

Commerzbank Zrt.



Annual Report 2010



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Management's report on the 2010 business year

After the negative developments of previous years, 2010 presented a much more positive picture. The worldwide recession, including the recession in Europe, came to a halt, and although a few European countries continue to struggle with major public finance problems, overall we see signs of improvement. This has also had a positive impact on the economy of Hungary.

The majority of Hungary's economic indicators took a positive turn. Owing to an upswing in industry and exports, the performance of the Hungarian economy also improved considerably. The state budget was stabilised, albeit through radical tax and other structural measures taken by the government, and even began to display a positive tendency. The FX and interest market was spared any extreme fluctuations, and this had a positive impact on the activities of corporations and the bank market.

Despite a more favourable economic environment, the bank market continues to face problems. Similarly to previous years, loan placements continued to stagnate in the financial sector. Most operators were unable to increase their activity, and sensitivity to risk continues to be high. A higher rate of risk provisioning than in previous years, coupled with the high special bank tax, had a profound impact on the bank sector's profitability.

Similarly to the other players Commerzbank Zrt. closed a year that while tough, also brought positive developments and a very active presence in the market, which is a promising sign for the future.

After a drop in the previous year, despite a decrease in scheduled repayments and problematic loans the corporate loan portfolio grew, which was exceptional in the bank market in 2010. Although we continue to prioritise the careful management of lending risks, we made a successful effort to create new customer relationships, especially in the strong mid-size corporate market.

The increase in market activity also had a positive impact on revenues, and although treasury trading decreased significantly compared to previous years (which had a negative impact on the entire net interest revenue), the net interest revenues and net commission revenues associated with corporate lending, the bank's core activity, increased.

Our bank continues to cover lending risks with the loss provisioning and risk reserves recognised on the basis of quarterly customer ratings. In order to ensure prudent bank operation, in 2010 we again set aside sufficient provisions given the situation, but in line with the continuously improving loan portfolio the total amount of these was significantly lower than in 2009.

There was no significant change in operating costs, but at the same time the HUF 997 million extra bank tax paid by our bank represented a heavy burden, and in the final analysis decreased our profits before the bank tax considerably.

As in previous years the bank's liquidity and financing position, both in foreign currency and in forint, is very stable. Our active asset-liability management and the support of a strong parent bank ensure our ability to maintain the stability of our financing operations going forward.

The 2011 business year may still be affected by events worldwide as well as in Hungary. However, keeping an eye on these factors, our Bank remains committed to its strategy of focusing on Hungarian and international medium-size companies, a strategy that has proven successful in recent years. This – accompanied by strict cost management – portends additional improvements by 2011 in terms of revenues, risks and profits. Our secure liquidity position and our capital position provide a suitable basis for achieving a notable strengthening of our market position. We will continue to offer innovative and customer-oriented services to our customers, and

to improve both our market share and the reputation of Commerzbank.

On behalf of the bank's management we thank all of our employees for their work and commitment. Without

their motivation and focus the bank would not have been able to achieve its ambitious objectives.

Budapest, 28 April 2011



Angelika Tóth: Metropolis NY III.

Financial report

Balance sheet as at 31st December, 2010

(HUF Million)

ASSETS	2010	2009
Current Assets	169 348	158 582
Liquid assets	9 153	2 871
Securities	7 970	54 644
Receivables	152 225	101 067
Claims on banks due within one year	68 070	12 367
Claims on customers due within one year	83 787	87 597
Other claims	368	1 103
Invested assets	90 957	84 944
Securities	993	993
Receivables	85 979	79 865
Claims on banks due in more than one year	1 286	7 012
Claims on customers due in more than one year	84 693	72 853
Financial investments	32	32
Intangible and tangible assets	3 953	4 054
Accruals & Deferrals	1 993	2 448
TOTAL ASSETS	262 298	245 974
LIABILITIES		
Liabilities	236 229	218 751
Liabilities to banks	141 530	128 720
Short-term liabilities	126 044	93 763
Long-term liabilities	15 486	34 957
Liabilities to customers	88 375	82 940
Short-term liabilities	88 375	82 940
Long-term liabilities	0	0
Subordinated liabilities	4 739	4 604
Other liabilities	1 585	2 487
Accruals & Deferrals	1 354	2 822
Provisions	2 461	2 016
Equity	22 254	22 385
Share capital	2 467	2 467
Capital reserve	3 265	3 265
Profit reserve	16 653	17 878
Non-distributable reserves	0	0
General reserves	0	1 133
Net income	- 131	- 2 358
TOTAL LIABILITIES	262 298	245 974

Income statement for the year ended 31st December, 2010

(HUF Million)

	2010	2009
Interest and interest related commissions received	12 187	16 889
Interest and interest related commissions paid	5 930	10 146
Net interest and interest related commissions	6 257	6 743
Dividends received	15	17
Net fee income	875	676
Net income on other financial services	1 789	2 695
Other income	4 306	2 128
Other expenses	9 353	10 705
Cost of banking activities	4 020	3 912
Operating result	- 131	- 2 358
Extraordinary result	0	0
Profit before taxation	- 131	- 2 358
Tax payable	0	0
Profit after taxation	- 131	- 2 358
Release of general risk reserve	0	0
Net income	- 131	- 2 358

Authentication clause to the 2010 annual report of Commerzbank Zrt.

