



**The preliminary stock
exchange report of FHB
Mortgage Bank Plc for the
first quarter of 2007**

Budapest, 14 May, 2007

The preliminary stock exchange report of FHB Mortgage Bank Public Company Limited by Shares for the first quarter of 2007 on the activities and results of the Company

The preliminary report of FHB Mortgage Bank Public Company Limited by Shares for the first quarter of 2007 contains the consolidated balance sheet and profit and loss account prepared according to the International Financial Reporting Standards (IFRS). The consolidation applies also to FHB Szolgáltató Zrt. (FHB Services Ltd.), a 100%-owned subsidiary of FHB as well as FHB Kereskedelmi Bank Zrt. (FHB Commercial Bank Ltd.), a private company limited by shares 90% of which are owned by the Bank, FHB Ingatlan Zrt. (FHB Real Estate Ltd.), a private company limited by shares of which 95% are owned by the Bank, and FHB Életjáradék Ingatlanbefektető Zrt. (FHB Annuity Real Estate Investment Ltd.), a private company limited by shares 95% of which are owned by the Bank. The remaining business shares in each company are owned by FHB Services Ltd. As the balance sheet and the profit and loss account of the companies involved in the consolidation have no significant bearing on the Bank's data, the preliminary report contains consolidated figures throughout. The narratives compare the audited figures as of 31 December 2006 and the non-audited figures as of 31 March 2006 and 31 March 2007.

I. Summary of the activities and events of the latest period

Earnings before taxation as of 31 March 2007 were 2.2 billion forints, 6.8% down from the fourth quarter 2006 figure. Expenditures of FHB Group created in the context of the new strategy have again left a strong impact on the first quarter of 2007 figures.

The **average net interest margin** dropped by 21 basis points, from 3.40% on 31 March 2006 to 3.18% over the period of a year, mainly caused by the intensifying competition on the retail mortgage loan market and the structural changes of the mortgage loan portfolio. Over the past quarter the decrease of the net interest margin was seven basis points.

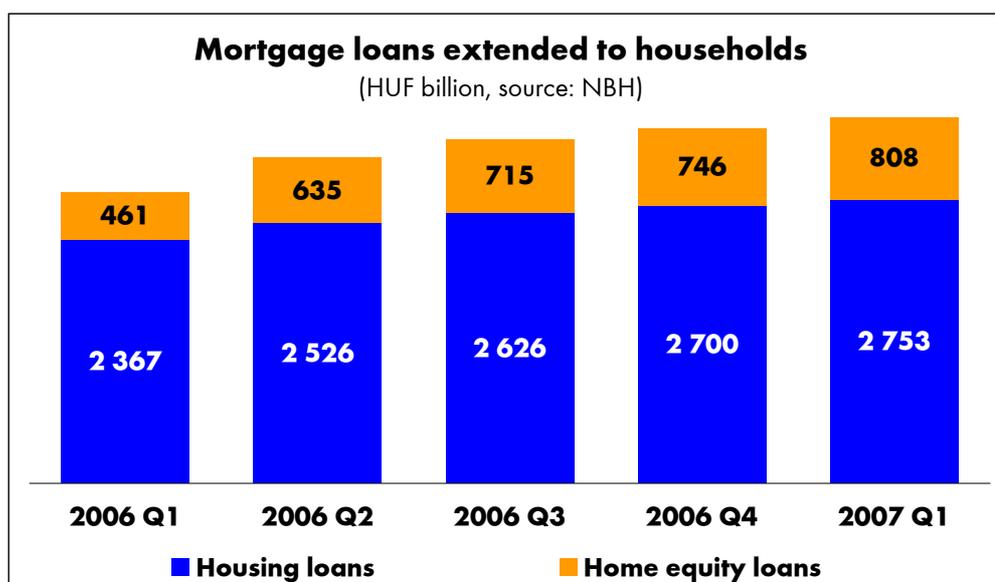
The Group's **cost-income ratio** increased to 56.4% from 39.7% in the same period of 2006 as a result of the strategic investments and the costs of their implementation.

Retail mortgage loan market

According to NBH figures, the retail mortgage loan portfolio amounted to 3,560.9 billion forints as of 31 March 2007 achieving a 114.9 billion forints increase over the previous quarter's figure with the year-on-year figure being 733,5 billion forints higher. Growth in the portfolio continues to be generated by the increasing rate of foreign exchange-denominated loans: the annual growth of the portfolio was 777.7 billion forints. At the same time the forint-based loans portfolio shrank by 44.2 billion forints compared to the same quarter of the previous year and 24.2 billion forints compared to the previous quarter's figure.

