KELER

Central
Clearing House
and Depository
(Budapest) Ltd

annual report

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1 CHAIRMAN'S MESSAGE

Management of the after effects of the economic crisis, prevention of recession and economic stimulation continued to be in the focus of 2010. Although uncertainties in Europe could still be felt in the turnover figures of KELER, much to our pleasure, all in all, at an annual level the result from both financial services and service activity considerably exceeded plans.

The total cash market turnover of the stock exchange of HUF 5,822.87 billion is an increase of 6.22 % over the turnover in 2009. At the same time average daily turnover reached HUF 22.92 billion in 2010 from the previous year figure of HUF 21.83 billion. 2010 was a successful year in the market of OTC transactions with gross settlement also: turnover at deal prices in 2010 was 33 % higher than in the previous period.

In 2010 new services and customer friendly developments were introduced and we also entered new markets.

As the winner of the international public procurement tender announced by FGSZ Natural Gas Transmission Company Ltd. in 2009, from 1 July, 2010 we are in charge of the comprehensive settlement of the Daily Natural Gas and Capacity Trading Market (gas market) in a new, gas market customized clearing system with 11 new gas market counterparties.

Simultaneously with the launch of the gas market, the domestic energy market was started by HUPX. Implementing the special energy market settlement posed a major professional challenge for us. As a result of successful developments and thorough preparation from 20 July, 2010 we offer settlement services in Euro, in a competitive environment, to both domestic and international customers.

Harmonizing the results of the customer satisfaction survey of 2009 with the development plans of KELER we implemented various new developments in line with the requirements of our clients. Our new web site design was launched in March 2010 to offer an easy to use structure, with updated Hungarian and English content.

Following changes to the content and design of our web site we introduced a new online service in the securities market in the spring of 2010 to offer more convenient and quicker services to our clients. The eISIN service that can be accessed at the web site of www.keler.hu allows issuers to use the earlier manual ISIN issuance services electronically, on the Internet, combined with online payment. KID access opportunities were also improved in 2010: in addition to the access methods available so far customers can use this system on the Internet also.

With the increased interoperability of markets, stronger competition is expected in the traditional markets of KELER. As a service provider to these markets, our goal is to further increase our competitiveness in line with the strategy of KELER and to create services meeting client requirements. Accordingly, following the trends of earlier periods, our fees continued to decrease.

I would like to take the opportunity to say thank you to the owners of KELER, credit institutions, investment service providers, issuers in Hungary and further players in the capital market and all the employees of KELER for being instrumental in the past year in making sure that KELER, as the background institution of the capital market, was able to provide high level services and concentrate on professional duties.

Csaba Lantos

Chairman of the Board of Directors

MARKET ENVIRONMENT 2

In 2010 we witnessed continuing efforts to manage the economic crisis, avoid recession and stimulate the economy. While the leading Asian markets could easily find ways to grow, the US economy showed weak signs of recovery and the high and increasingly difficult to finance budget deficits of PIGS countries in Europe made markets nervous and thus weakened the Euro.

DJIA, the US equities index with a long history increased 11.02 % in 2010 compared to the closing index value of the previous year and finally closed the year at 11 577.51 points. As far as the most important European stock exchange indices are concerned the Frankfurt DAX increased 16.06 % during the year, while the London FTSE increased 9.00 %. DAX closed the year at 6 914.19 points, FTSE was registered at 5 899.90 points at the end of 2010.

In international FX markets the Euro remained quite weak during much of the year and it weakened considerably first against the USD, then against the CHF in the second half of the year. The lowest Euro values registered were 1.1914 against the USD and 1.2431 against the CHF. The Euro recovered against the USD towards the end of the year and closed the year at 1.3349 against the USD, however, the Euro closed the year at the above level against the CHF. All in all the Euro weakened 6.82 % against the USD and 15.90 % against the CHF compared to the previous period.

Apart from the weakening of the HUF against the Euro experienced in the second 3 month period of the year, the exchange rate of our national currency against the Euro stayed quite stable, the opening EUR/HUF exchange rate was 269.50, by mid-summer the EUR/HUF rate reached its highest value during the year at 290.03 and closed the year at 278.75. During 2010 EUR strengthened 2.92 % compared to the previous period. During the year HUF weakened considerably more against the CHF with 22.12 %. The CHF / HUF exchange rate of 220 (and on some occasions even the 225 level) was exceeded several times during the year and the closing exchange rate was 222.68.

A similar trend could be observed in USD/HUF rates also, although the strengthening of the USD (USD/HUF 240.57) at the beginning of the summer somewhat lessened by the end of the year, the closing USD / HUF rate at the end of the year at 208.65 represents a 10.95 % HUF weakening compared to the previous year.

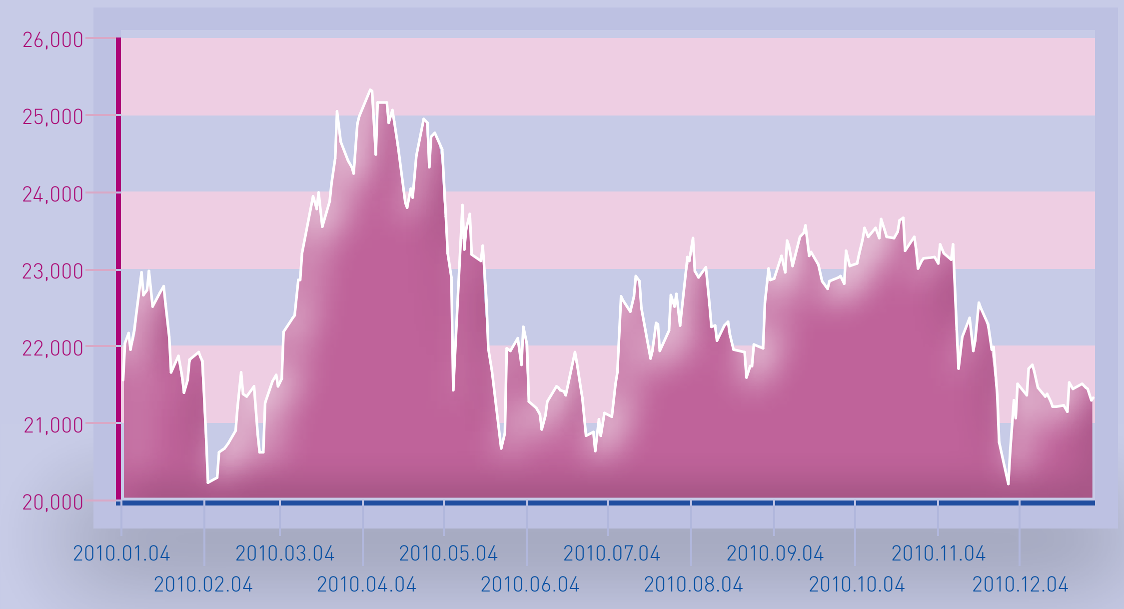
The Monetary Council of the National Bank of Hungary changed the base rate on six occasions during 2010: in the first four months of the year the base rate was decreased 25 bps each months, while in the last two months of the year the base rate was increased 25 bps on two occasions. The opening base rate was 6.25 % and it was reduced in four steps to 5.25 % by the end of April and the rate stayed unchanged until the last day of November. This was the time when the decreasing tendency of the base rate observed during the past more than two years came to a halt: the base rate increased to 5.75 % in 3 weeks. The yields of government securities with maturities within 12 months produced a parallel shift with base rate changes. However, in the period of low base rates there was some anxiety as far as securities with longer maturities are concerned due to suddenly increased yield expectations.

The interest shown by foreign investors financing the Hungarian state debt repeatedly strengthened in the first four months of the year, then by the middle of the summer it reached the lowest level during the year at HUF 2 245.5 billion. From this trough the amount of government securities held by foreign investors gathered speed and reached levels seen before the crisis. At the peak registered in the middle of December foreign investors financed nearly 21 % (HUF 3 253.1 billion) of the total state debt. This landscape changed somewhat towards the end of the year when a decrease of more than 18 % could be observed in the amount of government securities held by foreign investors. This contraction cannot be explained purely with the decrease of total volume.

BUX, the equities index of the Budapest Stock Exchange closed 2010 at 21 327.07 points. Due to the spectacular increases and related corrections experienced in the past year this level is only 0.47 % higher than the 2009 level.

At its peak last year the BUX was at 25 322.96 points, from which level it dropped 20 % by the middle of summer. The lowest level of BUX at 20 221.37 points was registered in the autumn, following the correction of a market rally.

BUX index levels during 2010



REGULATORY ENVIRONMENT

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CHANGES IN THE REGULATORY ENVIRONMENT

During the year KELER was involved in finalizing the bills on the creation and modification of financial regulations and on CRDII/CRDIII. As a result several regulations such as the Banking Act, the Act on Capital Markets and the Act on Investment Firms and Commodity Dealers, the Act on the Finality of Performance in Payment and Securities Settlement Systems, the Civil Code and the Act on Business Associations were modified.

The Ministry of Finance Order 1/2010. (I. 8.) on ISIN gave the green light to KELER to launch its first online service.

The modification of the Personal Income Tax Act as of 1 January, 2010 created long term investment accounts as a new account type, the management of this new account type resulted in the expansion of securities holder data in respect of shareholder identification.

Furthermore KELER was involved in the implementation of the following EU regulations of legal harmonization:

- securities law directive (SLD),
- regulation on central counterparty and derivatives (EMIR),
- regulation on central securities depositories (CSDR).

GENERAL MEETING

The annual ordinary general meeting of KELER passed a decision on the amount and expiry date of the joint and several liability undertaken in respect of KELER CCP: the amount of the joint and several liability as of 14 August, 2010 is HUF 12 billion and this amount is in force until the 90th day after the annual ordinary general meeting of KELER in 2011.

The annual ordinary general meeting of KELER was held on 14 May 2010. The agenda of the general meeting included among others the report by the Board of Directors on their activity in 2009, the acceptance of the Annual Report and the consolidated annual report in accordance with the International Financial Reporting Standards (IFRS).

In 2010 KELER held extraordinary general meetings on two occasions. The extraordinary general meeting held on 29 January decided to change the Bye-Laws of the Company, accepted the regulation on the remuneration of senior officers and the members of the Supervisory Board and modified the regulation of the Supervisory Board. The extraordinary general meeting on 20 July, 2010 elected Csaba Balogh a new member of the Board of Directors.

BUSINESS RESULTS OF KELER

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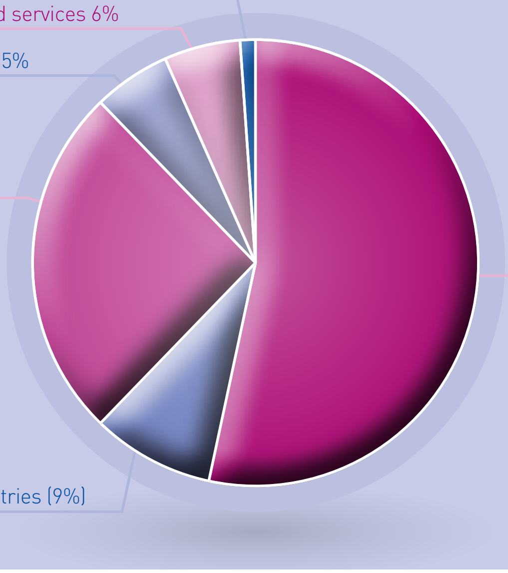
In the wake of the economic crisis the Hungarian economy showed signs of slow and slight growth in 2010. Despite the fact that market uncertainty left a mark on the turnover figures of KELER, at an annual level the results from both financial activity and services provided exceeded our expectations significantly.

Results from financial activity (HUF 1 851.5 million) were outstanding in the first half of the year due to interest differences realized reaching levels beyond expectations and all in all exceeded plans with about 38 %.

The positive trend in results (HUF 5 062.9 million, 110.2 %) is the reason of results from services provided exceeding planned figures considerably. Following a decline at the beginning of the year revenues from account opening and account management reached levels beyond plan, while revenues from multinet and derivative settlement contracted slightly in the second half of the year due to lower volumes. Similarly to revenues from energy market services, revenues from the gas market launched during the year also exceeded plans. Revenues from share registry management were in line with plans, revenues from central securities depository activity were more than planned.

Structure of revenues from services (2010)



Total operating expenses (HUF 4 613.6 million, 103.1%) slightly more than planned for the most part are due to the bank tax introduced in 2010 and recognized as other expenditures. General administration costs were in line with plans and at a level similar to the level of the past period. However, depreciation recognized on investments were more than planned.

Ordinary business result that is the total of results from financial activity and services provided amounted to HUF 2 300.8 million that is 157.8 % of the plan. As there were no extraordinary items the ordinary (business) result equals profit before tax. The value of the ROE indicator* is 12.6%.

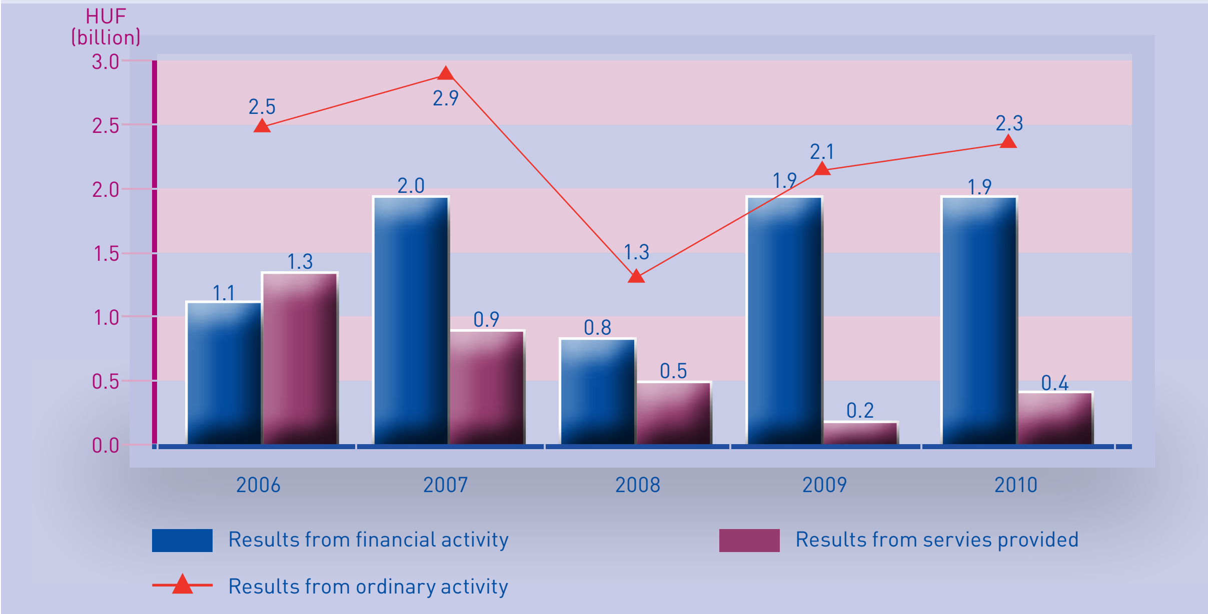
* Profit for the period after tax (HUF 1 983.0 million) / equity capital at the beginning of the year (HUF 15 795.8 million) = 12.6%

