities	1,458	1,318
Loss		
Available-for-sale debt securities	(10)	(181)
Total	**1,448**	**1,137**

10. Personnel expenses

(HUF million)

	2010	2009
Wages and salaries	11,236	11,385
Statutory social security contributions	3,388	3,351
Other employee benefits	1,224	1,388
Employer's contributions	193	546
Total	**16,041**	**16,670**

The number of employees (in full time equivalent) was 1,971 on 31 December 2010 (2009: 1,982).

Notes to the financial statements (Continued)

11. General operating expenses

(HUF million)

	2010	2009
Indirect tax expense and fees to authorities	11,750	2,830
Renting costs and operating expenses of property	3,952	3,745
Advertising	1,690	1,959
Information technology costs	3,013	1,784
Material and office equipments costs	496	477
Other administrative expenses	2,467	2,816
Total	**23,368**	**13,611**

The significant increase of the indirect tax expense is mainly due to the special bank levy that was introduced in 2010 in Hungary.

12. Other income and expenses

(HUF million)

	2010	2009
Operating income		
Service transfer fees received	326	350
Proceeds on sale of goods	–	35
Renting activity	1,357	18
Proceeds on sale of tangible and intangible assets	137	181
Indemnity received	175	–
Other	395	79
Total	**2,390**	**663**
Operating expenses		
Service transfer fees paid	(359)	(336)
Indemnity paid	(328)	–
Cost of tangible and intangible assets sold	(36)	(47)
Cost of goods sold	–	(40)
Penalties	(11)	(9)
Scrapped assets	–	–
Other	(142)	(157)
Total	**(876)**	**(589)**
Net other operating income/(expense)	**1,514**	**74**

Notes to the financial statements (Continued)

13. Taxation

The tax charge for the year is based on the profit for the year according to the statutory accounts of the Bank as adjusted for relevant taxation regulations. The corporate income tax rate in Hungary for the tax base allotted for term 1 January 2010-30 June 2010 was 19%. The rate for the tax base allotted for term 1 July 2010-31 December 2010 was 10% up to 250 million HUF; for the tax base exceeding 250 million HUF the rate was 19%. The Bank must pay an additional supplementary tax on income earned from loans subsidized by the state.

13.1 Tax expense for the year

(HUF million)

	2010	2009
Current tax expense	4,625	2,747
Adjustments for prior years	588	116
Reversal of current tax on business combination	(59)	–
Total	**5,154**	**2,863**
Deferred tax (income)/charge	(638)	947
Total income tax expense in income statement	**4,516**	**3,810**

13.2 Reconciliation of effective tax rate

	2010		2009	
	%	HUF MILLION	%	HUF MILLION
Profit before tax		23,311		19,301
Income tax using the domestic corporate tax rate	18.71	4,361	20.0	3,860
Supplementary corporate tax for banks	1.1	247	2.0	386
Adjustments for prior years	2.5	588	0.6	116
Tax effects of income/expenses exempt from corporate tax	(2.1)	(499)	(2.3)	(446)
Deferred tax due to change in corporate tax rate	–	–	(0.1)	(5)
Income/expenses giving rise to permanent differences				
Impairment released on equity investments	–	–	0.0	(1)
Other	(0.8)	(181)	(0.5)	(100)
Total	**19.4**	**4,516**	**19.7**	**3,810**

13.3 Balances related to taxation

(HUF million)

	2010			2009		
	ASSETS	LIABILITIES	NET	ASSETS	LIABILITIES	NET
Current tax assets/(liabilities) at year-end	136	(38)	98	3,528	–	3,528
Deferred tax assets/(liabilities)						
Available-for-sale securities	71	(305)	(234)	54	(811)	(757)
Cash flow hedges	757	–	757	2,032	–	2,032
Allowances for loan losses (IBNR)	1,198	–	1,198	562	–	562
Regulatory reserve	–	(619)	(619)	–	(946)	(946)
Property and equipment from tied up capital	–	(383)	(383)	–	(305)	(305)
Effect of items increasing/(decreasing) the local tax base	1,025	(684)	341	851	(263)	588
Total deferred tax assets/(liabilities)	3,051	(1,991)	1,060	3,499	(2,325)	1,174
Total tax assets/(liabilities)	**3,187**	**(2,029)**	**1,158**	**7,027**	**(2,325)**	**4,702**

Notes to the financial statements (Continued)

13.4 Movements in temporary differences during the year – 2010

(HUF million)

	OPENING BALANCE	RECOGNISED IN PROFIT AND LOSS	RECOGNISED IN EQUITY	CLOSING BALANCE
Available-for-sale securities	(757)	–	523	(234)
Cash flow hedges	2,032	–	(1,275)	757
Allowances for loans (IBNR)	562	636	–	1,198
Regulatory reserve	(946)	327	–	(619)
Property and equipment from tied up capital	(305)	(78)	–	(383)
Effect of items increasing/(decreasing) the local tax base	588	(247)	–	341
Total	**1,174**	**638**	**(752)**	**1,060**