By the end of the quarter the size of the FX loan portfolio reached the magnitude of forint loans despite the fact that the strong forint reduced the HUF value of loans denominated in foreign currencies. The total amount of retail mortgage loans was 1,750.5 billion forints, 49.2% of which was disbursed in foreign exchange as opposed to 1,810.4 billion forints HUF loans. The intensity of growth is marked by the fact that in the same period of the previous year the proportion of FX loans was 34.4%.

Year-on-year growth in housing loans extended to households was 16.3% in the last twelve months, amounting to 386.7 billion forints. Growth was particularly spectacular in the second and third quarters of 2006, to a large extent due to the midsummer changes in the exchange rates. By contrast, growth in the first quarter was 53.6 billion forints (or 2%), falling short of the 83.3 billion forints growth of the same period of the previous year. The trend was due mainly a saturated market, falling demand and a strong forint. The entire housing loan portfolio amounted to 2,753.2 billion forints as of 31 March 2007.



The increase in FX-based loans was greatly contributed to by **soaring home equity loans** whose growth had been insignificant over the previous years. Compared to 460.9

billion forints contributing 16.3% to the overall retail loan portfolio as of 31 March 2006, the contribution of home equity loans to retail lending grew to reach 22.7% by the end of the period of reporting due to home equity loans' 47.3% contribution to the growth of the loan portfolio over the past year.

The substantial increase in the portfolio of **home equity loans** to retail customers was 8.2% in the first quarter of 2007 with a year-on-year growth of 75.3%. The steep rise slowed somewhat: whereas in the first quarter of 2006 the average monthly growth was 24.4 billion forints, the average monthly growth in 2007 reached 20.4 billion forints. Of the total amount of home equity loans 94.6% was disbursed in foreign exchange. Total disbursement exceeded 808.0 billion forints as of 31 March 2007. Home equity mortgage loans contributed 50.4% to total consumer loans at the end of the quarter as opposed to 42.5% in the reference period. This indicates a significant restructuring within the consumer loans product: the growth of consumer and personal loans is less and less dynamic and the growth of home equity loans continues to be strong.

Own lending

Over the past year up to 31 March 2007 the net amount of **loans sold by the Bank Group grew by 35.1 billion forints or 19.3%**. The increase in the first quarter of 2007 was 5.0 billion forints, 2.3% up from the 31 December 2006 figure. In the first quarter of 2007 own lending amounted to 11.6 billion forints compared to 13.7 billion forints the same period of the previous year. The Bank's performance reflects market trends in multiple ways. The period of reporting brought a lesser expansion across the board, and highlights the dominance of foreign exchange-denominated lending: 66.9% of the 2007 disbursements were related to FX-based loans.

The Group's leading product is home equity loan contributing 37.3% to total disbursement in the first quarter. Almost the entire amount of these loans was disbursed in Swiss francs. Loans extended for the purchase of homes are the second major product with a contribution of 30.2% in the first quarter, followed by building loans contributing 13.7% to disbursements. The realignment of loan products that had started in 2006 was virtually concluded, as the breakdown in the reported quarter is barely different from that of the reference quarter of 2006, when building loans contributed 12.0% to own loans, the contribution of consumer loans was 37.1%, and of home equity loans, 44.7%.

In the reported quarter the contribution of home equity mortgage loans was somewhat lower compared to the same period of the previous year, due mainly to the advancement of the new products launched by the Bank in 2006. The portfolio of housing project loans amounted to 1.9 billion forints at the end of March 2007 and contributed 1.1% to disbursements in the first quarter. Subsidized land development loans contributed 3.4% to the first quarter. The most spectacular growth was achieved by the new product introduced at the end of June 2006 for the financing of commercial real estate projects. Its contribution to disbursements in the first quarter was 9.7% and the portfolio's value exceeded 3.9 billion forints.

There was no substantial change in the performance of the various channels of own lending compared to the same period of the preceding year. The contribution to first quarter disbursements by the network of agents was 57.5%, the Bank's own network contributed 39.3% and syndicated loans contributed 3.2% to own loans. In the same period of 2006 the breakdown of the same item was 67.1% contributed by agents, 2.4% by syndicated loans and 30.5% by the Bank's own network. The change in contributions is the result of the fact that the Bank's new products that are typically sold through channels other than the network of agents have been gaining ground. Furthermore, the newly opened branches also contributed to increasing sales through the Bank's own network.