PROFIT ADN LOSS FIGURES (in HUF million)					
	Description	2009 Actual	2010 Plan	2010 Actual	2010 Actual/ 2010 Plan (%)
A.	**Profit (or loss) of financial activity** (A.=1.+2.+3.+4.)	**1,921.2**	**1,337.7**	**1,851.5**	**138.4%**
B./1.	**Fees and commissions received** (B./1.=5.+6.+7.)	**4,437.2**	**4,281.0**	**4,734.8**	**110.6%**
5.	Domestic income realized pursuant to Fee Schedule	3,805.4	3,843.4	4,248.8	110.5%
6.	Income from export (Fee Schedule and individual agreement)	139.1	118.4	171.7	145.0%
7.	Income from services provided based on individual agreement and other service income	492.7	319.3	314.3	98.4%
B./2.	**Other income** (B./2.=8.+9.)	**411.0**	**313.5**	**328.2**	**104.7%**
8.	Other income from financial and investment services (income from intermediated services)	11.0	2.8	3.2	
9.	Other income (from non-business services)	400.0	310.7	325.0	
B.	**Income from services provided** (B.=B./1.+B./2.)	**4,848.2**	**4,594.5**	**5,062.9**	**110.2%**
10.	**Fees and commissions paid**	**881.5**	**848.2**	**840.0**	**99.0%**
11.	General administration expenses	2,683.4	2,639.6	2,664.1	100.9%
12.	Depreciation and amortization	723.7	745.8	788.0	105.7%
C.	**Total operating costs and expenditures** (C.=10.+11.+12.)	**4,288.7**	**4,233.6**	**4,292.1**	**101.4%**
D.	**Other expenditures**	**362.7**	**240.2**	**321.5**	**133.8%**
E.	**Operating expenditures of service activity** (E.=C.+D.)	**4,651.4**	**4,473.8**	**4,613.6**	**103.1%**
F.	**Profit (or loss) of service activity** (F.=B.-E.)	**196.8**	**120.7**	**449.3**	**372.1%**
G.	**Result on ordinary activities (financial and services)** (G.=A.+F.)	**2,118.0**	**1,458.4**	**2,300.8**	**157.8%**
H.	**Extraordinary result**	**0.0**	**0.0**	**0.0**	
I.	**PROFIT (LOSS) BEFORE TAX** (I.=G.+H.)	**2,118.0**	**1,458.4**	**2,300.8**	**157.8%**
10.	Income tax	315.4	277.1	317.8	
Suppl. 1.	Supplementary information: solidarity tax (4%)	84.2			
J.	**PROFIT (LOSS) FOR THE PERIOD AFTER TAX** (J.=I.-10.)	**1,718.4**	**1,181.3**	**1,983.0**	
11.	General reserves (10 % of profit (loss) after tax)	171.8	118.1	198.3	
K.	**NET RESULT** (K.=J-11.)	**1,546.6**	**1,063.2**	**1,784.7**	

Although the result from financial activity exceeded plans, it stayed slightly below the last year level.

On the whole business results of 2010 improved compared to last year, primarily due to the outstanding results from services.

Results from financial activity, services provided and ordinary activity (2006–2010)



5 TREASURY

As regards the operation of Treasury 2010 was a successful year from the point of view of business results. Treasury closed the year with a profit of HUF 1,851.5 million that is 37% more than the planned HUF 1,350 million. One of the reasons why the planned level was exceeded is the pronounced increase in volumes over 40% by the end of the year.

The gas and energy market settlements launched in the summer of 2010 and simultaneously increased margins were major contributors to the volume increase. The volume of account balances with individual interest rates that provide attractive interest to our partners on high account balances held for longer periods continued to increase.

Government securities made up nearly 97% of the asset structure, while interbank deposits had a share of less than 2%. A significant restructuring could be observed in the government securities portfolio in favor of securities with maturities within one year, the majority of which were made up by government securities and NBH bonds with fix rates. The duration of the government securities portfolio on average was under two years. The average asset portfolio yield was 8.06%. The average share of obligatory reserves within the total asset portfolio was slightly above 1%.

In addition to government securities trading in 2010 we strengthened our role in the government securities lending market and we kept expanding the group of counterparties in both the domestic and the international markets. By the end of the year the total repurchase lending turnover reached HUF 835 billion.

CLEARING HOUSE AND CENTRAL DEPOSITORY ACTIVITY

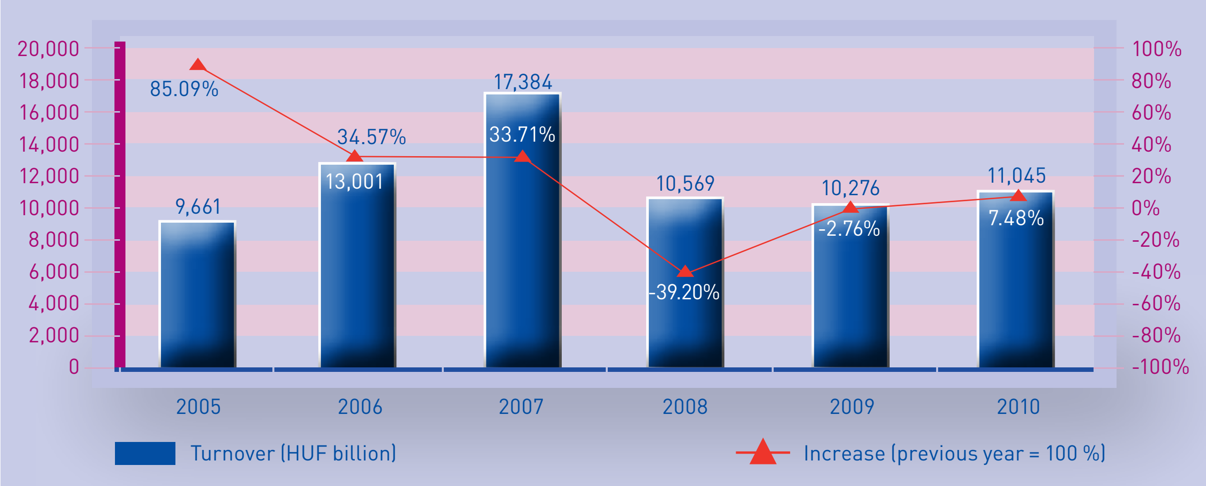
In 2010 the cash and derivative markets were characterized by the following indicators and ratios:

Cash market

The aggregate cash market turnover of the stock exchange of HUF 5,822.87 billion is an increase of 6.22 % compared to 2009. Simultaneously average daily turnover increased to HUF 22.92 billion from HUF 21.83 billion in the previous year. The aggregate turnover of equities, a key trading segment of the cash market was HUF 5,522.53 billion in 2010, this is an increase of 7.48 % compared to the previous period, thus the average daily turnover of the equities market was HUF 21.74 billion in 2010 compared to HUF 20.47 billion a year before.

Despite increasing turnover the number of registered stock exchange transactions dropped: the number of spot market deals was 3,476,711 in 2009, the same indicator in 2010 was 2,790,242, this is a contraction of 19.74 %. The average daily transaction number was 10,895 compared to 13,796 in the previous period.

BSE cash equity turnover 2005-2010 (double conted)



	2005	2006	2007	2008	2009	2010
Turnover* (HUF billion)	9,661	13,001	17,384	10,569	10,276	11,045
Number of transactions (in thousands)	1,104	1,465	1,629	1,893	3,350	2,612

* double counted

Derivative market

The aggregate derivative market turnover of HUF 3,982.89 billion shows an increase of 7.7 % compared to last year. In the annual turnover equity based products had a share of HUF 2,075.23 billion (52.1%), while financial products made up HUF 1 871.5 billion (46.9%).

At an annual level the turnover of equity based products increased 34 %, while financial product turnover contracted 11 %. Commodities turnover amounted to HUF 36.15 billion that is a 26 % drop compared to the previous year.

Product type/transaction type in 2010	(HUF billion)
Index based futures	829.8
Equities futures	1,245.4
FX futures	1,863.4
Interest futures	0.0
BUX option	0.0
Equities option	0.0
FX option	8.1
Commodities futures	34.8
Commodities options	0.0
Total	**3,981.6**

Source: BSE statistics 2010.

STOCK EXCHANGE AND ENERGY MARKET SETTLEMENT

As a result of a development completed the previous year in 2010 stock exchange transactions were settled in the integrated cash and derivative market clearing system. The settlement agent function introduced as a new service after the development further expanded the settlement horizon available to market participants.

From the summer of 2010 in addition to traditional capital market settlements we started to offer settlement services in new markets also.

As the winner of the international procurement tender announced by FGSZ Földgázszállító Zrt. from 1 July, 2010 we are in charge of the full scale settlement of the Daily Natural Gas and Capacity Trading Market (gas market). This service is provided in the framework of a new clearing system especially designed for the gas market. Following the launch of this service settlement is provided to 12 new gas market players.

Simultaneously with the launch of gas market services HUPX (energy market) started to operate on 20 July, 2010. With the introduction of the energy market settlement service by the end of the year the number of new energy market participants using settlement services in Euro increased to 11.

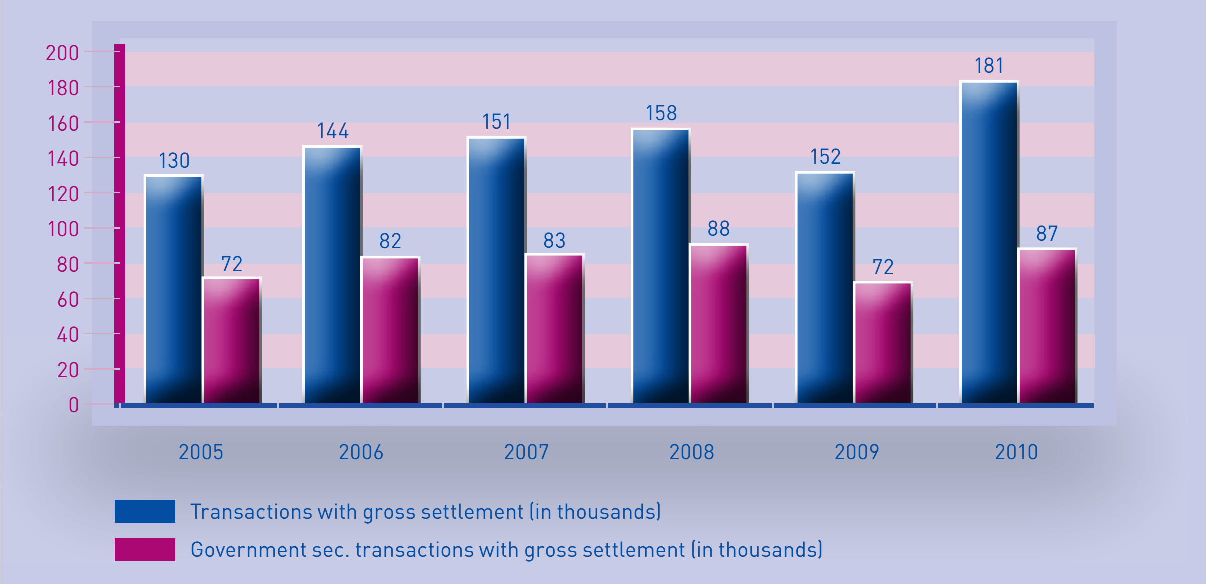
The launch of energy market settlement services represented a professional challenge to us, having regard to the fact that these services are provided in a competitive environment to both domestic and international clients.

After the successful launch of the settlement services related to the two new markets, in addition to the 33 stock exchange clearing members, there are 21 new market participants using our settlement services (two participants use settlement services in the new markets). In addition to the increasing number of our counterparties with our clearing and guarantee undertaking services we entered international markets and started to offer services to international counterparties also.

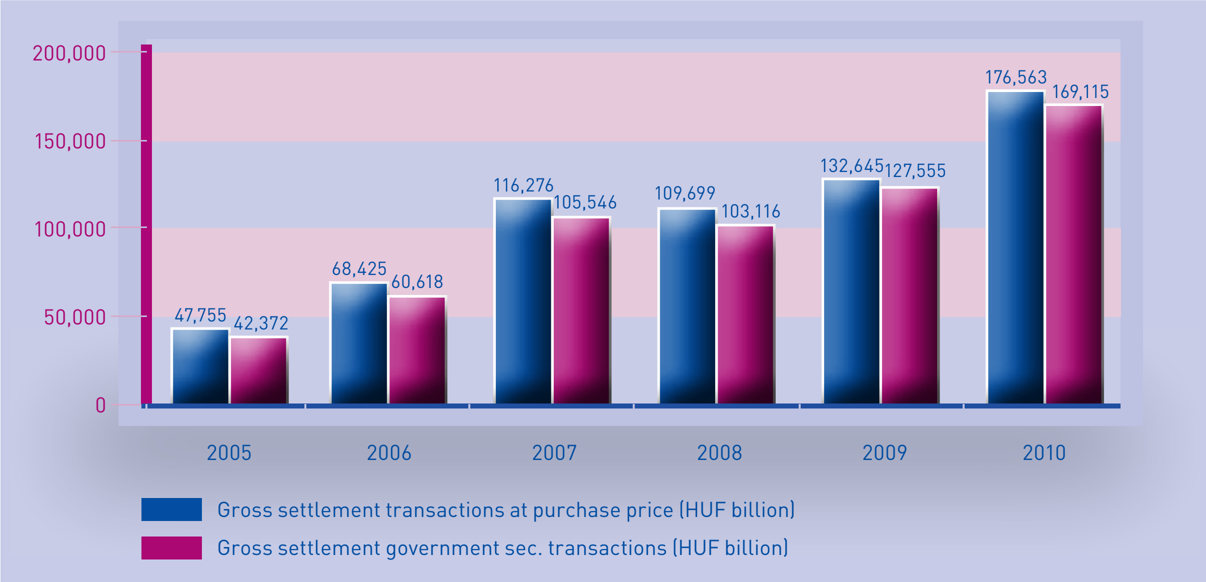
OVER-THE-COUNTER SETTLEMENT

We closed a successful year in the market of over-the-counter (OTC) transactions with gross settlement where turnover calculated at purchase price increased 33 % in 2010 and reached HUF 176,563 billion after the turnover of 2009 of HUF 132,645 billion. Government securities had a share of HUF 169,115 billion. This turnover consisted of 87 thousand transactions.

Number of transactions with gross settlement 2005-2010



Turnover of gross settlement transactions 2005-2010



INTERNATIONAL SETTLEMENTS

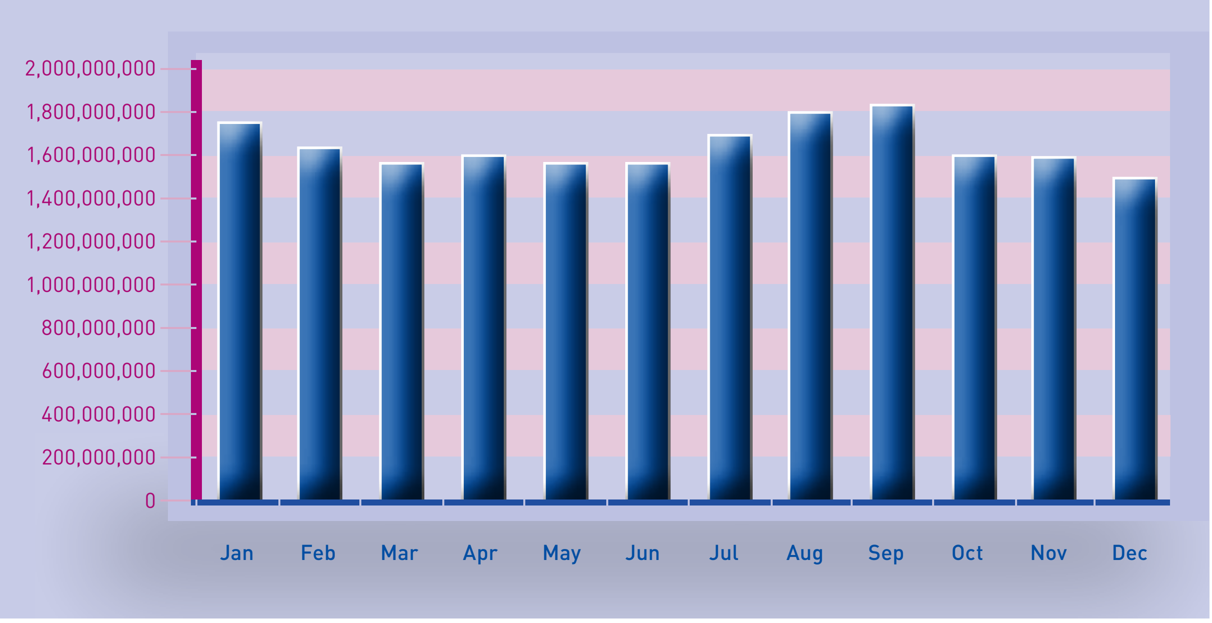
With respect to international settlements while the average volume of international securities in custody (EUR 1.65 billion) decreased slightly, the number of transactions registered a strong fall in 2010. The number of cross border transactions in 2009 exceeded 10,000, however, in 2010 volumes contracted nearly 20 %. This decrease was partly due to the change in custodian at two resident clients with major volumes and the following withdrawal of assets by them. This was somewhat compensated by the acquisition of new, mostly smaller clients.