The elected independent auditor of Commerzbank Zrt. is PricewaterhouseCoopers and the registered Hungarian auditor proceeding on behalf of the latter is Arpad Balazs. On 3 May 2011 PricewaterhouseCoopers issued an unqualified Auditor's Opinion on the Bank's statutory Annual Report pertaining to the year ended 31 December 2010 and which is available for inspection at the headquarters of Commerzbank Zrt.



Attila Balla: Big yellow landscape

The Supervisory Board

Tamás Hák-Kovács

Chairman of the Supervisory Board

(Commerzbank [Eurasija] SAO, CEO)

Member of the Supervisory Board since 4 August 2010,

Chairman of the Supervisory Board since 21 September 2010

Rainer Ottenstein

(Commerzbank AG [Prague], CEO)

Vice-chairman since 21 September 2010

Dr. Andre Carls

(Commerzbank AG, CEE Holding [Frankfurt am Main], CEO)

Sascha Klaus

(Commerzbank AG, CEE Holding [Frankfurt am Main], CRO)

Member of the Supervisory Board since 4 August 2010

Andreas De-Maiziere

(Commerzbank AG [Frankfurt am Main], member of the Board of Directors)

Vice-chairman until 31 December 2010 on which date his mandate ended.

Michael Siegfried Otto Schmied

Member of the Supervisory Board until 28 February 2010



Judit Rita Rabóczky: Poppyfield

Board of Directors

András Kozma

Chairman

Chief Executive Officer, Commerzbank Zrt., Hungary

Dr. Görgy Walter

Deputy CEO

Deputy CEO, Commerzbank Zrt., Hungary

Dr. Zsolt Lajer

External member



Angelika Tóth: Serpentine II.

Commerzbank in Hungary

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Regions

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Dél-Pest

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Pécs

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H-3525 Miskolc, Arany János tér 1.

Telephone: (06-46)-501-220

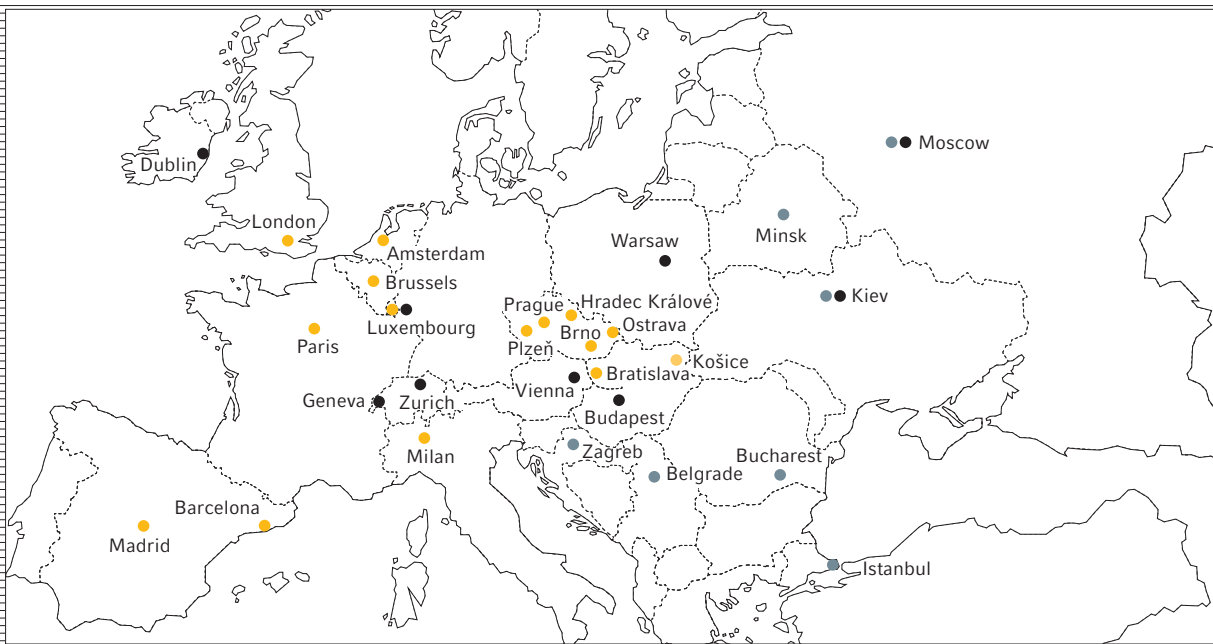
Fax: (06-46)-501-227

Szeged

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Commerzbank worldwide

- Foreign branches
- Representative offices
- Group companies and major foreign holdings

Commerzbank Zrt.

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