Refinancing

As of 31 March 2007 the **portfolio of refinanced loans** showed a 2.8% year-on-year increase and amounted to 272.1 billion forints. Newly refinanced mortgage loans amounted to 14.0 billion forints in the first quarter, 2.3% more than the figure for the fourth quarter of 2006; at the same time, it exceeded the first quarter 2006 disbursements by 22.5%.

Within the refinancing portfolio the proportion of FX-based loans continued their steady increase: although in the first quarter of 2006, already 71.7% of refinancing was denominated in foreign exchange the trend continued throughout the year to reach 86.8% in the first quarter of 2007. The great majority of the fourth quarter refinancing was denominated in Swiss francs.

FHB Commercial Bank Ltd.

Once FHB Bank Group had been created – according to strategic plans – front office activity was handed over by the Commercial Bank. After the proper reconstruction, coordination offices were transferred from the Mortgage Bank to the Commercial Bank and have since been operating as bank branches, expanding services offered. Structurally, agency and the network of agents also belong to the Commercial Bank. The Mortgage Bank kept refinancing and consortial loan transactions. The portfolio of the latter belongs to the Mortgage Bank but is handled jointly with the Commercial Bank.

Mortgage lending by the Commercial Bank has been started, which amounted to 0.5 billion forints in the first quarter of 2007, disbursed entirely in Swiss franc. The loan portfolio is dominated by home equity mortgage loans with 87.4% proportion of total disbursement in the quarter.

FHB Annuity Ltd.

FHB Annuity Ltd. offers two products to elderly customers. FHB Life Annuity is sold directly by FHB Annuity Ltd. The other product, FHB Mortgage Annuity is a reverse mortgage product, which means the contracts are reported directly in the balance sheet of FHB Mortgage Bank. In terms of this product, FHB Annuity Ltd. is involved in product

development as well as sales, the latter on the basis of an agency agreement signed with FHB Mortgage Bank.

The first contracts have been concluded in the course of the first quarter and disbursements of both products commenced.

FHB Real Estate Ltd.

The core business of FHB Real Estate Ltd. is to provide collateral valuation, real estate investment and sales, real estate management and real estate valuation services to members of the Group. In addition to the Group, in 2007 FHB Real Estate Ltd. started to offer its services to external customers as well.

Mortgage bond issues and financing

In the first quarter of 2007 the Bank raised 25.7 billion forints gross, somewhat more than in the first quarter of 2006 and 0.6 billion forints less than in the previous quarter.

In the first quarter of 2007 the Bank launched one series in the domestic money market as well as two international series. Sold in the context of private placement, the domestic series a lesser issue of one billion forints.

In early March 2007 the Mortgage Bank renewed its international EMTN programme with substantially expanded documentation. The programme encompasses not only mortgage bond but regular bond issues, which means that if the Group needs unsecured funds it will be able to sell bonds issued abroad on the basis of the English law. When the programme was updated Euroclear was added to Clearstream for the international clearing of the Group's securities.

Under of the renewed EMTN programme the Bank sold two series with an aggregate total nominal value of 100 million euros: a series with floating interest and 3.5 years maturity was sold in the context of public offering, and a fixed interest series with 15 years maturity was sold in the context of private placement. The total nominal value of the floating interest mortgage bond series was 80 million euros, the same of the fixed-interest series was 20 million euros. Both series were launched in the Luxembourg Stock Exchange.

In order to further optimize the maturity of assets and liabilities the Bank repurchased two mortgage bond series in the first quarter, amounting to a total of 3.0 billion forints. Repayments amounted to 7.1 billion forints. Considering repurchase and repayments, in the first quarter of 2007 a total of 15.6 billion forints net funds were involved as opposed to net 11.7 billion forints in the fourth quarter of 2006.

Trading of FHB's mortgage bonds in the stock exchange was 3.3 billion forints in the first quarter of 2007, a third of the previous quarter's figure of 11.2 billion forints. A large portion of trading was contributed by fixed interest earning mortgage bonds with maturity in 2008.

The aggregate mortgage bond portfolio of the three Hungarian mortgage banks amounted to 1,499.9 billion forints as of 31 March 2007. FHB's share of the mortgage bond market was 30.2% at the end of the first quarter of 2007.