13.5 Movements in temporary differences during the year – 2009

(HUF million)

	OPENING BALANCE	RECOGNISED IN PROFIT AND LOSS	RECOGNISED IN EQUITY	CLOSING BALANCE
Available-for-sale securities	514	–	(1,271)	(757)
Cash flow hedges	1,193	–	839	2,032
Allowances for loans (IBNR)	285	277	–	562
Regulatory reserve	(298)	(648)	–	(946)
Property and equipment from tied up capital	(186)	(119)	–	(305)
Effect of items increasing /(decreasing) the local tax base	1,032	(457)	13	588
Total	**2,540**	**(947)**	**(419)**	**1,174**

14. Cash and unrestricted balance with the Central Bank

(HUF million)

	2010	2009
Cash on hand	8,633	8,230
Unrestricted balance with the Central Bank	–	–
Total	**8,633**	**8,230**

15. Financial instruments held for trading

(HUF million)

	2010	2009
Financial assets held for trading		
State treasury bills	53,228	258,420
State bonds	1,713	3,556
Other bonds	2,376	2,749
Investment units	–	3
Equity securities	32	35
Positive fair value of derivatives		
FX derivatives	5,163	8,737
Interest rate derivates	16,923	22,093
Commodity derivatives	118	59
Total	**79,553**	**295,652**
Financial liabilities held for trading		
Negative fair value of derivatives		
FX derivatives	4,053	10,385
Interest rate derivatives	32,757	18,732
Commodity derivatives	116	56
Total	**36,926**	**29,173**

Notes to the financial statements (Continued)

16. Available-for-sale financial assets

(HUF million)

	2010	2009
State treasury bills	162,721	–
State bonds	79,227	72,015
Other bonds	3	16,438
Equities	340	340
Total	**242,291**	**88,793**
Impairment	(5)	(5)
Total	**242,286**	**88,788**

17. Held-to-maturity investments

(HUF million)

	2010	2009
State bonds	7,530	9,315
Mortgage bonds	1,939	1,939
Total	**9,469**	**11,254**

The net market value of the held-to-maturity securities portfolio as at 31 December 2010 is HUF 10,358 million (2009: HUF 12,385 million).

18. Placements with, and loans and advances to banks

(HUF million)

	2010	2009
Placements with Central Bank		
Maturity less than one year	17,583	38,724
Loans and advance to other banks		
Nostros with other banks	3,501	7,987
Maturity less than one year	3,833	114,490
Maturity more than one year	14,203	16,138
Total	**39,120**	**177,339**

19. Loans and advances to customers

(HUF million)

	2010	2009
Private and commercial		
Maturity less than one year	509,455	494,062
Maturity more than one year	635,094	622,790
Securities recognised as loans	5,030	–
Total	**1,149,579**	**1,116,852**
Provision for impairment and losses on credit products (Note 32)	(60,574)	(42,951)
Total	**1,089,005**	**1,073,901**

Notes to the financial statements (Continued)

A. Analysis by industrial sector

	2010		2009	
	HUF MILLION	%	HUF MILLION	%
Private clients	352,418	30.65	305,329	27.34
Real estate finance	198,201	17.24	181,708	16.27
Transportation	101,807	8.86	104,917	9.40
Community	105,489	9.18	86,928	7.78
Financial activities	68,992	6.00	85,577	7.66
Trade	86,419	7.52	83,984	7.52
Chemicals/Pharmaceutical	44,433	3.87	73,928	6.62
Construction	44,356	3.86	57,207	5.12
Machine industry	26,622	2.32	29,650	2.65
Light industry	22,400	1.95	26,199	2.35
Food processing	24,683	2.15	23,400	2.10
Communication	17,940	1.56	16,162	1.45
Catering trade	11,999	1.04	11,207	1.00
Electric energy industry	19,432	1.69	8,930	0.80
Metallurgy	6,153	0.53	6,047	0.54
Agriculture	7,606	0.66	4,521	0.40
Mining	713	0.06	1,077	0.10
Other	9,916	0.86	10,081	0.90
Total	**1,149,579**	**100.00**	**1,116,852**	**100.00**

Notes to the financial statements (Continued)

The acceptance value of collateral and other security pledges for loans were as follows (the acceptance value of the collaterals is reviewed periodically):

B. Collateral for the above loans

(HUF million)

	2010	2009
Against individually impaired		
Guarantees	3,149	3,000
Blocked cash deposits	2,377	160
Property	26,952	19,348
Debt securities	–	–
Equities	–	5
Others	4,648	3,598
Against collectively impaired		
Guarantees	444	316
Blocked cash deposits	241	80
Property	30,430	12,513
Debt securities	–	–
Equities	–	1
Others	48	6
Against past due, but not impaired		
Guarantees	638	682
Blocked cash deposits	2,759	334
Property	40,071	28,845
Debt securities	–	–
Equities	30	–
Others	114	172
Against neither past due nor impaired		
Guarantees	75,974	89,497
Blocked cash deposits	28,969	21,842
Property	237,827	206,136
Debt securities	9,564	28,262
Equities	4,879	4,495
Others	27,600	28,722

The above collaterals also cover the credit facilities, not yet granted. Those are detailed in Note 33.