There were no significant changes in the domestic settlement of non-resident clients. The portfolio of assets in custody was nearly HUF 700 billion, this is a minor drop (2.5 %) compared to last year. However, transaction numbers increased about 10 %, thus in the past year the number of transactions exceeded 5,100.

In 2010 we have seen a major increase in the settlement provided by KELER of the transactions concluded on XETRA. The number of transactions in 2010 was about 60 % higher than in 2009 and exceeded 6,000, turnover was nearly EUR 170 million.

In 2010 developments were completed to continuously increase the attractiveness of our services, thus we created the HOLD/RELEASE function in settlement whereby instructions received from customers are involved in matching without verification of cover and are settled following receipt of cover.

Monthly portfolio of international securities, 2010 (EUR)



CENTRAL DEPOSITORY ACTIVITY

Management of dematerialized securities

In 2010 the number of dematerialized securities series increased 4.3 % (from 2 549 to 2 659), in the same year the total nominal value held in central securities accounts increased 5.6 % (from HUF 21,713 billion to HUF 22,937 billion).

In 2010 issuers managed their securities differently as compared to previous years, that is issuers no longer insisted on the face values of securities physically printed earlier and continued to rationalize the number of their securities series.

This is evidenced by KELER generating 797 new series and deleting 391 series at the instruction of issuers during the year. In 2010 the number of other services (over issuance, partial cancellation, change of instrument, securities transformation) related to dematerialized securities was 623, that is altogether 1,781 demat events were ordered by issuers, that is a 19 % increase compared to 2009.

Volume of securities kept in KELER, 31 December, 2010					
Securities type	**Physical securities (thousand pieces)**	**Face value (HUF billion)**	**Number of dematerialized securities series**	**Face value (HUF billion)**	**Total face value (HUF billion)**
Equities	*986*	*249.94*	*1,257*	*2,344.91*	**2,595**
Government securities	*0*	*0.00*	*95*	*14,766.20*	**14,766**
Other securities	*1*	*1.00*	*1,307*	*5,826.34*	**5,827**
Total	**987**	**250.94**	**2,659**	**22,937.45**	**23,188**

In foreign currency, by securities type	Physical securities (thousand pieces)	Face value in foreign currency (million)	Number of dema-terialized securities series	Face value in foreign currency (million)	Total face value (million)
BGN	**0**	**0.00**	**1**	**43.56**	**43.56**
Investment units and capital fund notes	0	0.00	1	43.56	43.56
CZK	**0**	**0.00**	**3**	**127.67**	**127.67**
Investment units and capital fund notes	0	0.00	3	127.67	127.67
CHF	**1**	**5.53**	**245**	**2,337.78**	**2,343.31**
Debt securities	0	0.00	245	2,337.78	2,337.78
Equities	1	5.53	0	0.00	5.53
EUR	**0**	**0.00**	**170**	**3,119.47**	**3,119.47**
Investment units and capital fund notes	0	0.00	59	906.90	906.90
Debt securities	0	0.00	95	1,939.32	1,939.32
Equities	0	0.00	16	273.24	273.24
PLN	**0**	**0.00**	**3**	**19.89**	**19.89**
Investment units and capital fund notes	0	0.00	3	19.89	19.89
USD	**0.1**	**0.03**	**26**	**390.50**	**390.53**
Investment units and capital fund notes	0	0.00	18	384.32	
Debt securities	0	0.00	8	6.18	6.18
Equities	0.1	0.03	0	0.00	0.03
HUF	**986.14**	**2,250 935.79**	**2,212**	**19,105,769.32**	**21,356 705.11**
Government securities	0	0.00	95	14,766,198.82	14 766 198.82
Investment units and capital fund notes	0	0.00	543	68,933.50	68,933.50
Debt securities	0.1	1,080.00	332	2,020,781.21	2,021,861.21
Equities	986.04	2,344,911.57	1 242	2,249,855.79	4,594,767.35
Total	**986.79**	********	**2,659**	*******	*******

Corporate event related information	2004	2005	2006	2007	2008	2009	2010
Dividend payment	29	30	35	24	25	15	13
Yield payment	0	0	17	9	17	42	47
Interest payment and principal repayment	359	202	396	395	464	416	547
Other corporate events					13	15	
General meeting	96	67	145	75	66	60	65
Updating share registry	107	82	106	110	105	112	149
Retrospective shareholders registration	0	0	4	13	8	14	12

Issuance of securities codes

In 2010 KELER issued 1,030 ISINs at the request of issuers, this is an increase of 20 % compared to 2009.

In the wake of a major development from April 2010 ISINs can be applied for electronically on the web site of www.keler.hu with the help of the eISIN application.

Month	eISIN % rounded	Hard copy % rounded
April	14% (broken month)	86%
May	40%	60%
June	39%	61%
July	52%	48%
August	46%	54%
September	29%	71%
October	73%	27%
November	24%	76%
December	52%	48%

GENERAL DEPOSITORY ACTIVITY

Management of physical securities

In contrast to the decreasing trend of previous years the number of physical securities in our depository increased 109 thousand pieces (from 879 thousand to 987 thousand).

SHARE REGISTRY

The Share Registry Department of KELER completed its tasks that did not change compared to earlier periods: in addition to share registry our clients could use services like involvement in the payment of dividend, interest or countervalue and the organization of general meetings.

In 2010 the number of our share registry clients increased with 4, thus we had 56 clients using this service. Obviously this client number includes partners utilizing our services related to dematerialization and on a case by case basis only and is without the few companies that have used other services we provide in addition to the services they already used.

In November 2010 an organizational change took place: the Share Registry Department and the Demat Department were merged to create the Issuance Department. As a result of this change in the future all services offered to issuers will be provided by this organizational unit.

PROJECTS OF HIGH PRIORITY

GAS MARKET SETTLEMENT

KELER with its contractor KELER CCP submitted a bid to the public procurement tender issued by Földgázszállító Zrt. (hereinafter FGSZ) in May 2009 for the settlement of the Daily Natural Gas and Capacity Trading Market. The winner of the tender was the KELER Group.

In 2009 a project was launched to prepare for the new service and to create the regulatory, technical, infrastructural and operational conditions of gas market settlement and to introduce the new service to the new clients.

From 1 July, 2010 the KELER Group provides account management, clearing, guarantee undertaking and settlement services to the participants of the natural gas market operated by FGSZ. The new market started to operate in the summer of 2010 with spot type balance gas products and capacity products and currently 11 players use this service.

ENERGY MARKET SETTLEMENT

In addition to providing natural gas market settlement, with the involvement of the KELER Group, financial settlement in foreign currencies, in HUF, through the Hungarian settlement system related to energy market transactions is available from 20 July, 2010 to the participants of the energy market (HUPX). With this service launch we entered a new strategic field as the general clearing member of ECC, the German clearing house.

In the frame of this project the requirements of the new markets were created: procedures, processes and systems of settlement, risk management, FX settlement were established.

WEB-BASED SERVICES

In 2010 KELER laid the foundation of an infrastructure, security and access system based on which web-based services can be launched in the future and alternative service channels can be created.

On 6 April, 2010 we introduced a new online service in the securities market. The eISIN service that is available at www.keler.hu is the electronic issuance of ISINs and offers issuers an online choice, combined with online payment and is a good starting point to create additional alternative service channels.

SWIFT 2010SR

Compliance with the new standard issued by SWIFT required significant developments in 2010 in business communication systems and corporate action managing modules. In line with market expectation harmonization with the new SWIFT 2010SR was completed.

ORACLE UPGRADE

The upgrade of the generally used data base management system of KELER was completed (ORACLE 11g R2) and in order to ensure operation based on the new data base environments the check up of the business systems involved were completed.

ADDITIONAL SERVICE DEVELOPMENTS

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Business and IT developments in 2010 were completed in line with the Annual Development and Investment Plan of KELER. In 2010 KELER implemented four business and IT version upgrades and the following major developments went live:

DECIMAL MANAGEMENT IN CASE OF HUF DENOMINATED SECURITIES

This development was implemented based on a client requirement, as a result of which decimals can be used and managed in respect of securities face value in case of HUF denominated securities (both for debt securities and equities).

EXTENSION OF OWNER DATA OF SECURITIES

Based on the reporting obligation of account managers in the interest of easing reporting to the issuer we extended the details of shareholder identification related to payments with the information on the application of the rule on income from long term investment as stated in the Personal Income Tax Act in force from 1 January, 2010. The development allows to transfer tax exemption information of income generated by investments kept in long-term investment accounts that were introduced by the prevailing Personal Income Tax Act in force since 1 January, 2010.

GROSS SETTLEMENT DEVELOPMENTS

In order to increase client satisfaction in respect of gross settlement we implemented developments allowing OTC deal related checking and matching as required by clients.

HOLD/RELEASE FUNCTION IN CROSS BORDER SETTLEMENT

Pursuant to client requests on the forwarding of instructions received from clients without verification of cover to the outsourced account manager with 'HOLD' status a development was implemented to create this facility. As a result instructions are matched but are not settled until the actual cover is received. Once cover is received instructions are submitted to settlement with a new message ('RELEASE').

INFORMATION TECHNOLOGY

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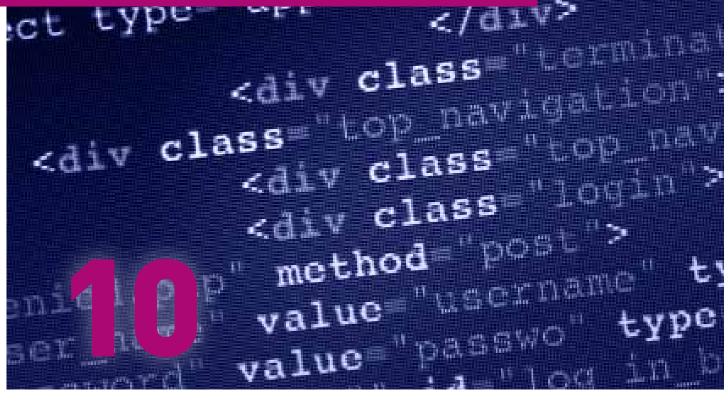


Similarly to past years 2010 was a period when a number of tasks had to be solved by IT.

IT completed these tasks in line with the IT strategy approved for the year, strengthening the basics of operation and client orientation continued to be in the focus of the IT strategy.

IT completed the following major tasks in 2010:

- By establishing the IT background IT was an active player in the project aiming to create the regulatory, technical, infrastructural and operation conditions of the natural gas market and energy market settlement (HUPX) mentioned in earlier sections of this document.
- In line with its traditions SWIFT issues new standards in the autumn, thus new standards were published in 2010 as well. Compared to the last 2 years the recent standards represented major and obligatory modifications in systems. The changes had a major impact on business communication and processes also.
- In 2010 the TurboSwift data base was replaced and we switched to MSSQL data base management that is widely used in the banking sector.
- During the 2010 technical upgrade the K4 version project upgrade was started in July and was completed by the beginning of December. At the same time the upgrade of Oracle 9 to 11 was also completed.
- In order to increase the efficiency of the Service Desk a new SD software was purchased that not only supports SLA based operation but also facilitates the retrieval of necessary data.
- The testing method reviewed in 2009 and the acquisition of the related new support tool, with which the test preparation and implementation can be managed, fulfilled their purpose, thus testing and result evaluation was automated in 2010.
- In 2010 the availability of our systems at KELER and KELER CCP jointly was 99.92 %.

The operation of the IT Department of KELER was of a preventative character and making use of the monitoring capabilities of systems the expected level of operation was continuously met during 2010.

RISK MANAGEMENT

In 2010 the Risk Management Department of KELER started preparations for compliance with the recently accepted directives of the Basel Committee. The European Union included the new rules of Basel III in four directives: CRD I – II – III (modifications of the Capital Requirement Directives) of these four directives are applicable from 2011, while CRD IV is expected to take force from 2013. The change in regulation genuinely modifies the amount of guarantee capital of KELER that can be taken into account to cover risks. During the year several impact analyses and action plans were completed related to this topic.

COUNTERPARTY RISKS

Treasury, bank rating

In the spring of 2010, in cooperation with Treasury and with the approval of the Board of Directors, Risk Management modified the limit system procedure of Treasury, as a result measures that earlier limited the operation of Treasury but represented no significant additional risks were deleted from the procedure.

In the scope of bank rating the counterparties of Treasury were rated based on quarterly and annual audited figures and a proposal was made to the Assets and Liabilities Committee on the risks to be taken in respect of counterparties.

OPERATIONAL RISK MANAGEMENT

The goal of the operational risk management system is to ensure that KELER is continuously aware of its own risks, monitors and as far as possible reduces them, additionally that it collects data on past losses and makes expert estimates on rarely occurring potential events resulting in huge losses.

In 2010 the Operational Risk Management Committee held quarterly meetings and discussed events of losses that occurred and actual operational risks. To the extent that it was necessary and possible it took actions to decrease and prevent risks and subsequently monitored the implementation of the measures taken.

By relying on both the top-down and bottom-up methodologies in the autumn of 2010 KRI (key risk indicators) at each organizational unit of KELER were reviewed and self-assessment interviews that are an important element in the calculation of capital required were completed.

HUMAN RESOURCES 12

2010 was a year of stability for KELER in terms of Human Resources. The number of employees changed very little. 2010 was a period when we focused on providing higher level services to partners, entering new markets and providing the necessary human resources.

Due to changes during the annual review of the performance management system the importance of business performance and the definition of goals related to launching new markets, the development of competences guaranteeing that these goals can be met became increasingly the focus of our operation.

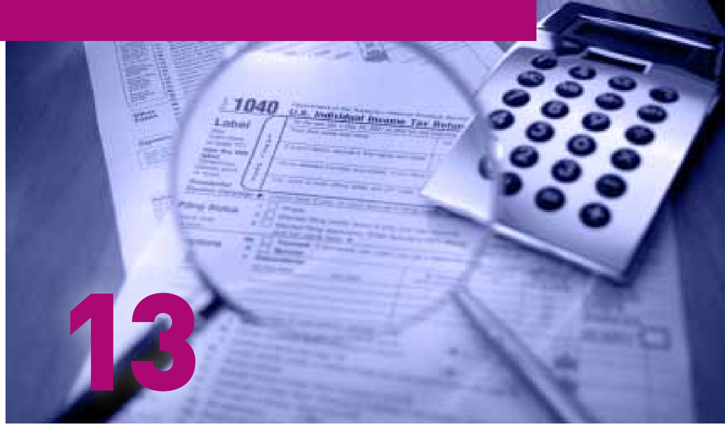
This year KELER helped employee development by internal and external trainings that focused on professional competences and employees could take part in trainings related to IT, awareness of security and the energy market.