Changes in the legislative environment

Legislative changes in the first quarter that affect the Bank's business entered into force as of 1st January 2007. The most important changes are as follows:

Act CXII of 2006 on the Amendment of Act XXX of 1997 on Mortgage Banks and the Mortgage Bond

Under the new provisions the scope of financing of mortgage banks has been expanded as mortgage banks will be able to buy mortgage loans from financial enterprises in addition to mortgage banks or insurance companies. Moreover, the amendment provides that when purchasing mortgage loans and independent liens the entire portfolio must meet the limitations set forth in the Act rather than the individual loans, thus it will be possible for some loans to exceed 70% of the collateral value or their maturity be shorter than five years.

If specific conditions are met the amendment allows mortgage banks to extend or buy mortgage loans covered by property where the encumbered property is located in another Contracting State to the Agreement on the European Economic Area. The rules relating to mortgage bond cover have been supplemented so that derivatives are also accepted as cover assets.

According to an important new provision as regards insolvency, an important new provision is that assets recorded in the collateral register will not be included in the insolvent estate but will be transferred to the collateral pool administrator. The amendments were triggered by the interests of mortgage bond owners and partners in derivatives.

Fészekrakó (Nest Building) Scheme

From 1 January 2007 young people who want to benefit from the guarantee extended by the State to first homeowners under the Scheme have to pay a guarantee fee.

Act CXXII of 2006 on the Amendment of Act XCIII of 1990 on Duties and Act LXXXV of 1996 on the Administrative Service Fee Payable in Relation to Certified Property Title Deeds

The Act provided for an increase in the service fees of Land Registry procedures. Furthermore, under the Act, the fee payable for entry of mortgage lien or amendment of such entry is determined in a uniform fashion. An important provision is the revocation of exemption from fee payment of entries of mortgage liens related to housing loans. No fees are payable in procedures for entering the mortgage lien of the Hungarian State and prohibition of alienation and encumbrance in relation to direct housing subsidy extended by the State.

The so-called land development loan

Decree No. 17/2007 (23 March) of the Minister of Agriculture and Rural Development on Interest Subsidy Extended on Land Development Loans. The Decree provides specifically for this type of subsidy, which does not fall within the scope of Decree No. 25/2004 (3 March) of the Minister of Agriculture and Rural Development on the Terms of Application for Agricultural and Rural Development Support Extended by the State in 2004 setting forth uniform regulations for various forms of subsidies extended before. The Decree modified the conditions of application for subsidized-interest land development loans.

Restructuring and staff figures

Staff figures

The Bank had 123 staff as of 31 March 2007, 60.1% less than the previous year's headcount (315) and 250 persons less than as of 31 December 2006 (373). Staff reduction is due to the fact that a large number of the Bank's original staff was transferred to other members of the Group. The consolidated headcount was 478 as of 31 March 2007, which is a 49.4% increase over the 320 persons in the same period of the previous year, and 10.4% up from the end-of-2006 figure of 433. The increase in staff numbers is mainly related to the expansion of the Commercial Bank's network of branches and business.

Officers

At the meeting of the Board of Directors on 26 March 2007 Ferenc Karvalits, chairman of the Board resigned from his post as chairman and Board member. The Board of Directors elected Dr. Márton Vági chairman of the Board.

At the annual General Meeting held on 27 April 2007 the Bank elected István Somkuti external member of the Board of Directors. The mandates of Róbert Somfai and Ágnes Winkler, both members of the Supervisory Board, were renewed for another five years.

II. Summary figures of the latest period (IFRS)¹

Based on the International Financial Reporting Standards **the year-on-year consolidated balance sheet total increased** from 503.2 billion forints **to 545.6 billion forints or by 8.4%**. The growth was mainly generated by the increase in the mortgage loan portfolio.

Shareholders' equity grew by 23.3% over the period of a year **to exceed 30.9 billion forints**, due primarily to an increase in assets accumulated from profits.

Profit before tax was above 2.2 billion forints, 6.8% down from the fourth quarter of the previous year. **After-tax profit was 1.7 billion forints**.

Key financial indicators	Consolidated figures by IFRS		
	31 March 2006	31 March 2007	2007 I. / 2006 I.
Balance sheet total (HUF million)	503,244	545,608	8.4%
Book value of mortgage loans (HUF million)	447,039	489,091	9.4%
Book value of mortgage bonds (HUF million)	447,784	466,606	4.2%
Shareholders' equity (HUF million)	25,127	30,994	23.3%
Earnings before taxation (HUF million)	2,736	2,246	-17.9%
After tax profit (HUF million)	2,082	1,736	-16.6%
Net interest margin (NIM)	3.40%	3.18%	-6.5%
CIR (operating expenses / gross operating income)	39.7%	56.4%	42.1%
EPS (HUF) *	128	107	-16.6%
P/E (share price/EPS)	11,1	19.1	72.5%
P/BV (share price/equity/number of shares)	3.7	4.3	16.6%
Tier 1	26,881	27,924	3.9%
Capital adequacy ratio	15.6%	14.4%	-7.6%
ROAA (return on average assets)	1.7%	1.3%	-24.2%
ROAE (return on average equity)	31.6%	21.9%	-30.8%

