



HUNGARY – Investment Outlook Session

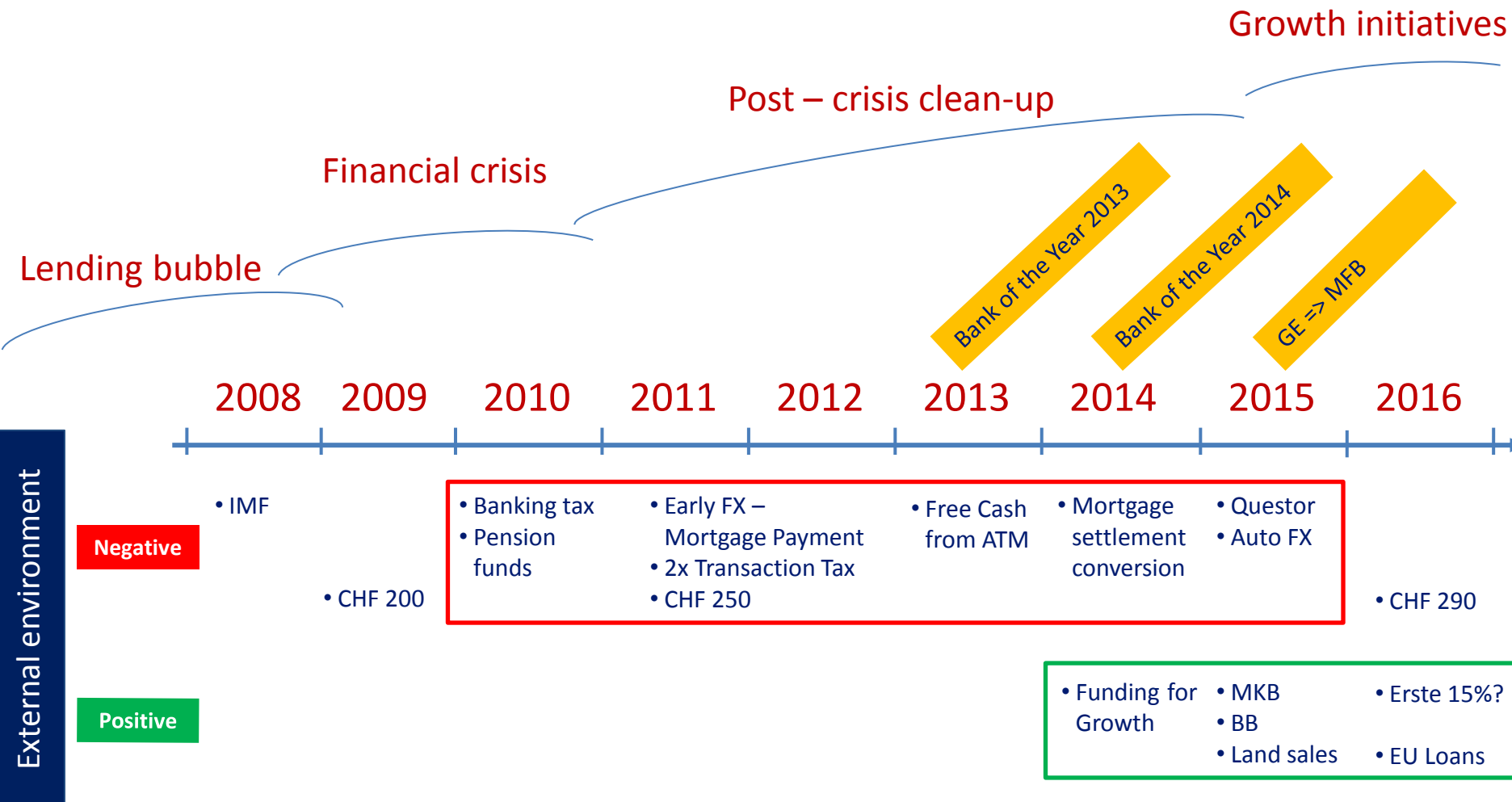
Banking Sector Transformation – Practitioner's Prospective