Notes to the financial statements (Continued)

20. Hedging derivative instruments

(HUF million)

	2010	2009
Derivative assets held for risk management purposes		
Interest rate swaps	6,066	2,609
Forward rate agreements	–	48
Total	**6,066**	**2,657**
Derivative liabilities held for risk management purposes		
Interest rate swap	5,391	10,839
Forward rate agreements	–	76
Total	**5,391**	**10,915**

21. Equity investments

(HUF million)

	2010	2009
Investments in associated companies	1	1
Other investments	–	750
Total	**1**	**751**

As at 31 December 2010 investments in consolidated subsidiaries were as follows:

(HUF million)

NAME OF INVESTMENT	GROSS BOOK VALUE	SHAREHOLDER'S EQUITY
UniCredit Jelzálogbank Zrt.	3,761	16,624
UniCredit Factoring Zrt.	169	330
Arany Pénzügyi Lízing Zrt.	453	1,679
Sas-Reál Kft.	750	809

All listed investments are in companies incorporated in Hungary.

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	CHANGE IN THE SCOPE OF CONSOLIDATION	ADDITIONS	DISPOSALS NET	DEPRECIATION AND AMORTISATION	CARRYING AMOUNT AT THE END OF THE YEAR
2010							
Land and buildings	28,113	3,058	985	649	23	635	26,031
Office equipment	11,181	8,252	–	830	401	1,052	2,306
Motor vehicles	926	561	–	196	11	151	399
Capital work in progress	381	–	–	1,504	1,675	6	204
Total	**40,601**	**11,871**	**985**	**3,179**	**2,110**	**1,844**	**28,940**
2009							
Land and buildings	27,237	2,539	–	933	22	554	25,055
Office equipment	11,165	8,123	–	1,116	6	1,223	2,929
Motor vehicles	987	602	4	143	19	148	365
Capital work in progress	853	–	–	1,720	2,192	–	381
Total	**40,242**	**11,264**	**4**	**3,912**	**2,239**	**1,925**	**28,730**

Notes to the financial statements (Continued)

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	CHANGE IN THE SCOPE OF CONSOLIDATION	ADDITIONS	DISPOSALS NET	DEPRECIATION AND AMORTISATION	CARRYING AMOUNT AT THE END OF THE YEAR
2010							
Rental rights	128	109	–	82	–	27	74
Licenses	2,355	1,389	–	451	727	226	464
Software	11,782	7,899	–	824	522	1,051	3,134
Goodwill	–	–	–	–	–	–	–
Total	**14,265**	**9,397**	**–**	**1,357**	**1,249**	**1,304**	**3,672**
2009							
Rental rights	126	105	–	2	–	4	19
Licenses	1,914	1,032	–	442	–	358	966
Software	9,457	6,837	3	2,298	–	1,038	3,883
Goodwill	–	–	–	–	–	–	–
Total	**11,497**	**7,974**	**3**	**2,745**	**–**	**1,400**	**4,868**

24. Other assets

(HUF million)

	2010	2009
Trade receivables, advances and other receivables	3,935	1,488
Accrued income and prepaid expenses	8,212	11,882
Other	124	38
Total	**12,271**	**13,408**
Impairment losses	(1,132)	(159)
Total	**11,139**	**13,249**

25. Deposits and loans from banks

(HUF million)

	2010	2009
Maturity less than one year	150,422	85,585
Maturity more than one year	127,192	264,506
Total	**277,614**	**350,091**

26. Deposits from customers

(HUF million)

	2010	2009
Maturity less than one year	868,261	1,084,959
Maturity more than one year	101,957	16,401
Total	**970,218**	**1,101,360**

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

(HUF million)

	2010	2009
UniCredit Bank Austria AG	9,467	9,199
UniCredit Bank Austria AG	9,549	9,278
Total subordinated loans	19,016	18,477

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 mortgage bonds

(HUF million)

	2010	2009
Maturity less than one year	14,481	8,674
Maturity more than one year	14,646	23,094
Total	**29,127**	**31,768**

29. Other liabilities

(HUF million)

	2010	2009
Accrued expenses and prepaid income	15,102	28,453
Provision on guarantees and unutilised loans	2,628	2,518
Trade payable	2,604	737
Investment fund units issued by an SPV	2,141	–
Other taxes payable	1,452	1,627
Other	108	276
Total	**24,035**	**33,611**

30. Share capital

(HUF million)

	2010	2009
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 UniCredit Bank Austria AG.