¹ Non-audited, consolidated data by IFRS

III. Analysis of FHB Mortgage Bank Plc.'s financial statements prepared according to IFRS

P/L structure²

Data in HUF million

DESCRIPTION	2006 Q1 (Jan-Mar)	2006 Q4 (Oct-Dec)	2007 Q1 (Jan-Mar)	2007 Q1 / 2006 Q1	2007 Q1 / 2006 Q4
Net interest income	4,188	4,466	4,310	2.9%	-3.5%
Net fees and commissions income	134	128	314	134.4%	145.7%
Net profit from financial transactions	275	252	53	-80.8%	-79.0%
Other income and expenditure	-14	117	-14	-1.0%	-111.8%
Gross operating income	4,583	4,963	4,663	1.7%	-6.1%
Operating expenses	-1,819	-2,459	-2,631	44.7%	7.0%
Net operating income	2,765	2,504	2,032	-26.5%	-18.8%
Losses from lending and impairment	-29	-94	215	-	-
Profit before taxation	2,736	2,410	2,247	-17.9%	-6.8%
Taxes	-654	-310	-511	-21.9%	64.7%
After tax profit	2,082	2,100	1,736	-16.6%	-17.3%

In the first quarter of 2007 the Bank realised **1,736.1 million forints consolidated after-tax profit under IFRS**, 17.3% less than in fourth quarter of 2006 and 16.6% less than in the reference period of 2006. **Profit before tax was 2.2 billion forints**, 6.8% less than the figure in the previous quarter.

Net interest income

The **4.3 billion forints net interest income** was 2.9% above the figure of the same period of the previous year. The balance arose from **14.3 billion forints interest income** (105.0% of the first quarter 2006 figure) and **10.0 billion forints interest expense** (106.0% of the first quarter 2006 figure).

The main contributor to interest income in the first quarter of 2007 was interest on own lending at 43.5% and refinanced mortgage loans at 42.0%. The aggregate interest income on interbank deposits and securities contributed 3.6%, while the contribution of interest income on derivatives was 10.9%.

The breakdown of interest income followed the earlier trend: the contribution of income from refinanced loans decreased by approximately 5.0 percentage points while interest income on derivatives increased by 3.8 percentage points over the year. Compared to the fourth quarter of 2006, the contribution of interest income on refinancing dropped by 2.3%, and the contribution of interbank deposits dropped by 1.9%, which greatly contributed to the 3.5% drop in interest income compared to the fourth quarter of 2006.

² Consolidated non-audited data by IFRS.

Within the line item of interest income, the contribution of interest subsidy (subsidy of interest on mortgage bonds and supplementary interest subsidy) was 66.4% in the first quarter of 2006 and was 60.0% in the first quarter of 2007. While more than half of the interest income is still generated by interest subsidies there is an upward trend of income from customers.

In the period of reporting 77.8% of expenditures on interest was incurred in conjunction with mortgage bonds. The contribution of interest paid on interbank loans received was insignificant. On the other hand, the contribution of derivative hedges was 18.9%. In the fourth quarter of 2006, 80.1% of expenditures on interest was related to mortgage bonds, and the figure for the first quarter of 2006 was 84.3%. Interest of derivative transactions contributed 17.0% to expenditures on interest in the fourth quarter of 2006 and 14.9% in the reference period of the previous year.

The **average net interest margin (NIM)** was 3.4% as of 31 March 2006, 3.25% as of 31 December 2006, and **3.18%** at the end of the reported quarter. The drop in NIM is influenced by two factors. On the one hand, the Bank's portfolio structure is being transformed, which is a long process and will result in a long-term impact on the Bank's structure of own and refinanced loans. The contribution of subsidized loans within the refinanced portfolio has been steadily shrinking due to the fact that new loans are typically FX-denominated, thus the amount of scheduled repayments and prepayments exceeds that of new disbursements. The shrinking portfolio of subsidized loans has been replaced by foreign exchange loans with lower interest margins. Another negative effect on NIM is that most of the subsidized loans will be re-priced in 2007-2008. A similar process is going on in the portfolio of own lending. In the case of own loans, an additional impact is rooted in the upward movement of EUR and CHF yield curves and increasing cost of funds, a trend that the actors of a keenly competitive banking sector has shifted to their clients only to a lesser extent. Conversely, improving costs of funds have been slowing the drop in margins on loans.