George Zolnai – CEO, Budapest Bank

12th May 2016, London



Changing eras in the banking sector: 2008-2016

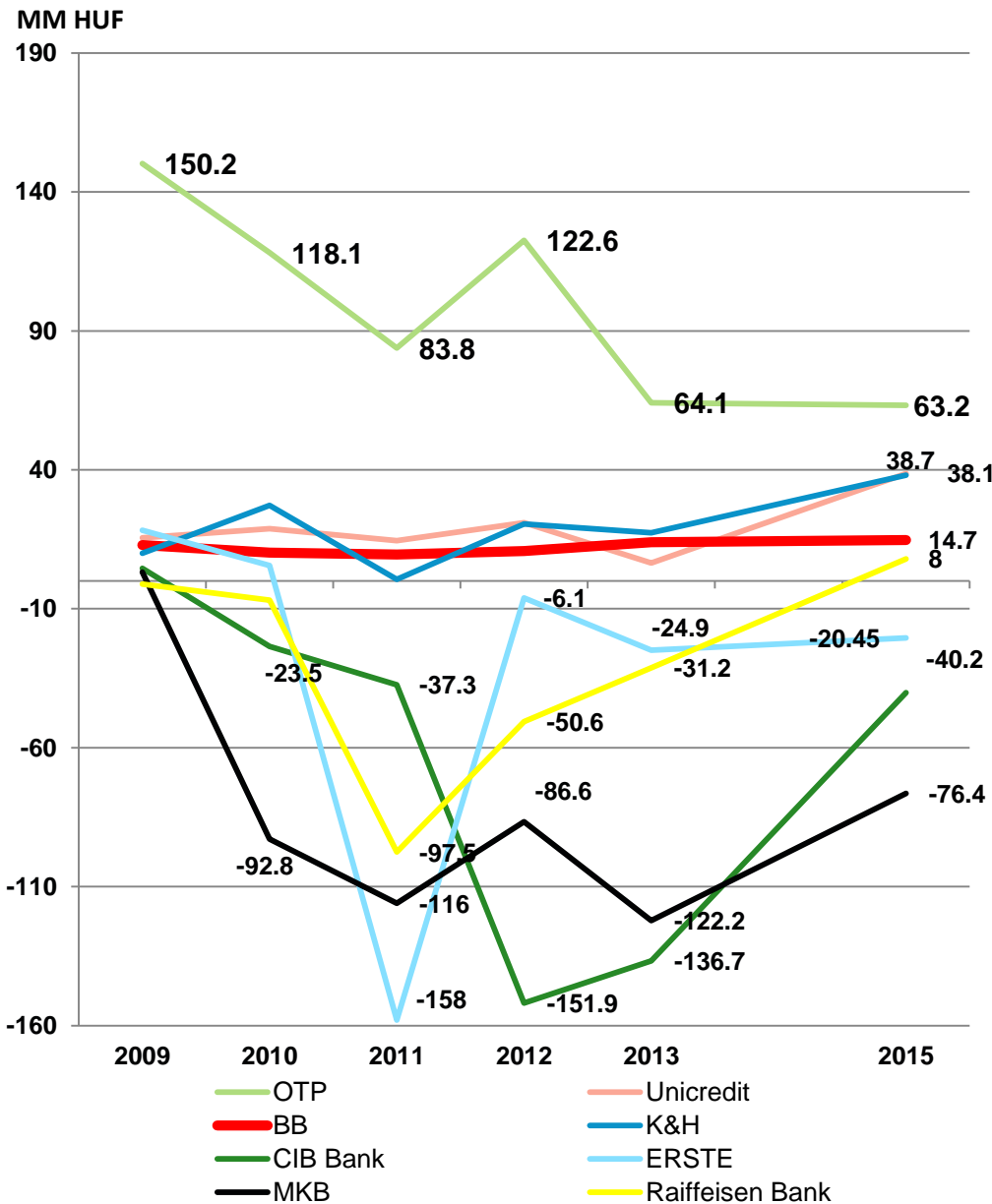


Regulatory actions in the Banking Sector

What?	Description	When?	How much?
Bank tax	0,45% tax an total assets!	2010	~\$(20)MM/year
FX mortgage pre p'mt	Pre p'mt at reduced FX rate (~25%)	2011	\$(38)MM
Rate cap	Adjust pricing for all products	2011	
Transaction Tax	0,3% tax on all payments	2013	
One-Time Transaction Tax	208% on FTT paid in by banks	2013	\$(12)MM
ATM 2 free withdrawals	Free ATM on all consumer a/c	2014	\$(3)MM/year impact
FX MTG conversion	Compulsory FX conversion program for MTG	2015	\$(200)MM
Fair banking regulation	Key pricing targets	2015	TBD
Personal bankruptcy	Balance bw customer and creditor protection	2015	TBD
Consumer FX Auto	Conversion to HUF (~15% discount)	2015	(\$10)MM

CHF landing
 Taxation
 Consumer Protection

Bipolar Banking Sector



Number of Branches

	2009	2016	National
otpbank	403	388	✓
K&H	231	209	✓
BUDAPEST BANK	106	96	?
UniCredit	116	56	
CIB BANK	153	83	
ERSTE BANK	203	129	✓
MKB BANK	86	81	
Raiffeisen BANK	159	67	

stable

restructuring

Hungarian
Foreign