With the launch and efficient operation of the above measures KELER became able to better plan and develop human resources requirements, which contributes to KELER having the human resources necessary to achieve strategic objectives.

ORGANIZATIONAL CHANGES

From November 2010 the following organizational changes took place in KELER:

- The Strategy and Client Relations Directorate was set up. Within the Directorate the Strategy and Product Management Department and the Client Relations and Marketing Department were created. Simultaneously the Business Development Department was terminated and the tasks of this department were taken over by the Strategy and Product Development Department and the IT Development Department. Furthermore the Treasury Department no longer reports to Risk Management and Finance but to the new Directorate.
- The Stock Exchange Settlement Department earlier operating under Operations was transferred to Risk Management and Finance.
- The Share Registry Department and the Demat Department operating under Operations were merged to create the Issuance Department.



INTERNAL AUDIT

Internal Audit completed its activities in 2010 also in line with the annual work schedule approved by the Supervisory Board and based on risk assessment and risk analysis and the prevailing operating procedure on Internal Audit. When defining areas to be covered the audit of activities, processes and controls with inherent risks and high priority was considered an essential aspect. Internal Audit also acts as an obligatory auditor of new or to be modified regulatory documents.

In 2010 there were 9 non-IT audits completed. Additionally, based on the agency agreement of KPMG Ltd., 6 IT audits were also completed. Within the audits completed 10 audits covered specific topics, 1 audit was related to a specific field and there were 4 follow-up audits.

In the scope of the audit related to a specific field it was checked that the practical procedures related to the modifications of the General Business Rules of KELER and KELER CCP discussed and approved by the Board of Directors in 2008 and 2009 were in compliance with applicable regulations.

During the audits completed special attention was paid to checking compliance with legal and internal regulations, the operation of controls and meeting security requirements. Particular attention was devoted to checking in follow-up audits the implementation of measures taken and recommendations made to remediate discrepancies identified in earlier audits. The four follow-up audits related to two IT and two non-IT Internal Audit reviews completed earlier.

SECURITY MANAGEMENT

In 2009 and 2010 Security Management laid the new foundation of and reviewed the entire security regulatory control system. Related to this and with respect to ensuring compliance with the internal and external regulations it met auditor requests and complied with applicable regulations.

In this year the review, modification and testing of business processes and related BCP/DRP action plans were completed and major developments were implemented to increase the security of the IT network of KELER.

During the year employees participated at trainings and events aiming to increase awareness related to BCP-DRP, IT security and business security on several occasions.

15 CODE OF CONDUCT

Institutions represented by ECSDA (European Central Depositories Association), FESE (Federation of European Securities Exchanges) and EACH (European Association of Central Counterparty Clearing Houses), among them KELER Ltd. and KELER CCP Ltd. signed the Code of Conduct for Clearing and Settlement to support the integration of the European capital market. With the execution of the Code of Conduct KELER and KELER CCP voluntarily undertook to comply with the provisions therein, the main points of which are as follows:

1. Price Transparency

2. Access & Interoperability

3. Unbundling & Accounting Separation

In line with the requirements of the Code of Conduct KELER is to evaluate annually in the so-called Self-Assessment Report the level of compliance with the undertakings regarding unbundling and accounting separation and the Report is to be audited by an independent auditor.

In line with regulations as a result of the officially announced and completed tender by KELER and KELER CCP the auditor selected is KPMG Hungária Ltd. (hereinafter: KPMG). The audit was successfully completed both at KELER and KELER CCP in 2010.

In order to measure compliance with the requirement on unbundling and accounting separation in May 2010 a self-assessment was completed for the year 2009. The self-assessment confirmed that both KELER and KELER CCP operate in line with the principles of the Code of Conduct.

REPORT BY THE SUPERVISORY BOARD OF KELER ON THE YEAR 2010

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The Supervisory Board held 4 meetings in 2010 and on one occasion passed decisions in writing out of session. In line with earlier practice, risk assessment and risk analysis were completed prior to finalizing the work schedule of Internal Audit for 2010. Thus reviews by Internal Audit can focus on the activities and processes with the highest inherent risks.

The Supervisory Board approved the work schedule of Internal Audit of the Company and was continuously informed on the implementation of the work schedule at its meetings during the year.

In 2010, among others, reviews were completed in respect of the operational risk management system, compliance by KELER with capital requirement provisions and trading book procedures, the creation and operation of the clearing membership and guarantee system operated by KELER CCP, the modification procedure of the General Business Rules and Fee Schedules of KELER and KELER CCP and the major reports sent to the supervision. Additionally, the Supervisory Board discussed reports on the follow-up audits of earlier accepted Internal Audit reports (comprehensive review of derivative settlement, follow-up audit on the comprehensive review of the Securities Settlement Department).

In 2010 the Supervisory Board discussed reports on security control reviews, change management and going live processes and security incident management processes.

The Internal Audit reports and related action plans discussed by the Supervisory Board included discrepancies identified during the reviews, the recommended measures to be taken, responsible persons and deadlines. Follow-up reports informed members of the Supervisory Board on the implementation of such measures.

Based on management reports the Supervisory Board of KELER Ltd. continuously monitored the implementation of measures recommended by Internal Audit reports.

The Supervisory Board approved the Internal Audit recommendation on the internal audit reviews to be completed in respect of the annual disaster recovery tests to be implemented at KELER and KELER CCP.

Based on verbal and written reports by management the Supervisory Board monitored the situation that arose at the end of the year related to a gas market clearing member of KELER CCP.

In order to continuously monitor risks influencing the management of KELER Ltd., the Supervisory Board discussed at its meetings the report provided quarterly by Internal Audit in respect of operational risk measurement and minutes on the meetings of the Operational Risk Committee.

The Supervisory Board received reports on the activity of the Compliance Officer in 2009 and the work schedule of the Compliance Officer for 2010.

At its meetings the Supervisory Board regularly discussed periodic reports on the business and management of KELER Ltd.

Based on Internal Audit reports and follow-up reports and other materials discussed, the Supervisory Board declares that throughout the operation of KELER processes are regulated, management is in order, the Board of Directors and the management of the Company make continuous efforts to maintain secure operation at a high level.

By approving the work schedule of the Internal Audit of KELER Ltd., the Supervisory Board contributed to Internal Audit completing 2 reviews at KELER CCP Ltd., the subsidiary of KELER. The reports on the reviews completed were discussed and the recommended action plan was approved by the Supervisory Board of KELER and the Members' Meeting of KELER CCP.

The Chairman of the Supervisory Board of KELER attends meetings of the Board of Directors of KELER, receives flash reports of KELER and KELER CCP, the Supervisory Board of KELER also discussed and accepted the quarterly financial reports and back testing of the Group.

When establishing procedures and defining directions of development, the Company strived to facilitate the spreading of up-to-date methods in all areas of the money and capital markets. The Supervisory Board is convinced, that similarly to earlier periods, KELER Ltd. has all personal and material conditions to meet the challenges of forthcoming years.

In 2010 results from both financial services and service activity were significantly more than planned, while nominal costs of operations remained below the level of costs of 2009. The capital structure of KELER Ltd. continues to provide great security to the players of the money and capital markets using the services of the Company. Furthermore, we are convinced that the infrastructure necessary to provide quality services of high level is at the disposal of KELER Ltd.

The Supervisory Board found that the management of both KELER and KELER CCP used financial sources entrusted to the them with due care. The Supervisory Board of KELER Ltd. reviewed consolidated financial statements in line with the International Financial Reporting Standards and studied the report by the auditors. Based on these documents the Supervisory Board makes a proposal to the General Meeting to accept the consolidated financial statement of KELER Ltd. for the year 2010 with total assets/liabilities and shareholders' equity of HUF 88,263 million and a profit after tax of HUF 1,891 million.

Budapest, 28 April, 2011

Lajos Bartha

Chairman of the Supervisory Board

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CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2010

REPORT BY THE INDEPENDENT AUDITOR

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KPMG

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Váci út 99.
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Hungary

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This is an English translation of the Independent Auditors' Report on the 2010 statutory Consolidated Financial Statements of Központi Elszámolóház és Értéktár (Budapest) Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete statutory Annual Report it refers to.

Independent Auditors' Report

To the shareholders of Központi Elszámolóház és Értéktár (Budapest) Zrt.

Report on the Consolidated Financial Statements

We have audited the accompanying 2010 consolidated financial statements of Központi Elszámolóház és Értéktár (Budapest) Zrt. (hereinafter referred to as "the Company"), which comprise the consolidated statement of financial position as at 31 December 2010, which shows total assets of MHUF 88,263, the consolidated statement of comprehensive income, which shows profit for the year of MHUF 1,891, and the consolidated statements of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We have audited the consolidated financial statements of Központi Elszámolóház és Értéktár (Budapest) Zrt., its components and elements and their documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Központi Elszámolóház és Értéktár (Budapest) Zrt. and its consolidated subsidiaries as of 31 December 2010, and of their consolidated financial performance and of the consolidated result of their operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on the Consolidated Business Report

We have audited the accompanying 2010 consolidated business report of Központi Elszámolóház és Értéktár (Budapest) Zrt.

Management is responsible for the preparation of the consolidated business report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. Our responsibility is to assess whether this consolidated business report is consistent with the 2010 consolidated annual report. Our work with respect to the consolidated business report was limited to the assessment of the consistency of the consolidated business report with the consolidated annual report, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

In our opinion, the 2010 consolidated business report of Központi Elszámolóház és Értéktár (Budapest) Zrt. is consistent with the data included in the 2010 consolidated annual report of Központi Elszámolóház és Értéktár (Budapest) Zrt.

Budapest, 27 April 2011

KPMG Hungária Kft.
Registration number: 000202

Gábor Agócs
Partner, Professional Accountant
Registration number: 005600

STATEMENT OF FINANCIAL POSITION

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Central Clearing House and Depository (Budapest) Ltd.
Consolidated Statement of Financial Position as at 31 December 2010
(All amounts in MHUF, unless stated otherwise)

		31.12.2010	31.12.2009
Cash and cash equivalents	5	607	363
Placements with other banks	5	3,688	4,727
Financial assets at fair value through profit and loss	6	62,477	44,028
Receivables relating to clearing and depository activities	7	493	443
Accrued interest receivables		671	781
Other investments	8	20	20
Held-to-maturity securities	9	0	100
Intangible assets	11	1,308	1,438
Property, plant and equipment	12	488	590
Current tax assets		111	64
Trade receivables	10	18,124	22
Other assets		276	191
TOTAL ASSETS		**88,263**	**52,767**
Placement and loans from other banks	13	31,302	25,566
Deposits from customers	14	19,036	9,387
Accrued interest payable		229	143
Current tax liabilities		39	59
Deferred tax liabilities	22	237	182
Accounts payable	15	18,232	141
Other liabilities		512	504
TOTAL LIABILITIES		**69,587**	**35,982**
Share capital	16	4,500	4,500
Retained earnings		12,194	11,010
Statutory reserves	17	1,932	1,245
Minority interest		50	30
TOTAL SHAREHOLDERS' EQUITY		**18,676**	**16,785**

The accompanying notes to financial statements on pages 35 to 58 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

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Central Clearing House and Depository (Budapest) Ltd.
Consolidated Statement of Comprehensive Income for the year ended 31 December 2010
(All amounts in MHUF, unless stated otherwise)

		31.12.2010	31.12.2009
Income from clearing and depository activity	**18**	**4,695**	**4,429**
Interest incomes	19	3,443	2,642
Interest expenses	19	(1,776)	(1,275)
Net interest income		**1,667**	**1,367**
Other operating income		39	167
Fee and commission expenses		(204)	(286)
Gains and losses on securities, net		(31)	1,341
Personnel expenses	20	(1,524)	(1,556)
Depreciation and amortization		(789)	(724)
Other expenses	21	(1,560)	(1,565)
Operating expenses		(4,108)	(2,790)
PROFIT BEFORE INCOME TAX		**2,293**	**3,173**
Taxation	22	(402)	(598)
NET PROFIT FOR THE YEAR		**1,891**	**2,575**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,891**	**2,575**
NET PROFIT ATTRIBTABLE TO:			
Shareholders of the Company		1,871	2,558
Non-controlling interest		20	17
NET PROFIT FOR THE YEAR		**1,891**	**2,574**
TOTAL COMPREHENSIVE INCOME ATTRIBTABLE TO:			
Shareholders of the Company		1,871	2,558
Non-controlling interest		20	17
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,891**	**2,574**

The accompanying notes to financial statements on pages 35 to 58 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

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Central Clearing House and Depository (Budapest) Ltd.
Consolidated Statement of Changes in Equity for the year ended 31 December 2010
(All amounts in MHUF, unless stated otherwise)

	Share Capital	Retained Earnings	Reserves	Minority interest	Total
Balance as of 1 January 2009	**4,500**	**8,658**	**1,039**	**13**	**14,210**
Total comprehensive income for the year	-	2,558	-	17	2,575
Statutory reserves	-	(206)	206	-	-
Balance as of 1 January 2010	**4,500**	**11,010**	**1,245**	**30**	**16,785**
Total comprehensive income for the year	-	1,871	-	20	1,891
Statutory reserves	-	(687)	687	-	-

The accompanying notes to financial statements on pages 35 to 58 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS 21

Central Clearing House and Depository (Budapest) Ltd.
Consolidated Statements of Cash Flows for the year ended 31 December 2010
(All amounts in MHUF, unless stated otherwise)

	01.01.2010-31.12.2010.	01.01.2009-31.12.2009.
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income taxes	**1,891**	**2,575**
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Income Taxes	555	742
Depreciation and amortization	789	724
Unrealised (gains) / losses on fair value adjustment on financial assets at fair value through Income Statement	(686)	(886)
Changes in operating assets and liabilities:		
Net (increase) / decrease in financial assets at fair value through Income Statement	(17,762)	(14,279)
Net (increase) / decrease in Receivables relating to clearing and depository activities	(50)	(76)
Net (increase) / decrease in other assets	(18,187)	134
Net (increase) / decrease in accrued interest receivables	110	34
Net increase / (decrease) in accrued interest payable	86	2
Net increase / (decrease) in other liabilities	18,133	204
Income Taxes paid	(601)	(421)
Net cash used in operating activities	**(15,722)**	**(11,245)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net (increase) / decrease in placements with other banks, net of allowance for placement losses	1,420	(1,381)
Net (increase) / decrease in associates and other investments	-	-
Net (increase) / decrease in securities held-to-maturity	100	-
Net additions to premises, equipments and intangible assets	(557)	(751)
Net cash used in investing activities	**963**	**(2,133)**

The accompanying notes to financial statements on pages 35 to 58 form an integral part of these financial statements.

Central Clearing House and Depository (Budapest) Ltd.
Consolidated Statements of Cash Flows for the year ended 31 December 2010
(All amounts in MHUF, unless stated otherwise)

	01.01.2010-31.12.2010.	01.01.2009-31.12.2009.
CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase / (decrease) in due to banks and deposits from the National Bank of Hungary and other banks	5,735	14,032
Net increase / (decrease) in deposits from customers	9,649	(80)
Net increase / (decrease) in the compulsory reserve established by the National Bank of Hungary	(382)	(332)
Dividends paid	-	-
Net cash flow from financing activities	**15,002**	**13,620**
Net increase / (decrease) in cash and cash equivalents	**244**	**242**
Cash and cash equivalents at the beginning of the year	363	121
Cash and cash equivalents at the end of the year	607	363
Net (decrease)/increase in cash and cash equivalents	**244**	**242**

The accompanying notes to financial statements on pages 35 to 58 form an integral part of these financial statements.