Notes to the financial statements (Continued)

31. Statutory reserves

(HUF million)

	GENERAL RESERVE	GENERAL RISK RESERVE	REGULATORY RESERVE	TIED-UP RESERVE	TOTAL
Balance at 31 December 2009	17,494	14,198	2,671	500	**34,863**
Appropriations from retained earnings	1,358	(313)	(2,671)	–	**(1,626)**
Balance at 31 December 2010	18,852	13,885	–	500	**33,237**

32. Impairments and provisions

32.1 Impairments and provisions on credit products

(HUF million)

	LOANS	GUARANTEES AND UNUTILISED LOANS	OTHER ASSETS	TOTAL FINANCIAL INSTRUMENTS
Balance 31 December 2009	**42,951**	**2,516**	**–**	**45,467**
Write-offs	(6,299)	–	–	(6,299)
Amounts released	(18,431)	(2,589)	–	(21,020)
Additional impairment and provisions	40,261	2,687	738	43,686
Effect of FX rate fluctuation	2,092	14	–	2,106
As at 31 December 2010	**60,574**	**2,628**	**738**	**63,940**
Net movement in impairment and provisions	15,531	98	738	16,367
Write-offs	6,299	–	–	6,299
Net amount charged to the income statement	**21,830**	**98**	**738**	**22,666**
Receivables written-off	(555)	–	–	(555)
Total charged to the income statement, excluding the effect of f/x rate fluctuation	**21,275**	**98**	**738**	**22,111**

32.2 Other impairments and provisions

(HUF million)

	PROVISION MOVEMENT ON NON-CREDIT RISK ITEMS	IMPAIRMENT ON AFS AND EQUITY INVESTMENTS
Balance 31 December 2009	**1,084**	**5**
Other	612	–
Write-offs	(17)	–
Amounts released	(70)	–
Additional impairment provisions	367	–
As at 31 December 2010	**1,976**	**5**
Net movement in impairment provisions	892	–
Write-offs	17	–
Other	(612)	–
Net amount charged to the income statement	**297**	**–**

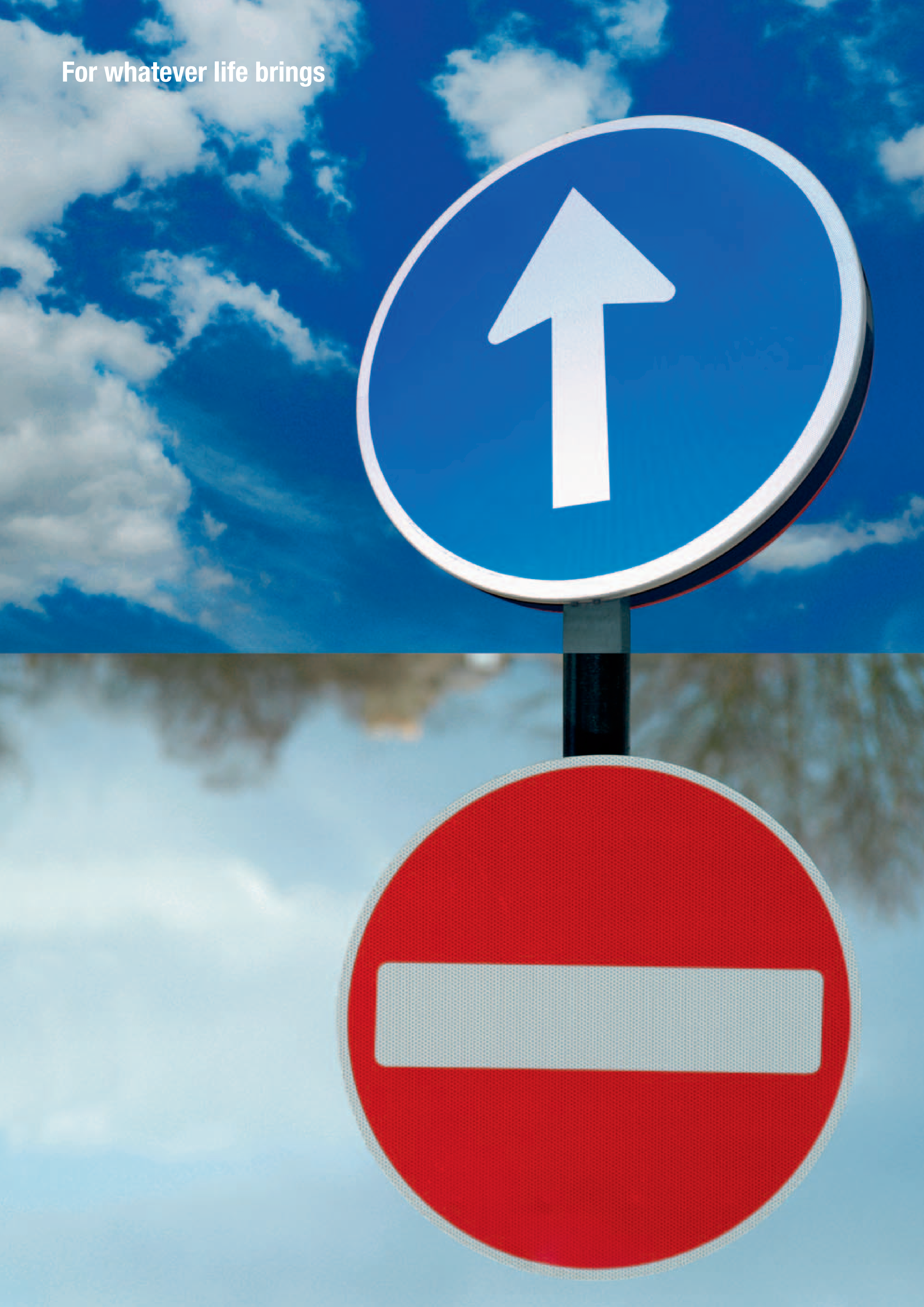
33. Commitments and contingent liabilities