Net fees and commission income

The balance of **fees and commissions income and expenditures** in the first quarter of 2007 was a **net income amounting to 313.9 million forints**, almost two and a half times higher than both the 127.8 million forints realized in the fourth quarter of 2006 and the 133.9 million forints achieved in the first quarter of 2006. In the reported quarter net income from fees contributed 6.7% to gross operating profit.

In the first quarter 27.7% of fees and commissions income was contributed by commissions, 40.9% by fees from credit institutions, and 9.2% by contracting fees. A significant part of total fees and commissions expenditures, 109.2 million forints were paid to acquisition agents and 3,0% was contributed by fees related to mortgage bond issues. Commission paid to consortial partners contributed 25.7% from total expenditures. The proportion of commission paid to acquisition agents increased from the share of 56.9% as at the end of 2006. first quarter to 83.8%.

Net profit from securities and currency transactions

Profit from foreign exchange transactions had a positive balance of 52.9 million forints in the reported quarter, lagging behind the 274.9 million achieved in the previous year. The main reason behind the drop is the change in the change in the **balance of derivative transactions**, which turned from 45.2 million forints in the first quarter of 2006 to -166.1 million forints as of 31 March 2007.

Profit from foreign exchange transactions amounted to **114.9 million forints** in the reported quarter, 28.9% below the fourth quarter 2006 figure, but 35.4% above the first quarter 2006 figure of 177.7 million forints.

As of 31 March 2006 **profit from securities transactions amounted to 104.1 million forints**, which emerged as a balance of exchange gains and losses on mortgage bonds issued and redeemed during the year.

Other income

As of 31 March 2007 the balance of **other income and expenditure was 13.8 million forints**, arising from 14.9 million forints income netted of 28.7 million forints expenditure. Other result was 13.9 million forints loss as at 31 March, 2006, of which the income was 3.3 million forints, and the expenditure was 17.2 million forints.

Operating expenses

Data in million HUF

DESCRIPTION	2006 Q1 (Jan-Mar)	2006 Q4 (Oct-Dec)	2007 Q1 (Jan-Mar)	2007 Q1 / 2006 Q1	2007 Q1 / 2006 Q4
General administrative costs	1,573	2,236	2,074	31.8%	-7.2%
Personnel expenses	682	983	869	27.3%	-11.6%
- wages	386	556	556	44.0%	0.0%
- other personnel expenses	140	209	119	-15.4%	-43.3%
- social security expenses	156	218	194	24.5%	-10.8%
Other administrative costs	891	1,253	1,205	35.3%	-3.8%
- incl. special mortgage banking costs	209	326	245	17.7%	-24.9%
Paid taxes	118	174	398	238.5%	127.5%
Depreciation	128	49	159	24.2%	227.0%
TOTAL OPERATING EXPENSES	1,819	2,459	2,631	44.7%	7.0%

Operating expenses amounted to 2.6 billion forints in the first quarter of 2007, 44.7% more than in the first quarter of 2006. Operating costs in the fourth quarter of 2006 amounted to 2.5 billion forints, which is exceeded in the reported quarter by 7%. As a result of infrastructure investment and restructuring the cost/income ratio (CIR) was 56.4% in 2006. The increase compared to the same period of the previous year is due to the fact that the costs of implementation of strategic projects were not yet incurred in the first quarter of 2006. The increase over the previous year's operating costs figure is significant primarily in terms of depreciation; personnel expenses decreased.

There was no significant change in the **breakdown** of operating costs. The contribution of **personnel expenses** as of 31 March 2006 was 37.5% compared to 33.0% in the first quarter of 2007. At the same time the increase compared to 31 March 2006 was 27.3%, in consequence of the increase in staff numbers. **Other administrative costs** were 35.3% higher in the first quarter of 2007 than in the first quarter of 2006 and 3.8% down from the fourth quarter of 2006. There is a general drop in the contribution of this item to operating costs, from 49.0% as of 31 March 2006 to 45.8% by the end of the reported quarter.