Notes on Financial Statements

For the year ended 31 December 2010

(All amounts in MHUF, unless stated otherwise)

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NOTE 1: GENERAL

Central Clearing House and Depository (Budapest) Ltd. ("the Company" or "KELER") is a limited liability company incorporated under the laws of the Republic of Hungary on 12 October 1993. The official address of the company: 1075 Budapest, Asbóth utca 9-11.

The Company's primary activitys is being a clearing house for the Budapest Stock Exchange ("BSE"). The Company also handles the BSE customers' cash accounts and safekeeping of securities, OTC government securities clearing and settlement between the National Bank of Hungary ("NBH"), banks and brokers. From the beginning of 2004, the Company has been operating as a specialized credit institution under the Act CXII of 1996 on Credit Institutions and Financial Enterprises ("Act on Credit Institutions").

In accordance with the decision made by the NBH (KELER's majority owner), as a result of the functional separation, the activity of the central contractual party (CCP) was transferred into KELER CCP Ltd. ("KELER CCP"), while the clearing and settlement functions remained at KELER.

KELER CCP was founded by KELER and BSE in 2008.

KELER CCP is a limited liability company according to the Hungarian laws. Company's seat: H-1075 Budapest, Asbóth str. 9-11.

KELER CCP's owners when established

• KELER	74,5%
• BSE	25,5%

KELER CCP's owners since 26 February 2009.

• KELER	74,5%
• NBH	13,6%
• BSE	11,9%

KELER CCP is a central counterparty business association pursuant to the requirements of the Tpt. (Act on the Capital Market of Hungary) operating and guaranteeing the settlement of stock exchange and over-the-counter transactions.

KELER CCP as central counterparty undertakes guarantee for transactions concluded on the Budapest Stock Exchange and for the financial performance of the gas market (Daily natural gas and capacity trading market) transactions. KELER CCP as general clearing member undertakes guarantee for the financial performance of energy market transactions towards European Commodity Clearing AG. KELER CCP's direct partners are commodities service, securities service providers, financial institutions, participants of an organized market, or organizations performing clearing house activity. KELER CCP's activity ensures that market participants' guaranteed trades are settled risk free.

KELER and KELER CCP (hereinafter the "Group") service their clients in Hungary.

The upper limit of the guarantee is set based on the equity of the Group.

NOTE 2: BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the EU and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC), as adopted by the EU. These consolidated financial statements have been prepared for information and statutory filing purposes.

These consolidated financial statements were approved by the Board of Directors on 27 April 2011. The financial statements are subject to shareholders' approval on the General Meeting to be held 18 May 2011.

b) Basis of measurement

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

These consolidated financial statements are presented in Hungarian Forints rounded to the nearest million ("MHUF").

c) Functional currency

Items included in the consolidated financial statements are measured using Hungarian Forint, which is the currency of the primary economic environment in which the Group operates ('the functional currency').

d) Use of estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate revised and in any future period affected.

NOTE 3:SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

Subsidiaries
Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the energy, directly or indirectly, to govern the financial and operating policies of an enterprise. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until that control effectively ceases. KELER' s only subsidiary is KELER CCP.

Associates
Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associated companies are accounted for under the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the net assets of the investee. The income statement reflects the Group's share of the result of operations of the investee and any goodwill impairment losses. KELER has no investment in associates.

Transactions eliminated during consolidation
Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Goodwill
Goodwill arising in a business combination is measured initially as the excess of the cost of the business combination over the acquirer's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities recognized. Goodwill is subject to an annual impairment test.

Negative goodwill
Negative goodwill arising in a business combination is measured initially as the excess of the net fair value of the acquired identifiable assets, liabilities and contingent liabilities recognized over the cost of the business combination. Negative goodwill that arise during the year is credited to the income statement.

b) Foreign currency transactions

Transactions in foreign currencies are translated to Hungarian forint at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Hungarian forint at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Hungarian forint at foreign exchange rates ruling at the dates the values were determined.

c) Cash and cash equivalents

Cash equivalents are liquid investments with original maturity of three months or less. Cash and cash equivalents are carried at amortised cost in the balance sheet.

d) Financial assets and financial liabilities

Classification
Financial assets or financial liabilities at fair value through profit or loss are financial assets and financial liabilities that are classified as held for trading mainly for the purpose of profit-taking, are derivative instruments that are not designated and effective hedging instruments or upon initial recognition are designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss contain state bonds, treasury bills and discount bonds issued by the NBH.

Receivables relating to clearing and depository activities are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Held-to-maturity assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity.

Available for sale financial assets are non-derivative instruments that are not designated as another category of financial assets.

Other liabilities contains all financial liabilities that were not classified as at fair value through profit or loss.

Other liabilities contain placements and loans from other banks, deposits from customers, liabilities relating to clearing and depository activities.

The classification and fair value of financial instruments is detailed in Note 5-6.

Recognition
Financial assets and liabilities are entered into the Group's books on the settlement day, except for derivative assets, which are entered on the trade day. Financial assets or financial liabilities are initially measured at fair value plus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets expire or the Group transfers substantially all risks and rewards of ownership of the financial asset.

Measurement
Subsequent to initial recognition, all financial assets or financial liabilities at fair value through profit or loss and all available for sale assets are measured at fair value. If no quoted market price exists from an active market and fair value cannot be reliably measured, the Group uses valuation techniques to determine fair value.

All financial liabilities other than at fair value through profit or loss, held to maturity financial instruments and originated receivables are measured at amortised cost less impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss, as gains and loss on securities.
A gain or loss on an available-for-sale financial asset shall be recognised directly in equity, through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss, as gains and loss on securities.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

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

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

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

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses.

Impairment of financial assets

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss, as other expenses.

Objective evidence that financial assets 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 or issuer 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 issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed through profit or loss, as other operating income.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss, even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

Financial assets are assessed individually or collectively. All individually significant financial assets are assessed for specific impairment. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics. Agricultural loans and micro credits are impaired collectively.

e) Impairment of non-financial assets

If there is any indication that the carrying amount of a non-financial (within the scope of IAS 36) asset exceeds its recoverable amount, the Group makes estimates for the recoverable amount of the asset. The Group considers external and internal information in assessing the amount of impairment. Impairment loss is recognised or reversed according to the individual rating of the asset.

Inventories within the scope of IAS 2 are measured at the lower of cost and net realisable value. The Group makes estimates for the realisable amount on a quarterly basis. Write-downs are recognised or reversed according to these estimates.

If the carrying amount / cost of the non-financial asset exceeds its recoverable amount / realisable value, write-down shall be recognised, if not, write-down shall be reversed to increase the carrying amount of the asset. The carrying amount of the asset after reversal can not exceed the original net carrying amount.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairments, if any. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life. The rates used by the Group are 14.5% for building improvements, 14.5% for office machines and 33% for office equipment and computers.

Expenditures incurred to replace a component of an item of property, plant and equipment that are accounted for separately, including major inspection and overhaul expenditures, are capitalized. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as expense as incurred.

g) Intangible assets

Intangible assets are stated at cost less accumulated depreciation and impairments, if any. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life.

For software 25%, valuable rights and interests 17% depreciation rate is used on a straight-line basis.

h) Trading on gas market

Based on the theory of the anonymity of the customers and the suppliers on the Daily natural gas and capacity trading market, the transactions are made with the participation of KELER CCP. KELER CCP stands between the counterparties as a technical partner (customer or supplier) during the buying and selling transactions. The stock of gas held by KELER CCP is always zero at the end of a day. Therefore, buying and selling of the gas is recorded by net method settlement in the comprehensive income while in the balance sheet accounts (receivables-liabilities) it is recorded gross.

i) Sale and repurchase agreements and lending of securities

Securities sold subject to linked repurchase agreements ('repos') are retained in the financial statements as trading or investment securities with concurrent recognition of the counterparty liability. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to customers.

The difference between sale and repurchase price is treated as interest and accrued over the life of repo agreements using the effective yield method. Securities lent to counterparties are also retained in the financial statements.

j) Revenue recognition

• *Fee revenue*
The Group receives revenue for its clearing and depository activities, such revenue is recognized when these services are performed.

• *Interest income*
Interest income is recognized in the income statement for all interest bearing instruments on an accrual basis using the effective yield method.

• *Dividends*
Dividends receivable are recognised in the Group's financial statements in the period in which they are approved by the shareholders.

k) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.
Deferred income tax is provided, using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

l) Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

m) Statutory reserves

i) General reserve
In accordance with Section 75 of Act No. CXII of 1996, a general reserve equal to 10% of the net after tax income is required to be made in the Hungarian statutory accounts. The general reserve, as calculated under Hungarian Accounting and Banking Rules, is treated as appropriations against retained earnings.

ii) General risk reserve
Under Section 87 of Act No. CXII of 1996, a general risk reserve of maximum 1.25% of the risk weighted assets is made. The general risk reserve is treated as appropriations against retained earnings.

iii) Restricted reserve
Based on corporate income tax law the group set up restricted reserve, to fund capital expansion (PPE) in the next four years.
Such amount is transferred from Retained earnings into Restricted reserve, up to an annual maximum of 500 MHUF

n) Hedging

The Group is not engaged in any hedging activity.

o) Statement of cash flows

Information about the cash flows of the Group is useful in providing users of financial statements with a basis to assess the ability of the Group to generate cash and cash equivalents and the needs of the Group to utilise those cash flows.

For the purposes of reporting cash flows, cash and cash equivalents include cash, balances and placements with the National Bank of Hungary except those with more than three months maturity.

p) Events after the balance sheet date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. These events are adjusting and non-adjusting events.

All adjusting events after balance sheet date have been taken into account in the preparation of the consolidated financial statements of the Group. The material non-adjusting events after the balance sheet date are presented in Note 25.

NOTE4: FINANCIAL RISK MANAGEMENT

As at 31 December 2010, 36% (31 December 2009: 46.7%) of the Group's financial assets held for trading portfolio consisted of securities issued by the Hungarian State and 64% issued by the National Bank of Hungary. The Group's investment activity is regulated by the Act CXX of 2001 on Capital Market ("Act on Capital Market"), according to which the Group can only invest its liquid assets in securities issued or guaranteed by an EU state or credit institute.

The Group has policies in place to ensure that services are made to customers with an appropriate credit history. Repurchase agreements are limited to high credit quality brokers and financial institutions. Group has policies that limit the amount of credit exposure to any one broker and financial institution. As at 31 December 2010, there were no open repurchase agreements.

The main elements of the Group's counterparty risk management approach are as follows:

(i) The performance and financials of members are continuously monitored and the Group constantly monitors bankruptcy. Member banks are rated quarterly based on financial statements and subjective aspects.

(ii) A two-level clearing membership system is operated by the KELER CCP on BSE prompt and derivative markets from 1 January 2009. Clearing members have to comply with specified requirements including equity capital criteria.

(iii) A real-time price monitoring system is operated on the prompt- and derivative markets of BSE. KELER CCP is entitled to dispose intraday clearing in case the price change exceeds certain limits.

(iv) A multi-level guarantee system is operated on prompt and derivative markets. The elements of the guarantee system are: individual collaterals and collective guarantee elements.
Individual collaterals include: basic financial collateral, variation margin, initial margin and additional collateral.
The collective guarantee elements are as follows: collective guarantee funds for both derivative and prompt markets.

(v) A capital position limit is set for clearing members, which is regularly monitored.

(vi) Since July 2010 Group has been clearing and guaranteeing two new markets: Daily Natural Gas and Capacity Trading Market (NFKP) and Hungarian Organized Energy Market (HUPX). KELER CCP operates guarantee systems in both markets. A collective guarantee fund has been introduced in the gas market, called Gas Market Collective Guarantee Fund. In the energy market KELER CCP offers its services as a clearing member of European Commodity Clearing AG (ECC).

Credit risk management

The most significant credit risk of the Group is concentrated in the KELER CCP due to the clearing membership. The main elements of the risk management procedures are described above. The Group's credit risk arises from its fee claims to clients and the exposures against the settlement counterparties. The Group manages credit risk through a Treasury limit system, which main elements are: partner limit, partner group limit, pre-settlement and settlement limit.

Foreign currency risk management

There have been no significant differences in daily portfolios of assets and liabilities denominated in foreign currency during the financial year 2010 and 2009. The majority of assets and liabilities denominated in foreign currency are cash accounts owned by customers. However, the balance of foreign currency cash accounts by the Group are relatively low compared to total balances. Accordingly the Group does not have significant exposure to foreign currency risk.

Foreign currency denominated assets amounted to HUF 2,248 million and HUF,4 632 million, while the foreign currency denominated liabilities amounted to HUF 3,867 million and HUF 4,537 million as at 31 December 2010 and 31 December 2009, respectively. The net foreign currency position during the period was around the average amount of 108 HUF million.

Details of compositions of assets and liabilities denominated in foreign currency are presented by the following tables.

31 December 2010

FX	Assets		Liabilities		Net	
	in FX	In HUF mn	in FX	In HUF mn	in FX	In HUF mn
AUD	54,136	12	571	-	53,565	11
CAD	118,469	25	59,502	12	58,967	12
CHF	72,765	16	53,460	12	19,305	4
CZK	8,885,590	99	8,348,282	93	537,308	6
EUR	3,224,160	899	9,351,797	2,607	-6,127,637	-1,708
GBP	216,887	70	124,028	40	92,859	30
HKD	115,575	3	115,575	3	-	-
HUF	34,511,629	35	34,416,904	34	94,725	-
JPY	4,170,369	11	1,622,478	4	2,547,891	7
NOK	214,230	8	111,000	4	103,230	4
PLN	6,829,955	481	6,762,264	476	67,691	5
RON	6,000	-	6,000	-	-	-
SEK	254,567	8	83,891	3	170,676	5
TRY	6,039	1	3,139	-	2,900	-
USD	2,788,956	582	2,768,087	578	20,869	4
Total		**2,248**		**3,867**		**-1,619**

31 December 2009

FX	Assets		Liabilities		Net	
	in FX	In HUF mn	in FX	In HUF mn	in FX	In HUF mn
AUD	54,519	9	953	-	53,566	9
CAD	87,373	16	50,678	9	36,695	7
CHF	97,991	18	53,272	10	44,719	8
CZK	6,823,132	70	6,468,864	66	354,268	4
EUR	6,699,694	1,815	6,628,927	1,795	70,767	20
GBP	174,847	53	133,119	40	41,728	13
HKD	114,099	3	114,099	3	-	-
HRK	-	-	-	-	-	-
HUF	3,620,900	4	3,526,176	4	94,724	-
JPY	4,162,838	8	1,614,947	3	2,547,891	5
NOK	149,230	5	46,000	2	103,230	3
NZD	-	-	-	-	-	-
PLN	6,671,188	440	6,604,571	435	66,617	4
RON	6,000	-	6,000	-	-	-
SEK	241,893	6	170,753	5	71,140	2
SKK	-	-	-	-	-	-
TRY	5,800	1	2,900	-	2,900	-
USD	11,620,437	2,185	11,533,207	2,165	87,230	20
Total		**4,632**		**4,537**		**95**

As on 31 December 2010	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash and cash equivalents	607	-	-	-	-	607
Placements with other banks	3,688	-	-	-	-	3,688
Financial assets at fair value through profit and loss	41,158	7,944	7,386	5,989	-	62,477
Receivables relating to clearing and depository activities	493	-	-	-	-	493
Accrued interest receivables	671	-	-	-	-	671
Other investments	-	-	-	-	20	20
Held-to-maturity securities	-	-	-	-	-	-
Intangible assets	-	-	-	-	1,308	1,308
Property, plant and equipment	-	-	-	-	488	488
Current tax assets	111	-	-	-	-	111
Trade receivables	18,124	-	-	-	-	18,124
Other assets	269	1	6	-	-	276
TOTAL ASSETS	**65,121**	**7,945**	**7,392**	**5,989**	**1,816**	**88,263**
Placement and loans from other banks	31,302	-	-	-	-	31,302
Deposits,from customers	19,036	-	-	-	-	19,036
Accrued interest payable	229	-	-	-	-	229
Current tax liabilities	39	-	-	-	-	39
Deferred tax liabilities	237	-	-	-	-	237
Accounts payable	18,232	-	-	-	-	18,232
Other liabilities	512	-	-	-	-	512
TOTAL LIABILITIES	**69,587**	**-**	**-**	**-**	**-**	**69,587**
Share capital	-	-	-	-	4,500	4,500
Retained earnings	-	-	-	-	12,194	12,194
Reserves	-	-	-	-	1,932	1,932
Minority Interest	-	-	-	-	50	50
	-	**-**	**-**	**-**	**18,676**	**18,676**
TOTAL LIABILITIES AND SHARE-HOLDERS' EQUITY	**69,587**	**-**	**-**	**-**	**18,676**	**88,263**
LIQUIDITY (DEFICIENCY)/EXCESS	**(4,466)**	**7,945**	**7,392**	**5,989**	**(16,860)**	**-**

Maturity analysis of assets and liabilities and liquidity risk

The main purpose of liquidity activity is to ensure the Group's continuous solvency and thereby originate a secure liquidity of capital market transactions. Additionally, liquidity management analyses the liquidity gap between assets and liabilities.