At 31 December 2010, the Group had the following commitments and contingent liabilities (in nominal values):

(HUF million)

	2010	2009
Loan and overdraft facilities granted not disbursed	423,487	457,083
Financial guarantees	160,411	184,745
Letters of credit	44,128	23,362
FX spot sales (notional)	96,203	295,276

As at 31 December 2010, the total face value of client assets held in safe custody by the Group was 3,070,087 HUF million (2009: HUF 2,723,627 million).


For whatever life brings

Supervisory Board and Management Board

UniCredit Bank Hungary Zrt.

Supervisory Board

Chairman

Dr. Erich Hampel
UniCredit S.p.A.

Deputy Chairman

Claudio Cesario
UniCredit Bank Austria AG

Members

Friederike Kotz
UniCredit Bank Austria AG

David Joseph O'Mahony
UniCredit Bank Austria AG

Tomica Pustisek
UniCredit Bank Austria AG

Dr. Pettkó-Szandtner Judit
UniCredit Bank Hungary Zrt.

Bolyán Róbert
UniCredit Bank Hungary Zrt.

Horváth Gábor
UniCredit Bank Hungary Zrt.

Management Board

Chairman and CEO

Dr. Patai Mihály
UniCredit Bank Hungary Zrt.

Members

Ihász Csilla
UniCredit Bank Hungary Zrt., Head of Retail Division

Kaliszky András
UniCredit Bank Hungary Zrt., Chief Operation Officer

Stefano Santini
UniCredit Bank Hungary Zrt., Chief Financial Officer

Tóth Balázs
UniCredit Bank Hungary Zrt., Chief Risk Officer

UniCredit Bank Hungary Zrt.
H-1054 Budapest, Szabadság tér 5–6.
Registration number in the Metropolitan Court: Cg. 01-10-041348
Tax number: 10325737-4-44

Supervisory Board and Management Board (Continued)

UniCredit Jelzálogbank Zrt.

Supervisory Board

Chairman

Stefano Santini
UniCredit Bank Hungary Zrt.

Members

Elena Goitini
UniCredit S.p.A.

Dr. Pettkó-Szandtner Judit
UniCredit Bank Hungary Zrt.

Kaliszky András
UniCredit Bank Hungary Zrt.

Sipos József
UniCredit Bank Hungary Zrt.

Tóth Balázs
UniCredit Bank Hungary Zrt.

Management Board

Chairperson and CEO

Tölli Gabriella
UniCredit Jelzálogbank Zrt.

Members

Dr. Füredi Júlia
UniCredit Bank Hungary Zrt.

Novákné Bejczy Katalin
UniCredit Jelzálogbank Zrt.

Horváth István
UniCredit Bank Hungary Zrt.

Komócsi Sándor
UniCredit Bank Hungary Zrt.

Calendar

4 January 2010

From the first working day of 2010, people who consider the long-term for their finances, were able to conduct long-term investment contracts in 133 UniCredit branch offices nationwide. UniCredit Bank was among the first players who entered the market with a long-term investment contract which has a unique advantage: savings held for at least three years after the accumulation year are entitled to tax advantages and after five years, tax exemption.

27 March 2010

In accordance with UniCredit Group's ongoing environmentally-conscious behaviour and with own corporate social responsibility, in 2010 UniCredit Bank joined WWF's "Earth Hour", a global climate change programme. By taking this symbolic step, both the Group and the Bank expressed their commitment towards climate protection and called attention to the importance of reducing greenhouse gas emissions – an issue for which the Group has also undertaken a voluntary obligation.

May 2010

2010 marked the third consecutive occasion when UniCredit Bank was awarded the title of "Superbrands", granted by an independent jury consisting of renowned national experts. The Bank received this prestigious recognition in the consumer category, among top brands selected on the basis of standardised international criteria consistent from year to year.

15 July 2010

UniCredit Bank was among the first national financial institutions to take steps to rescue housing debtors who found themselves in dire financial straits because of changes in the Swiss franc exchange rate, in particular in the last phase of the period since their contract was signed. In order to reduce redemption burdens, UniCredit decided to apply UniCredit's middle foreign exchange rate for private customers in the case of Swiss franc-based loans, which is more favourable for them, for calculating the monthly regular instalments from 15 July 2010, instead of sales foreign exchange rate stipulated in the loan contracts. The Bank maintained this voluntary commitment until related government rules came into force.