There was substantial change in the breakdown of other administrative costs during the period of reporting. The contribution of rents was 264.6 million forints as of 31 March 2007 due to network expansion compared to 138.1 million forints as of 31 March 2006. Similarly, maintenance costs rose from 32.9 million forints to 58.4 million forints by 31 March 2007. Conversely, there was a significant drop in consultants' fees compared to the fourth quarter 2006 figure, from 390.5 million forints to 105.3 million forints, as some of the strategic projects had been concluded. General and administrative costs amounted to 135.9 million forints in the first quarter of 2007, 21.5% higher than in the same period of the previous year but 21.2% less than in the fourth quarter of 2006.

Almost one-fifth of other administrative costs was contributed by **special mortgage banking costs** (26.1% in the fourth quarter of 2006 and 23.4% as of 31 March 2006 as opposed to 20.4% in the first quarter of 2007). The main component of special mortgage banking costs is loan coverage life insurance contributing 62.1% to the special mortgage banking costs item as of 31 March 2007.

In 2007 cumulative **depreciation** amounted to 159.4, 24.2% higher than the same period of the previous year and 227.0% above the first quarter 2006 figure. The massive change in the year-on-year figure is due to the depreciation of newly acquired tangible and intangible assets. Growth over the previous quarter's figure is the effect of end-of-year settlement. Of depreciation, 43.1% was contributed by intangible assets and 56.9% by tangible assets.

The amount of taxes paid significantly increased in the last period: while the balance of taxes were 117.5 million forints as at 31 March, 2006 and 174.8 million forints in the fourth quarter of 2006, the Bank has settled 397.7 million forints of tax expenditure in the first quarter of 2007. The reason of the increase is that **a new type of tax, the banks' contribution is payable from 1 January 2007.** The contribution is 5%, of total interest income from subsidized loans. The new tax exceeded 253 million forints in the first quarter, contributing 9.6% to costs.

A large portion of total costs was incurred in conjunction with the development of FHB Bank Group in the context of the strategic programme. Added to this is the extra tax to be paid by banks. The Bank has maintained effective operating costs management; on the other hand, costs and income related to new business activities are higher than before.

Portfolio quality, loss in value and provisions

The structure of the Bank's portfolio retained its high quality. Compared to the fourth quarter of 2006 there was a slight decrease in the rate of problem-free accounts receivable in both the entire and the loans portfolio.

Data in million HUF

Breakdown of classified portfolio by loss in value and provisions						
CLASSIFICATION	31 March, 2007		31 Dec, 2006		31 March, 2006	
	Total accounts receivable	Ratio	Total accounts receivable	Ratio	Total accounts receivable	Ratio
Standard	697,289	98.5%	664,430	98.6%	568,405	98.9%
Watch	5,499	0.8%	5,846	0.9%	3,375	0.7%
Substandard	1,604	0.2%	1,462	0.2%	664	0.1%
Doubtful	3,308	0.5%	2,268	0.3%	1,363	0.3%
Bad	3	0.0%	0	0.0%	1	0.0%
TOTAL	707,703	100.0%	674,006	100.0%	539,188	100.0%

As of 31 March 2007, 98.5% of the rated portfolio was problem-free (compared to 98.6% as of 31 December 2006 and 99.1% as of 31 March 2006). The aggregate contribution of substandard, doubtful and bad transactions was 0.7% (0.5% as of as of 31 December 2006 and 0.3% as of 31 March 2006), transactions on the watch list contributed 0.8%-ot (0.9% as of 31 December 2006 and 0.6% as of 31 March 2006).

Data in million HUF

Description	31 March, 2007	31 Dec, 2006	31 March, 2006
Impairment as at 1st January	819,296	546,906	546,906
Charge for the period	549,686	1,521,101	252,912
Release during the period	-776,598	-1,248,711	-224,497
Impairment at period end	592,384	819,296	575,321
Net effect of charge and release	-217,875	294,699	27,203
Loans written off			
Loss on loans sold	3,016	104,895	-764
Loss on terminated loans		9,132	3,691
Charge/(release) for commitments	504	1,877	-1,199
Losses on loan and advances	-214,355	410,603	28,931