The following tables provide an analysis of assets, liabilities and shareholders' equity into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

As on 31 December 2009	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash and cash equivalents	363	-	-	-	-	363
Placements with other banks	4,727	-	-	-	-	4,727
Financial assets at fair value through profit and loss	197	26,183	10,394	7,254	-	44,028
Receivables relating to clearing and depository activities	443	-	-	-	-	443
Accrued interest receivables	781	-	-	-	-	781
Other investments	-	-	-	-	20	20
Held-to-maturity securities	-	100	-	-	-	100
Intangible assets	-	-	-	-	1,438	1,438
Property, plant and equipment	-	-	-	-	590	590
Current tax assets	64	-	-	-	-	64
Trade receivables	22	-	-	-	-	22
Other assets	181	3	7	-	-	191
TOTAL ASSETS	**6,778**	**26,286**	**10,401**	**7,254**	**2,048**	**52,767**
Placement and loans from other banks	25,566	-	-	-	-	25,566
Deposits from customers	9,387	-	-	-	-	9,387
Accrued interest payable	143	-	-	-	-	143
Current tax liabilities	59	-	-	-	-	59
Deferred tax liabilities	182	-	-	-	-	182
Accounts payable	141	-	-	-	-	141
Other liabilities	504	-	-	-	-	504
TOTAL LIABILITIES	**35,982**	**-**	**-**	**-**	**-**	**35,982**
Share capital	-	-	-	-	4,500	4,500
Retained earnings	-	-	-	-	11,010	11,010
Reserves	-	-	-	-	1,245	1,245
Minority Interest	-	-	-	-	30	30
TOTAL SHAREHOLDERS' EQUITY	**-**	**-**	**-**	**-**	**16,785**	**16,785**
TOTAL LIABILITIES AND SHARE-HOLDERS' EQUITY	**35,982**	**-**	**-**	**-**	**16,785**	**52,767**
LIQUIDITY (DEFICIENCY)/EX-CESS	**(29,204)**	**26,286**	**10,401**	**7,254**	**(14,737)**	**-**

Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Therefore the length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk.

The majority of the Group's assets and liabilities have interest risk. However, the Group's liabilities are usually less sensitive for interest fluctuation than its assets.

The following table presents the interest reprising dates of the Group's balance sheet items. Variable yield assets and liabilities have been reported according to their next reprising date. Fixed income assets and liabilities have been reported according to their maturity.

Notes to consolidated Financial Statements For the year ended 31 December 2011

As on December 31 2010 ASSETS	within 1 month		within 3 months over 1 month		within 1 year over 3 month		within 2 years over 1 year		over 2 years		Without maturity		Total		Total
	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	
Due to banks and deposits with the National Bank of Hungary	**2,082**	**2,213**	-	-	-	-	-	-	-	-	-	-	**2,082**	**2,213**	**4,295**
fixed interest / discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	2,082	2,213	-	-	-	-	-	-	-	-	-	-	2,082	2,213	4,295
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities held for trading	-	-	**41,157**	-	**7,944**	-	**2,499**	-	**10,877**	-	-	-	**62,477**	-	**62,477**
fixed interest / discounted	-	-	41,157	-	7,944	-	2,499	-	10,877	-	-	-	62,477	-	62,477
variable interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
fixed interest / discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans (other assets)	-	-	-	-	**1**	-	**4**	-	**2**	-	-	-	**7**	-	**7**
fixed interest / discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	-	-	-	-	1	-	4	-	2	-	-	-	7	-	7

As on December 31 2010 LIABILITIES	within 1 month		within 3 months over 1 month		within 1 year over 3 month		within 2 years over 1 year		over 2 years		non-interest		Total		Total
	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	
Due to banks and deposits with the National Bank of Hungary	**28 878**	**2 424**	-	-	-	-	-	-	-	-	-	-	**28,878**	**2,424**	**31,302**
fixed interest	1 900	-	-	-	-	-	-	-	-	-	-	-	1,900	-	1,900
variable interest	26 978	2 424	-	-	-	-	-	-	-	-	-	-	26,978	2,424	29,402
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits from costumers	**17 593**	**1 443**	-	-	-	-	-	-	-	-	-	-	**17,593**	**1,443**	**19,036**
fixed interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	17 546	-	-	-	-	-	-	-	-	-	-	-	17,546	-	17,546
non-interest bearing	47	1 443	-	-	-	-	-	-	-	-	-	-	47	1,443	1,490
NET POSITION	**(44389)**	**(1 654)**	**41 157**	-	**7 945**	-	**2 503**	-	**10879**	-	-	-	**18,095**	**(1,654)**	**16,441**

Notes to consolidated Financial Statements For the year ended 31 December 2011

As on December 31 2009 ASSETS	within 1 month		within 3 months over 1 month		within 1 year over 3 month		within 2 years over 1 year		over 2 years		Without maturity		Total		Total
	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	
Due to banks and deposits with the National Bank of Hungary	**461**	**4,629**	-	-	-	-	-	-	-	-	-	-	**461**	**4,629**	**5,090**
fixed interest / discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	461	4,629	-	-	-	-	-	-	-	-	-	-	461	4,629	5,090
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities held for trading	-	-	**197**	-	**26,183**	-	**5,207**	-	**12,442**	-	-	-	**44,028**	-	**44,028**
fixed interest / discounted	-	-	197	-	26,183	-	5,207	-	12,442	-	-	-	44,028	-	44,028
variable interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities held to maturity	-	-	-	-	**100**	-	-	-	-	-	-	-	**100**	-	**100**
fixed interest / discounted	-	-	-	-	100	-	-	-	-	-	-	-	100	-	100
variable interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans (other assets)	-	-	-	-	**3**	-	**5**	-	**2**	-	-	-	**10**	-	**10**
fixed interest / discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	-	-	-	-	3	-	5	-	2	-	-	-	10	-	10

As on December 31 2009 LIABILITIES	within 1 month		within 3 months over 1 month		within 1 year over 3 month		within 2 years over 1 year		over 2 years		Without maturity		Total		Total
	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	HUF	In foreign currency	
Due to banks and deposits with the National Bank of Hungary	**21,667**	**3,899**	-	-	-	-	-	-	-	-	-	-	**21,667**	**3,899**	**25,566**
fixed interest	3,250	-	-	-	-	-	-	-	-	-	-	-	3,250	-	3,250
variable interest	18,417	3,899	-	-	-	-	-	-	-	-	-	-	18,417	3,899	22,316
non-interest bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits from costumers	**8,749**	**638**	-	-	-	-	-	-	-	-	-	-	**8,749**	**638**	**9,387**
fixed interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable interest	8,487	-	-	-	-	-	-	-	-	-	-	-	8,487	-	8,487
non-interest bearing	262	638	-	-	-	-	-	-	-	-	-	-	262	638	900
NET POSITION	**(29,955)**	**92**	**197**	-	**26,286**	-	**5,212**	-	**12,444**	-	-	-	**14,183**	**92**	**14,275**

Application of VaR methodologies

The VaR risk estimates the maximum potential loss arising from value change of a certain portfolio i.e the maximum theoretical, not yet realized loss over a given period at a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number.

Considering the fact that the Group is not affected significantly by either the foreign currency risk or by the risk of fluctuation in equity instrument prices, the majority of VaR exposure is related to interest rate risk.

Risks exposures of the Group computed by the VaR methodology are summarized in the following table. Calculation of the VaR amounts assumes 99% probability and one-day relative shift. The foreign currency VaR relates to foreign currency denominated balances, the interest VaR is related to the portfolio of securities issued by Hungarian State, the investment securities, and the secured and non-secured loans and deposits.

(HUF million)		31. 12. 2010	31 12. 2009
Interest Var	By 250-daily standard deviation	124.95	216.27
	By 60-daily standard deviation	104.7	152.88
Foreign currency VaR	By 250-daily standard deviation	2.1	2.49
	By 60-daily standard deviation	1.92	1.68

Sensitivity analyses

While VaR captures the Group's daily exposure to foreign currency and interest rate risk based on recent data showing real market volatility, sensitivity analysis indicates that if the value of the main, determining element of a rate changes to a certain extent, what level of change is generated in the value of the portfolio.

• *Foreign currency sensitivity analysis*

The Group performs foreign currency sensitivity analysis based on its own foreign currency positions. The data in the following table shows the relative (expressed in percentage) and absolute change of HUF value of foreign currency positions in case of weakening of EUR and USD prices.

		31. 12. 2010	31. 12. 2009
1% Weakening of EUR	Sensitivity of portfolio (%)	0.593%	0.22%
	Sensitivity of portfolio (HUF million)	1.2366	0.20
1% Weakening of USD	Sensitivity of portfolio (%)	0.011%	0.18%
	Sensitivity of portfolio (HUF million)	0.023	0.16

• *Interest rate sensitivity analysis*

Group measures interest rate sensitivity of asset side on a daily basis. The interest rate sensitivity of assets (i.e the potential loss expected in the case of a 100 base point parallel positive shift of the yield curve) was HUF 534.2 million and HUF 647 million as at 31 December 2010 and 31 December 2009, respectively.

• *Equity price sensitivity analysis*

The Group has no significant equity instruments held in 2010 and 2009 therefore is not exposed to a significant equity price risk.

NOTE 5: CASH AND CASH EQUIVALENTS

	2010	2009
Due from banks and balances with NBH		
Within one year		
In HUF	607	363
	607	363
Placements with other banks, net of allowance for placement losses		
Within one year		
In HUF	3,688	4,727
	3,688	4,727

Based on the requirements for compulsory reserves set by the NBH, the balance of compulsory reserves amounted to approximately HUF 904 million and HUF 522 million on average in 2010 and 2009, respectively.

Daily balance was HUF 607 million and HUF 363 million as at 31 December 2010 and 2009, respectively.

Interbank placements include bank accounts at Clearstream Banking, Citibank A.G., NBH and OTP Bank Plc.

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2010	2009
Financial assets at fair value through profit and loss		
Securities held for trading		
Hungarian Government Discount Treasury Bills	5,033	22,294
Hungarian Government Bonds	17,487	21,734
NBH Bonds	39,957	-
	62,477	**44,028**

In the Group's security portfolio, the proportion of the Hungarian Government Discount Treasury Bills is 8% and 51% as at 31 December 2010 and 31 December, 2009, respectively. The main purpose is to assure the continuous liquidity within one year. The remaining portfolio includes government bonds and NBH Bonds with fixed interest rate. The annual average yield was 8.15% and 8.99% in year 2010 and 2009, respectively.

NOTE 7: RECEIVABLES RELATING TO CLEARING AND DEPOSITORY ACTIVITIES

	2010	2009
Receivables relating to clearing and depository activities		
Receivables from custodian services	66	70
Receivables from customers on stock exchange transactions	427	373
	493	**443**

NOTE 8: INVESTMENTS

	2010	2009
Investments		
GIRO	20	20
	20	**20**

No impairment was charged against these investments.

NOTE 9: HELD-TO-MATURITY SECURITIES

	2010	2009
Held-to-maturity securities		
Debanture bonds		
HVBV 2010/B-001	-	100
	-	**100**

Group had a debenture bond issued by UniCredit Jelzálogbank Ltd. and denominated in HUF on 31 December 2009, which matured on 19 May 2010.

NOTE 10: TRADE RECEIVABLES

	2010	2009
Trade receivables		
Receivable from the gas market	18,084	-
Other receivables	40	22
	18,124	**22**

NOTE 11: INTANGIBLE ASSETS

Intangible assets Cost	Valuable rights and interests	Goodwill	Intellectual product	Total
Balance as on 1 January 2010	115	47	5,553	5,715
Net additions	-	-	703	703
Net disposals	-	-	233	233
Balance as on 31 December 2010	115	47	6,023	6,185
Cumulated Depreciation and Amortization				
Balance as on 1 January 2010	38	47	4,192	4,277
Net additions	18	-	581	599
Net disposals	-	-	-	-
Balance as on 31 December 2010	56	47	4,773	4,877
Net book value				
Balance as on 1 January 2010	77	-	1,361	1,438
Balance as on 31 December 2010	59	-	1,250	1,308

Intangible assets Cost	Valuable rights and interests	Goodwill	Intellectual product	Total
Balance as on 1 January 2009	106	47	5,108	5,261
Net additions	9	-	1,019	1,028
Net disposals	-	-	574	574
Balance as on 31 December 2009	115	47	5,553	5,715
Cumulated Depreciation and Amortization				
Balance as on 1 January 2009	20	47	3,755	3,822
Net additions	18	-	512	530
Net disposals	-	-	75	75
Balance as on 31 December 2009	38	47	4,192	4,277
Net book value				
Balance as on 1 January 2009	86	-	1,353	1,439
Balance as on 31 December 2009	77	-	1,361	1,438

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment Cost	**Buildings and improvements**	**Machinery and equipments**	**Total**
Balance as on 1 January 2010	350	1,596	1,946
Net additions	7	651	658
Net disposals	-	691	691
Balance as on 31 December 2010	357	1,556	1,913
Cumulated Depreciation and Amortization			
Balance as on 1 January 2010	99	1,257	1,356
Net additions	21	170	191
Net disposals	-	122	122
Balance as on 31 December 2010	120	1,305	1,425
Net book value			
Balance as on 1 January 2010	251	339	590
Balance as on 31 December 2010	237	251	488

Property, plant and equipment Cost	**Buildings and improvements**	**Machinery and equipments**	**Total**
Balance as on 1 January 2009	291	1,553	1,844
Net additions	133	859	992
Net disposals	74	816	890
Balance as on 31 December 2009	350	1,596	1,946
Cumulated Depreciation and Amortization			
Balance as on 1 January 2009	95	1,187	1,282
Net additions	24	170	194
Net disposals	20	100	120
Balance as on 31 December 2009	99	1,257	1,356
Net book value			
Balance as on 1 January 2009	196	366	562
Balance as on 31 December 2009	251	339	590

NOTE 13: PLACEMENT AND LOANS FROM OTHER BANKS

	2010	2009
Placement and loans from other banks		
Within one year		
In HUF	28,878	21,667
In foreign currency	2,424	3,899
	31,302	**25,566**

The above balance includes deposit placed by banks to the collective guarantee fund in the amount of 1,240 MHUF (1,044 MHUF).