23 August 2010

Once again, UniCredit Bank appeared on the market with a novelty when it started to distribute the Super 8 Capital Protected Derivative Fund in branch offices of its nationwide network.
This investment product serves two important customer needs at the same time: good yield and the protection of capital. Another important characteristic is that during the whole of the product's lifecycle, the fund's manager has the ability to adapt dynamically to the changing market environment. The Super 8 Fund garnered extraordinary popularity among customers, since the subscriptions to its investment units amounted to more than 10 billion forints; and after the subscription, it became the second largest investment fund on the domestic market in 2010.

September – December 2010

UniCredit Bank, supporting children's education and developing their healthy lifestyle through various programmes for several years, and as a cooperating partner of UEFA Champions League, strived to call attention to leisure sports and school sports for the next generation also in 2010. The "Pass it on!" programme, already a major success in the previous year, was again launched by the Bank in September 2010, and in this second phase, more than 150 schools were motivated to organise exciting sport events, inspiring tens of thousands of kids to get moving.

September 2010

The hectic economic environment of recent years has given increased value to safety: predictability of the redemption instalments became one of the most important considerations for people applying for mortgage loans. Responding to this significant customer demand, UniCredit Bank entered the market with its fixed-rate mortgage loans. Customers have an option to select fixed, unchanging instalments for 1, 3, or even 10 years (which is an exceptionally long period on the market), and thus UniCredit is in a position to lessen the risk to its customers from interest rates moving up and down.

Calendar (Continued)

November 2010

After its success in 2008, UniCredit Bank again won "The Bank of the Year" competition for a second time, in the category of "The Retail Savings Product of the Year, 2010". This time, this professional recognition was earned by its Super 8 Capital Protected Derivative Fund, following its extraordinary popularity amongst customers. The success of the fund is due to the fact that at the end of its first year, at nominal, it pays a guaranteed 8 percent yield to investors, and it will do so for five years, as many times as the net asset value reaches or exceeds the level of the nominal value plus 8 percent. Another factor that contributed to its excellent results was the dynamic asset allocation strategy, something new on the domestic market but already popular in Western Europe, which allows the fund manager to dynamically adapt to the changing market environment during the whole of the product's lifecycle.

January / June / October 2010

Natural and industrial disasters in 2010 prompted UniCredit and its staff to offer support on several occasions and, as a result, three large-scale collection campaigns were completed successfully at the bank by the end of the year. The first campaign was initiated by staff members in response to the earthquake in Haiti, after that, donations were collected because of the spring flood in Hungary, and finally, because of the destruction caused by the red mud disaster. For people affected by the disasters in Hungary, every forint donated by staff members was worth three, since UniCredit Bank matched the amount collected on a completely charitable basis with an identical donation, and UniCredit Group's non-profit foundation also contributed to the success of these campaigns with matching donations.

Network units

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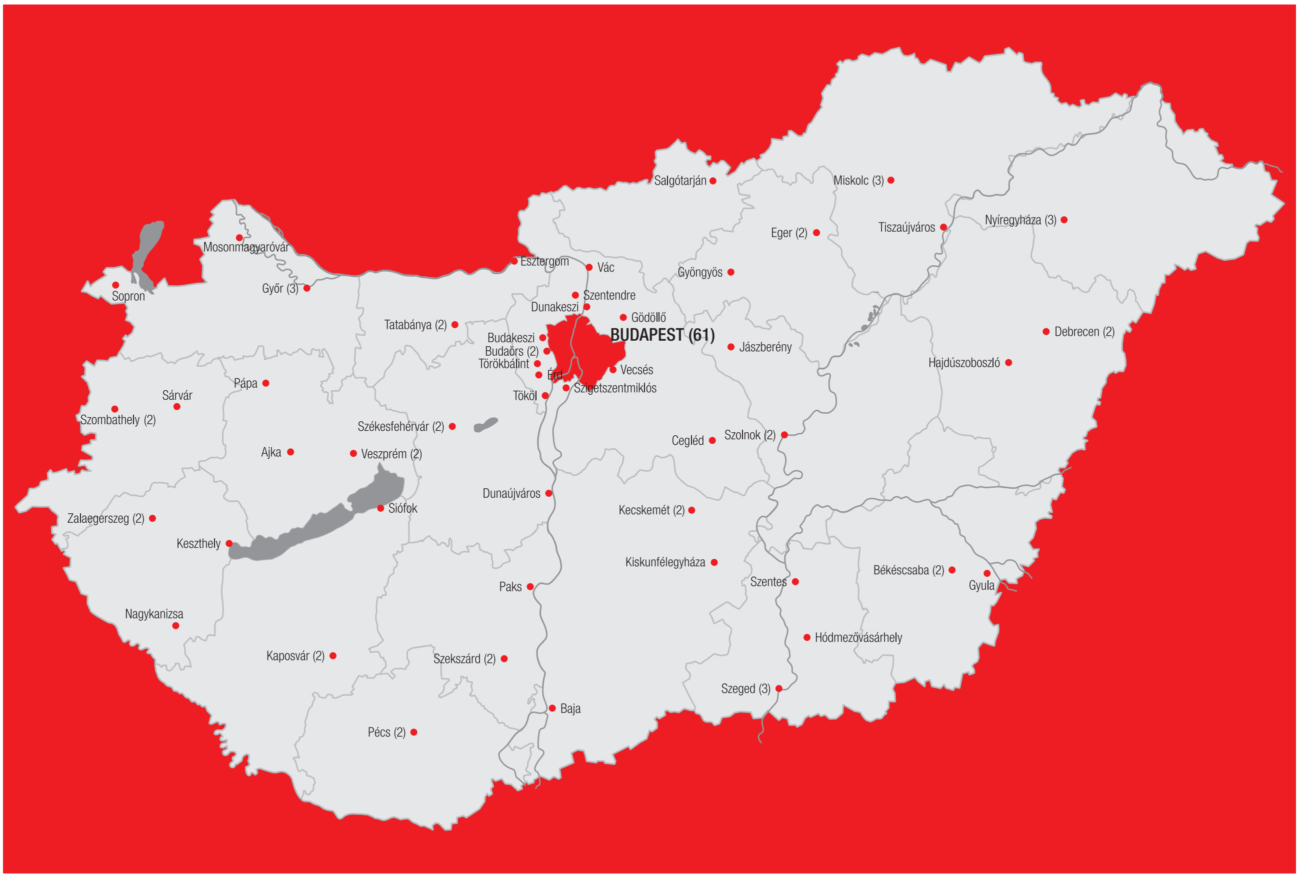