NOTE 14: DEPOSITS FROM CUSTOMERS

	2010	2009
Interest-bearing		
Within one year		
In HUF	17,546	8,487
In foreign currency	-	-
Non interest-bearing		
Within one year		
In HUF	47	262
In foreign currency	1,443	638
	19,035	**9,387**

In 2010 and 2009 the Group paid an annual average rate of 4.5% for the HUF interest-bearing deposits. In 2010 and 2009, the Group did not pay interests for the foreign exchange deposits.

The above balance includes deposit placed by clients to the collective guarantee fund in the amount of 1,991 MHUF (1,294 MHUF).

NOTE 15: ACCOUNTS PAYABLE

	2010	2009
Accounts payable		
Accounts payable from the gas market	18,084	-
Other accounts	148	141
	18,232	**141**

NOTE 16: SHARE CAPITAL

There was no change in the share capital of the Company compared to the prior year. The share capital consists of 900 shares with nominal (par) value of HUF 5 million per share as on 31 December 2010. All 900 shares have been authorized, issued and fully paid.

	2010	2009
Share capital		
Magyar Nemzeti Bank (National Bank of Hungary)	2,400	2,400
Budapesti Értéktőzsde (Budapest Stock Exchange)	2,100	2,100
	4,500	**4,500**

There are no special rights or limitations attributed to shareholders by these shares.

Magyar Nemzeti Bank (National Bank of Hungary) held 53.33% of the shares directly and 3.24% indirectly as on 31 December 2010 and 31 December 2009.

Budapesti Értéktőzsde (Budapest Stock Exchange) held 46.67% of the shares directly as on 31 December 2010 and 31 December 2009.

Minority interest represents the 11.9% share of BSE in KELER CCP.

NOTE 17: STATUTORY RESERVES

	2010	2009
Statutory Reserves		
General reserve	1,369	1,171
General risk reserve	63	74
Restricted reserve	500	-
	1,932	**1,245**

NOTE 18: INCOME FROM CLEARING AND DEPOSITORY ACTIVITY

	2010	2009
Income from clearing and depository activity		
Clearing fees	2,227	2,126
Clearing fees from the gas market	127	-
Other commission income	813	689
Transaction fees	704	932
Other security transaction fees	675	575
Account maintenance fees	149	107
	4,695	**4,429**

NOTE 19: NET INTEREST INCOME

	2010	2009
Interest income:		
Loans	165	187
Due from banks and balances with the National Bank of Hungary and other banks	86	93
Held for trading securities	3,188	2,351
Held-to-maturity securities	4	11
	3,443	**2,642**
Interest expense:		
Due to banks and deposits from the National Bank of Hungary and other banks	(469)	(642)
Deposits from customers	(1 307)	(511)
Other	-	(122)
	(1,776)	**(1,275)**
NET INTEREST INCOME	**1,667**	**,367**

NOTE 20: PERSONNEL EXPENSES

	2010	2009
Personnel expenses		
Wages	1,012	978
Base wages	784	814
Premium	228	164
Social security and other contributions	312	347
Other cost of personnel	200	231
	1,524	**1,556**

The average number of employees was 113 and 121 as on 31 December 2010 and 2009 respectively.

NOTE 21: OTHER EXPENSES

	2010	2009
Other expenses		
Contracted services	762	705
Taxes	302	253
Fees paid to experts	23	26
Rental fees	140	147
Postage and phone fees	70	81
Material type expenses	59	76
Fees paid for education	26	21
Fees paid to authorities	17	16
Insurance fees	8	9
Marketing cost	3	2
Loss of value of financial assets	-	34
Loss on plant and intangibles goods sold	4	63
Lawyer's fee	66	66
Other	80	66
	1,560	**1,565**

NOTE 22: INCOME TAX EXPENSE

The income tax rate was 19% and 10% (up to HUF 500 million profit) in Hungary in 2010 (2009: 20% flat). In the calculation of the deferred tax 19% tax rate was taken into account.

A breakdown of the income tax expense is:

	2010	2009
Income Taxes		
Current tax	347	448
Deferred tax	55	150
	401	598

A reconciliation of the deferred tax liabilities is as follows:

	2010	2009
Deferred tax assets (+) / liabilities (-)		
Balance as on 1 January	(182)	(32)
Deferred tax charge	(55)	(150)
Balance as on 31 December	**(237)**	**(182)**

A breakdown of the deferred tax liabilities is as follows:

	2010	2009
Deferred tax assets (+) / liabilities (-)		
Fair value adjustment of held for trading and held-to-maturity securities	(130)	(168)
General risk provisions	(12)	(14)
Restricted reserve	(95)	-
	(237)	**(182)**

Temporary differences result primarily from timing differences arising on the different valuation principles of financial assets held for trading for tax and accounting purposes.

A reconciliation of the income tax charge is as follows:

		2010		2009
Net income before income taxes		2 294		3 173
Income tax with statutory tax rate (19%)		411		635
Income tax with statutory tax rate (10%)		25		-
Total tax		**436**		**635**
Income tax adjustments are as follows:				
Effect of general risk reserve	-0,52%	(12)	-0,4%	(14)
Dividend income	-0,13%	(3)	-0,1%	(3)
Corrections of previous financial years	7,95%	182	0,7%	22
Investments at fair value	-5,68%	(130)	-5,3%	(168)
Local community business tax		-	-0,7%	(23)
Subsidies	0,04%	1		-
Income tax	4,14%	95		-
Restricted reserve	-4,14%	-95		-
Other	-3,14%	(72)	4,7%	150
Income tax		402		598
Effective tax rate		**18%**		**19%**

NOTE 23: SECURITIES SAFEGUARDED AND DEPOSITED

	31.12.2010	31.12.2009
SECURITIES		
Physical securities		
Securities introduced to the stock exchange-Physical	-	-
Securities not introduced to the stock exchange-Physical		
Corporate bonds	1 083	1 084
Shares	38 504	51 441
Investment Fund coupons	-	-
	39 587	52 525
Dematerialized securities		
Introduced to the stock exchange	12 711 906	12 126 109
Not introduced to the stock exchange	10 225 545	9 586 442
	22 937 451	21 712 551
TOTAL	**22 977 038**	**21 765 076**
Materialized securities denominated in foreign currency		
Share denominated in foreign currency (CHF)	1 231	1 008
Share denominated in foreign currency (USD)	7	6
Dematerialized securities denominated in foreign currency		
Investment Fund coupons (EUR)	247,223	248,211
Investment Fund coupons (USD)	80,189	80,901
Investment Fund coupons (PLN)	1,400	2,356
Investment Fund coupons (CZK)	1,420	580
Investment Fund coupons (BGN)	6,209	1,331
Share denominated in foreign currency (EUR)	76,166	65,683
Share denominated in foreign currency (USD)	18,889	16,926
Mortgage bonds denominated in foreign currency (EUR)	366,417	400,979
Mortgage bonds denominated in foreign currency (CZK)	-	4,654
Capital bonds denominated in foreign currency (EUR)	5,575	2,708
Bonds (CHF)	520,577	427,054
Bonds (EUR)	174,170	79,956
Bonds (USD)	1 289	854
TOTAL	**1,500,764**	**1,333,209**

NOTE 24: OFF BALANCE SHEET ITEMS

	2010	2009
Guarantees received		
Cash		
In HUF	14,690	2,378
In foreign currency	191	141
Security	33,677	38,861
Bank guarantee	2,922	-
	51,480	**41,380**
Specific safeguards		
Cash		
In foreign currency	257	5
	257	**5**

NOTE 25: RELATED PARTY TRANSACTIONS

As on 31 December 2010 the Group had provided housing loans to management. The outstanding amount was HUF 2 million as on 31 December 2010 and HUF 4 million as on 31 December 2009 respectively.

A number of transactions are entered into with related parties and owners of the Group in the normal course of business. These include deposit placed and services provided. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end, and relating income and expense for the year are as follows.

NATIONAL BANK OF HUNGARY	2010	2009
Term deposit placements	20	292
Interest income	3	23
Other income	15	17
Bank account costs	10	10
Other costs	1	-
	49	**344**
Transactions with directors and officers	**2010**	**2009**
Remuneration of the members of the Board of Directors	24	24
Remuneration of the members of the Supervisory Board	8	8
Remuneration of the members of the Board of Management	186	193
Loans given to management	82	82
Loan repayment by management	80	78
	380	**385**

NOTE 26: SUBSEQUENT EVENTS

The dividend for the financial year 2010 will be approved at the General Meeting to be held the 18th May 2011.

NOTE 27: PRESENTATION OF THE DIFFERENCE BETWEEN HAS AND IFRS INCOME

This Note presents the difference of KELER and KELER CCP earnings according to Hungarian accounting standard and companies consolidated IFRS earnings.

Presentation of the difference between HAS and IFRS							
	Net profit under HAS	Financial assets	General risk reserve	General reserve	Deferred tax	Adjusting items under IFRS	Net profit under IFRS
Net profit of KELER	**1,785**					**(68)**	**1,717**
Exchange gains and losses of securities		(200)				(200)	
Other expenses (General risk reserve)			(11)			(11)	
Other expenses (General reserve)				198		198	
Corporate tax					(55)	(55)	
Adjusting items:		(200)	(11)	198	(55)	(68)	(68)
Net profit of KSZF	**174**					**-**	**174**
Consolidated profit of KELER	**1,959**					**(68)**	**1 891**

NOTE 28: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards and interpretations issued but effective only for annual reporting periods beginning after 1 January 2010.

Revised IAS 24 — Related Party Disclosure
Effective for annual periods beginning on or after 1 January 2011
Revised IAS 24 is not relevant to the Group's financial statements as the Group is not a government-related entity and the revised definition of a related party is not expected to result in new relations requiring disclosure in the financial statements.

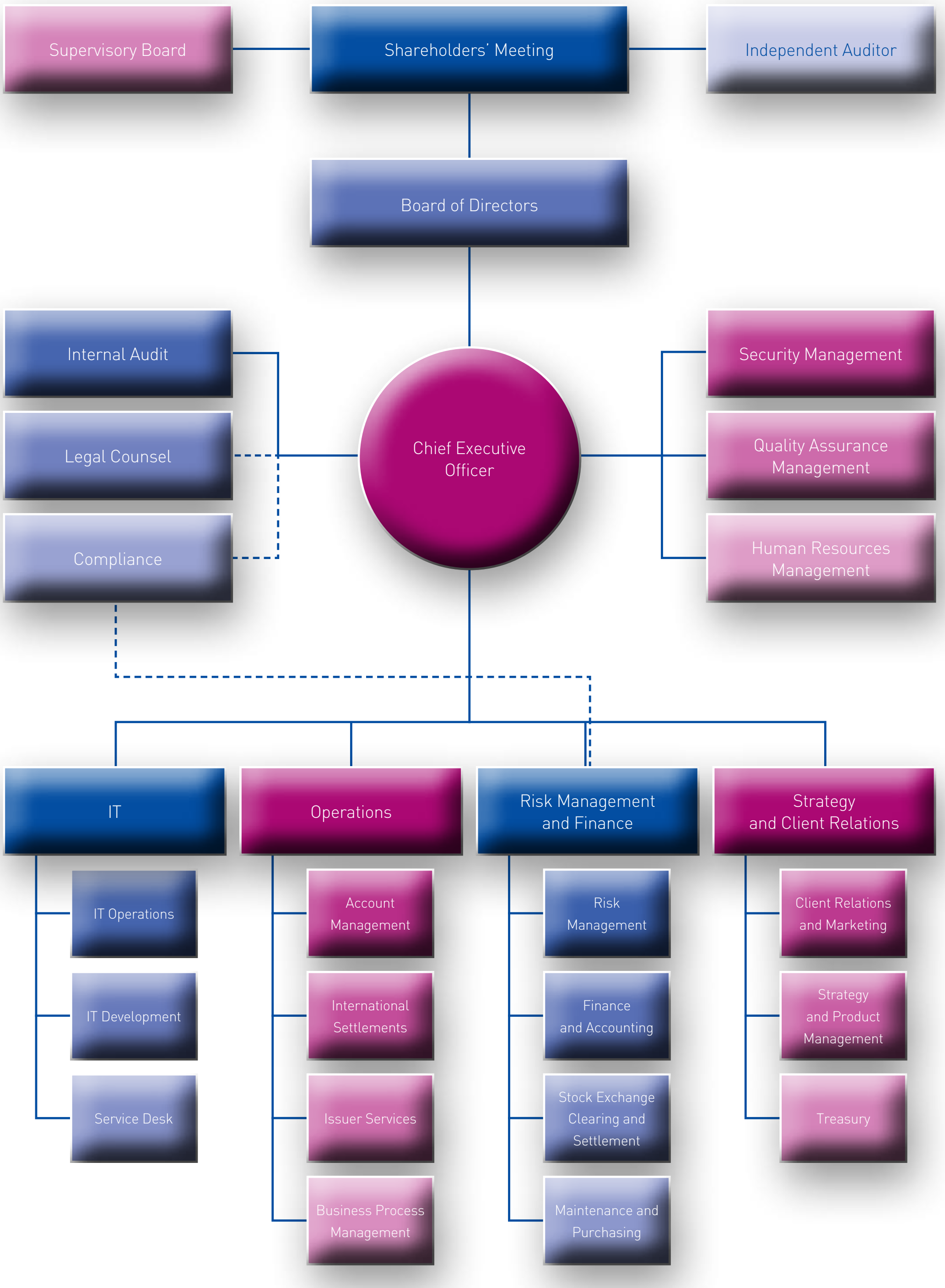
Amendment to IFRIC 14 IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Effective for annual periods beginning on or after 1 January 2011
The amendments to IFRIC 14 is not relevant to the Group's financial statements as the Group does not have any defined benefit plans with minimum funding requirements.

IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments
Effective for annual periods beginning on or after 1 July 2010
The Group did not issue equity to extinguish any financial liability during the current period. Therefore, the Interpretation will have no impact on the comparative amounts in the Group's financial statements for the year ending 31 December 2010. Further, since the Interpretation can relate only to transactions that will occur in the future, it is not possible to determine in advance the effects the application of the Interpretation will have.

Amendment to IAS 32	Financial Instruments: Presentation – Classification of Rights Issues Effective for annual periods beginning on or after 1 February 2010 The amendments to IAS 32 are not relevant to the Group's financial statements as the Group has not issued such instruments at any time in the past.

ORGANIZATIONAL STRUCTURE OF KELER

Organizational structure of KELER - December 31. 2010

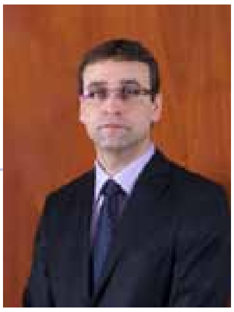


MANAGEMENT

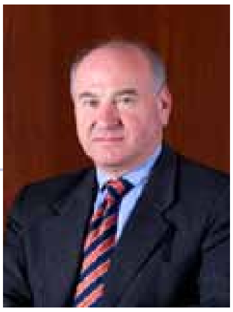
György Dudás
Chief Executive Officer

Margit Brauner
Director, Operations

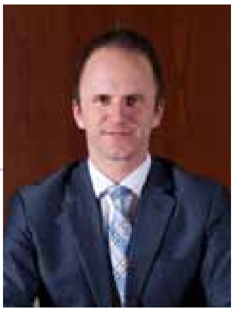
Károly Mátrai
Director,
Risk Management
and Finance



András Katkó
Director, IT



Péter Csiszér
Director, Strategy and
Client Relations,
from 9 November, 2010 *



* Ádám Práger was in charge of Marketing and Client Relations until 23 June, 2010.