On 31 December 2010 UniCredit Bank's network consisted of 133 units throughout Hungary, from which 61 branches were located in Budapest, while 72 in the country.

Network units (Continued)

Branches in Budapest

Batthyány téri fiók
1011 Budapest, Fő utca 52.

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.

Astoria fiók
1052 Budapest, Károly körút 6.

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)

Arena Plaza fiók
1087 Budapest, Kerepesi út 9.

Blaha Lujza téri fiók
1088 Budapest, József körút 13.

Haller Gardens fiók
1091 Budapest, Soroksári út 32–34.

Ferenc körúti fiók
1092 Budapest, Ferenc körút 24.

Vámház körúti fiók
1093 Budapest, Vámház körút 15.

Boráros téri fiók
1095 Budapest, Boráros tér 7.

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

Tesco Soroksár fiók
1097 Budapest, Koppány utca 2–4.

Kőbányai fiók
1102 Budapest, Kőrösi Csoma sétány 8.

Gyömrői úti fiók
1103 Budapest, Gyömrői utca 99.

Andor utcai fiók
1119 Budapest, Andor utca 2.

Lágymányosi utcai fiók
1111 Budapest, Lágymányosi utca 1–3.

Bartók Béla úti fiók
1115 Budapest, Bartók Béla út 88.

Network units (Continued)

Fehérvári úti fiók
1117 Budapest, Fehérvári út 23.

Új Buda Center fiók
1117 Budapest, Hengermalom út 19–21.

Gazdagrét fiók
1118 Budapest, Rétköz utca 5. (BudaWest Irodaház)

Alkotás utcai fiók
1123 Budapest, Alkotás utca 50.

Déli pu. fiók
1123 Budapest, Alkotás utca 1/A

Váci út 20. fiók
1132 Budapest, Váci út 20.

Capital Square
1133 Budapest, Váci út 76.

Lehel úti fiók (Medimpex)
1134 Budapest, Lehel utca 11. (Medimpex)

Central Park fiók
1135 Budapest, Lehel utca 70–76.

Duna Plaza Fiók
1138 Budapest, Váci út 178. (Duna Plaza)

Váci út 85. fiók
1139 Budapest, Váci út 85.

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)

Bosnyák téri fiók
1149 Budapest, Nagy Lajos király útja 135.

Pólus fiók
1152 Budapest, Szentmihályi út 137.

Mátyásföldi fiók
1165 Budapest, Veres Péter út 105–107.

Pestszentlőrinci fiók
1182 Budapest, Üllői út 455.

Üllői úti fiók
1182 Budapest, Üllői út 661.

Pestszentimrei fiók
1188 Budapest, Nagykőrösi út 49.

Europark fiók
1191 Budapest, Üllői út 201. (Europark)

Pesterzsébeti fiók
1201 Budapest, Kossuth Lajos utca 32–36.

Tesco Megapark fiók
1204 Budapest, Mártírok útja 292.

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.

Network units (Continued)

Branches in the country

Ajkai fiók
8400 Ajka, Szabadság tér 12.

Bajai fiók
6500 Baja, Tóth Kálmán tér 3.

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

Békéscsaba 2 fiók
5600 Békéscsaba, Szabadság tér 2.

Budakeszi fiók
2092 Budakeszi, Fő út 139.

Budaörsi fiók
2040 Budaörs, Szabadság út 49.