GENERAL INFORMATION

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Ownership structure

Shareholders		Shareholding (%)
National Bank of Hungary (NBH)	HUF 2,400 million	53.33%
Budapest Stock Exchange (BSE)	HUF 2,100 million	46.67%
Total	HUF 4,500 million	100%

Members of the Board of Directors

Csaba Lantos– Chairman
György Sándor– Vice Chairman
Csaba Balogh
Dr. György Mohai
Ferenc Pittner
György Dudás
Margit Brauner

Members of the Supervisory Board

Lajos Bartha - Chairman
Attila Tóth – Vice Chairman
Judit Brosch
Attila Lovas

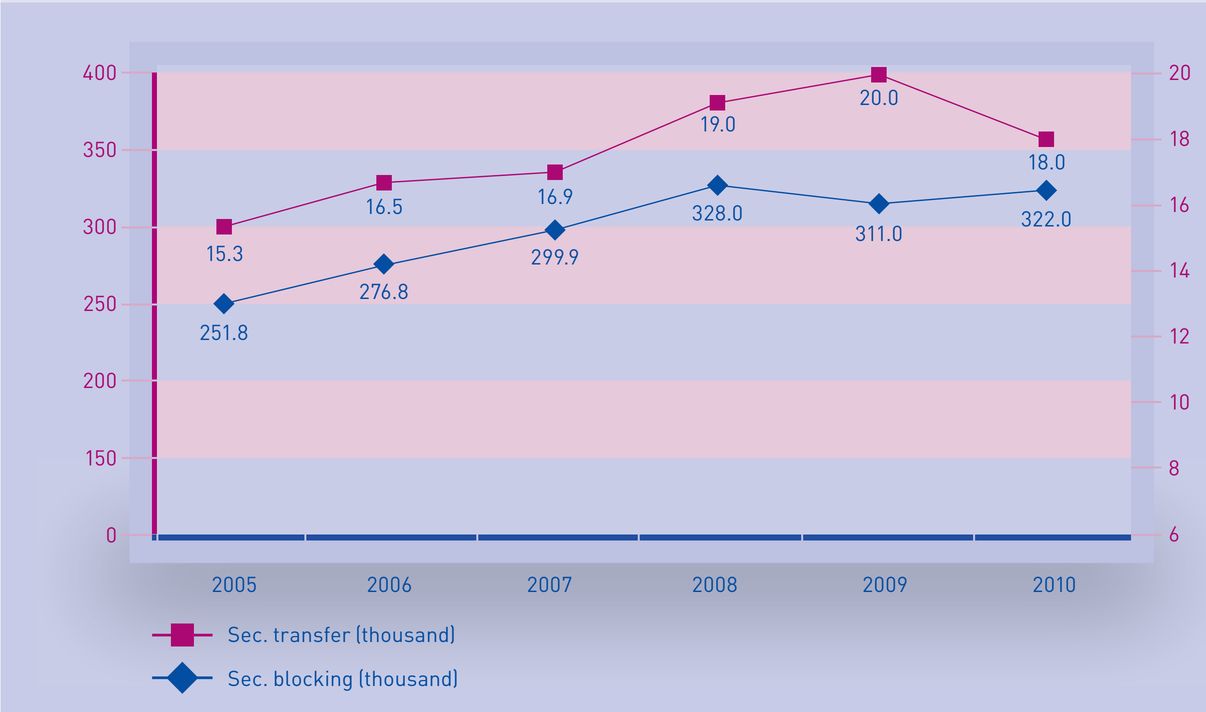
Contact

Address: Asbóth u. 9-11, 1075 Budapest,
Mailing address: H-1367 Budapest 5, POB 73
Phone: +36-1-483-6100
Fax: +36-1-342-3539
Home page: www.keler.hu
E-mail: keler@keler.hu

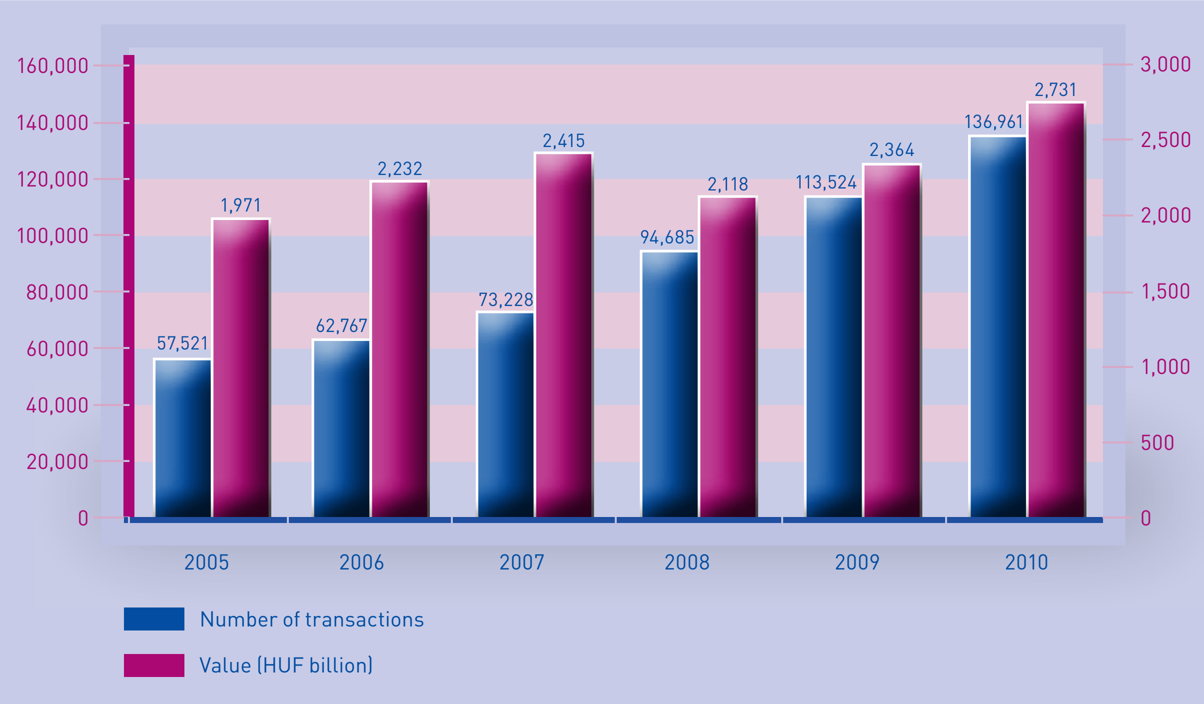
STATISTICS 26

Total securities in KELER by number of pieces and by market value (December 2010)		
	Number of pieces	Market value (HUF)
Government bonds	1,456,853,882	12,647,863,684,051
Treasury bills	213,600,000	2,090,105,697,000
Bonds	64,359,706,943	3,158,439,896,174
Equities	4,411,322,286 461	9,503,757,809,739
Investment units	1,953,173,959,680	3,865,854,358,154
International securities	3,255,071,706	381 758 023 065
Total	**2,022,459,192,211**	**31 647,779,468,186**

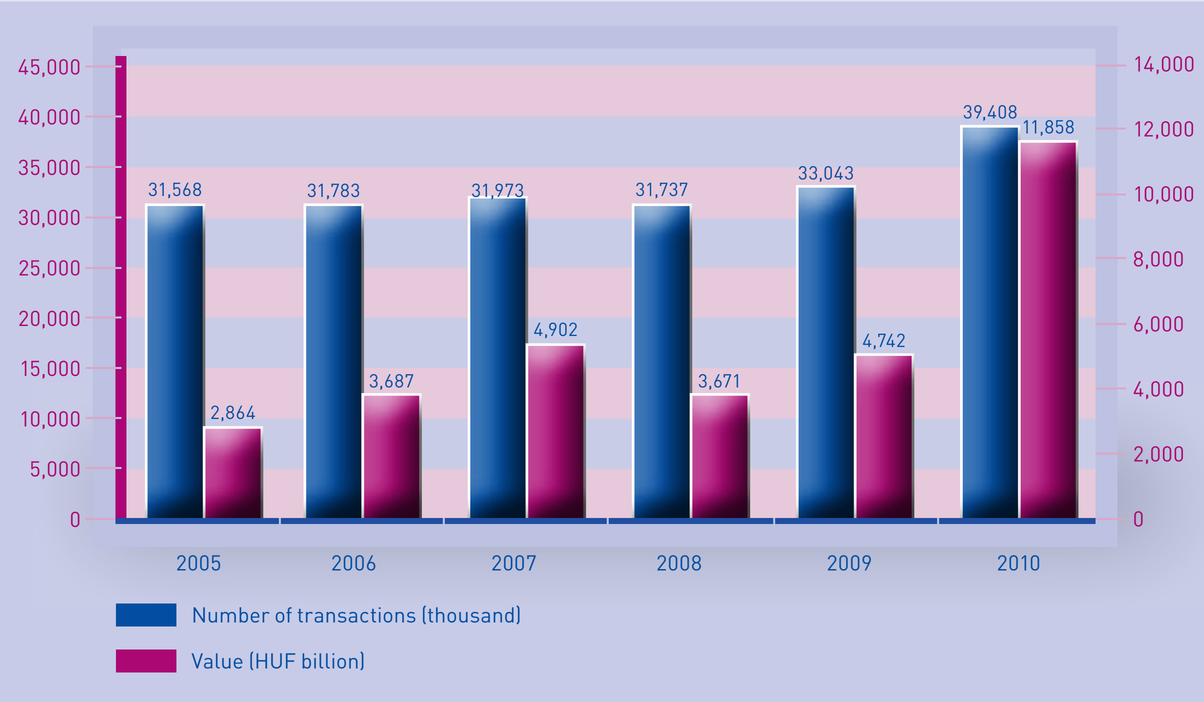
Number of other securities transactions 2005 - 2010



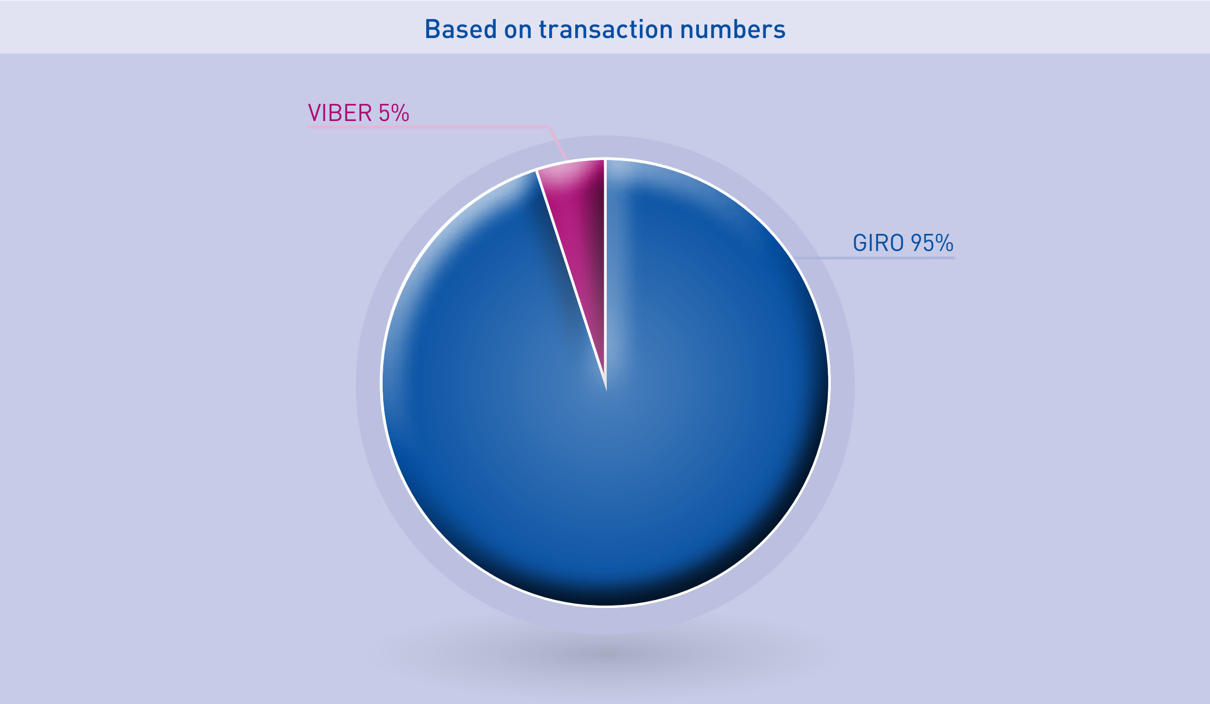
External funds transfers by customers from and to currency accounts kept by KELER 2005 - 2010

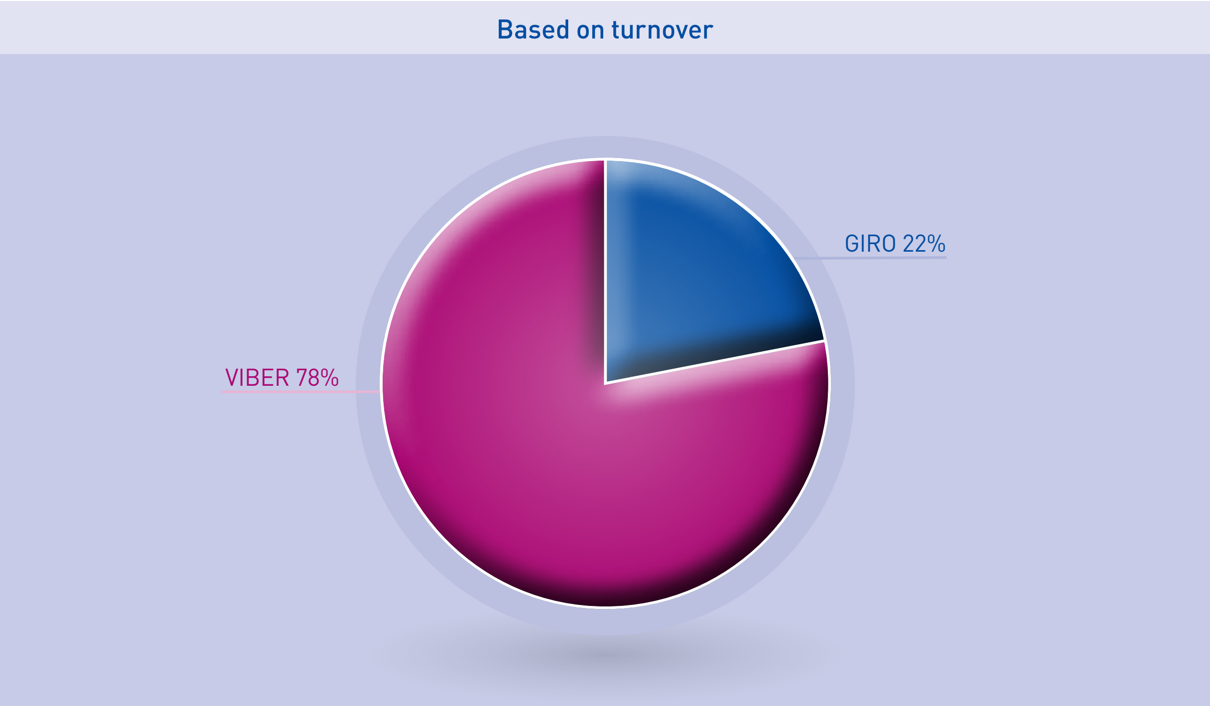


Internal funds transfers by customers from and to currency accounts kept by KELER 2005 - 2010



The structure of GIRO - VIBER turnover in 2010





ISIN codes by number of securities - 2010