Budaörs – Tesco fiók
2040 Budaörs, Kinizsi utca 1–3.

Ceglédi fiók
2700 Cegléd, Kossuth tér 4.

Debreceni fiók
4024 Debrecen, Kossuth Lajos utca 25–27.

Debrecen – Kálvin téri fiók
4026 Debrecen, Kálvin tér 2/A

Dunakeszi fiók
2120 Dunakeszi, Fő út 70.

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, Kossuth Lajos utca 14.

Gödöllői fiók
2100 Gödöllő, Dózsa György út 13.

Gyöngyösi fiók
3200 Gyöngyös, Páter Kis Szaléz utca 22.

Győri fiók
9021 Győr, Árpád út 45.

Győr – Árkád fiók
9027 Győr, Budai út 1. (Árkád Üzletház)

Győr – ETO Park fiók
9027 Győr, Nagysándor József utca 31. (ETO Park)

Gyulai fiók
5700 Gyula, Városház utca 12.

Hajdúszoboszlói fiók
4200 Hajdúszoboszló, Szilfákalja utca 4.

Hódmezővásárhely
6800 Hódmezővásárhely, Andrássy utca 3.

Jászberényi fiók
5100 Jászberény, Szabadság tér 3.

Kaposvári fiók
7400 Kaposvár, Dózsa György utca 1.

Kaposvár 2 fiók
7400 Kaposvár, Áchim András utca 4.

Kecskeméti fiók
6000 Kecskemét, Kisfaludy utca 8.

Kecskemét 2 fiók
6000 Kecskemét, Rákóczi út 4.

Keszthelyi fiók
8360 Keszthely, Kossuth utca 41.

Kiskunfélegyházi fiók
6100 Kiskunfélegyháza, Kossuth utca 2.

Miskolci fiók
3530 Miskolc, Hunyadi utca 3.

Miskolc – Búza téri fiók
3525 Miskolc, Búza tér 1.

Miskolc – Széchenyi úti fiók
3500 Miskolc, Széchenyi út 35.

Network units (Continued)

Mosonmagyaróvári fiók
9200 Mosonmagyaróvár, Fő utca 6.

Nagykanizsai fiók
8800 Nagykanizsa, Fő út 8.

Nyíregyházi fiók
4400 Nyíregyháza, Dózsa György út 1–3.

Nyíregyháza 2 fiók
4400 Nyíregyháza, Nagy Imre tér 1. (Korzó Bevásárlóközpont)

Nyíregyháza 3 fiók
4400 Nyíregyháza, Szarvas utca 2.

Paksi fiók
7030 Paks, Dózsa György út 63–73.

Pápai fiók
8500 Pápa, Fő utca 25.

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.

Sárvári fiók
9600 Sárvár, Hunyadi utca 1.

Siófoki fiók
8600 Siófok, Fő út 174–176.

Soproni fiók
9400 Sopron, Várkerület 1–3.

Szegedi fiók
6722 Szeged, Kossuth Lajos sugárút 18–20.

Szeged – Kárász utcai fiók
6720 Szeged, Kárász utca 16.

Szeged – Széchenyi téri fiók
6720 Szeged, Széchenyi tér 2/A.

Székesfehérvári fiók
8000 Székesfehérvár, Budai út 1.

Székesfehérvár 2 fiók
8000 Székesfehérvár, Palotai utca 4.

Szekszárdi fiók
7100 Szekszárd, Arany János utca 15–17.

Szekszárd Széchenyi utcai fiók
7100 Szekszárd, Széchenyi utca 43.

Szentendrei fiók
2000 Szentendre, Dobogókői út 1. (Városkapu Üzletház)

Szentesi fiók
6600 Szentes, Kossuth utca 8.

Szigetszentmiklós
2310 Szigetszentmiklós, Bajcsy-Zsilinszky út 26.

Szolnoki fiók
5000 Szolnok, Baross Gábor út 27.

Szolnok 2 fiók
5000 Szolnok, Kossuth Lajos utca 18.

Szombathelyi fiók
9700 Szombathely, Kőszegi utca 30–32.

Szombathely 2 fiók
9700 Szombathely, Fő tér 26.

Tatabányai fiók
2800 Tatabánya, Szent Borbála tér 2.

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

Tiszaújvárosi fiók
3850 Tiszújváros, Mátyás király út 3.

Tököl
2316 Tököl, Repülőgépgyár, Iparterület

Törökbálinti fiók
2046 Törökbálint, DEPO – Raktárváros

Váci fiók
2600 Vác, Szent István tér 4.

Vecsési fiók
2220 Vecsés, Lincoln út 1.

Network units (CONTINUED)

Veszprémi fiók
8200 Veszprém, Ady Endre utca 1.

Veszprém 2 fiók
8200 Veszprém, Kossuth utca 6.

Zalaegerszegi fiók
8900 Zalaegerszeg, Kovács Károly tér 1/a

Zalaegerszeg 2 fiók
8900 Zalaegerszeg, Kossuth utca 1.

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UniCredit Bank