Structure of the balance sheet³

Data in HUF million

DESCRIPTION	31.03.2006.	31.12.2006.	31.03.2007.	31.03.2007. / 31.03.2006	30.03.2007./ 31.12.2006.
Cash	2	37	117	5075.6%	214.1%
Receivables from NBH	24,958	19,351	172	-99.3%	-99.1%
Interbank deposits	9,943	20,063	24,408	145.5%	21.7%
Available for sale securities	3,931	2,855	14,097	258.6%	393.8%
Refinanced mortgage loans	264,590	269,190	272,129	2.8%	1.1%
Loans	182,449	211,682	216,963	18.9%	2.5%
Fair value of derivatives	2,497	2,540	3,686	47.6%	45.1%
Tangible assets	1,850	6,516	7,733	318.1%	18.7%
Other assets	13,024	5,068	6,302	-51.6%	24.4%
Assets total	503,244	537,302	545,607	8.4%	1.5%
Payables total	478,117	507,815	514,613	7.6%	1.3%
- Interbank borrowings	25,892	44,749	38,356	48.1%	-14.3%
- Mortgage bonds	447,784	455,658	466,606	4.2%	2.4%
- Fair value of derivatives	1,799	3,264	5,059	181.3%	55.0%
- Other liabilities	2,642	4,144	4,592	73.8%	10.8%
Shareholders' equity	25,127	29,487	30,994	23.3%	5.1%
- Subscribed capital	6,600	6,600	6,600	0.0%	0.0%
- Repurchased own shares	-3	-12	-159	5464.7%	1222.5%
- Premium	1,446	1,210	1,709	18.2%	41.3%
- General reserve	2,108	2,603	2,753	30.6%	5.7%
- Cash-flow hedge reserve	-2,631	-1,884	-1,985	-24.5%	5.4%
- Stock option reserve	244	182	334	37.0%	83.6%
- Changes in fair value of avail. for sale fin. assets	-7	-6	0	-95.5%	-94.4%
- Accumulated assets	17,370	20,794	21,742	25.2%	4.6%
Liabilities total	503,244	537,302	545,607	8.4%	1.5%

As of 31 March 2007 the Bank's consolidated **balance sheet total according to IFRS amounted to 545.6 billion forints**, which is 42.4 billion forints, or approximately 8.4% higher than in the first quarter of 2006 and 8.3 billion forints, or 1.5%, higher than the balance sheet total as of 31 December 2006. The increase in assets compared to the 31 March 2006 reference period was the joint effect of several factors. While expansion of the loan portfolio contributed 42.1 billion forints to assets, it was reduced by NBH receivables amounting to 24.8 billion forints. This was offset by a 24.6 billion forints expansion of interbank loans and outstanding mortgage bonds. On the liabilities side, 44.4% of the increase was contributed by the 18.8 billion forints growth of the mortgage loans portfolio, and 29.4% was contributed by interbank borrowings. The increase in both assets and liabilities over the figure in the fourth quarter of 2006 was due predominantly to an expansion in loans and mortgage bonds.

³ Consolidated non-audited data by IFRS.

Interest earning assets

As of 31 March 2007 the Group's **interest earning assets amounted to 527.8 billion forints**, exceeding the first quarter 2006 figure by 8.6%. Loans to retail customers disbursed by the Bank were 18.9% higher as of 31 March 2007 than a year earlier and 2.5% higher than in the fourth quarter of 2006. Loss in value to cover for losses from lending dropped from 575.3 million forints in March 2006 to 592.4 million forints. Refinancing showed a year-on-year increase of 2.8%. As of 31 March 2006 refinancing and the Bank's own loans contributed 92.0% to interest earning assets. This contribution increased to 92.7% by 31 December 2006.

The **loan collateral value of real estate** covering ordinary collateral amounted to **1,239.8 billion forints** as of 31 March 2007, 2.3% higher than the figure as of 31 December 2006 and 11.5% up from the figure in the same period of the previous year. **The LTV ratio** (loan principal receivable to collateral value) **was 38.7%** as of 31 March 2007, somewhat lower than the 39.1% ratio in reference period of the previous year.

The portfolio of **NBH and other interbank deposits** dropped from 34.9 billion forint as of 31 March 2006 to 24.6 billion forints as of 31 March 2007, which means its contribution to interest earning assets was 4.7%. NBH deposits dropped from 24,9 billion forints as of 31 March 2006 to 172.2 million forints due to a change in NHB methodologies as the NBH replaced two-week deposits by bond issues as of January 2007. Interbank deposits continue to serve primarily for the purpose of liquidity.

In conjunction with the shrinking of receivables from NBH, the value of the **securities portfolio** of the Bank increased from 3.9 billion forints as of 31 March 2006 to 14.1 billion forints as of 31 March 2007. The contribution of securities to interest earning assets was up, reaching 2.7%. NBH discount bonds replacing NBH deposits contributed 10.9 billion forints to securities, and the contribution of discount treasury bills was 3.1 billion forints. The Bank's securities portfolio continues to serve exclusively as a liquidity reserve.

Own assets

The net value of **tangible and intangible assets** amounted to 1.8 billion forints as of 31 March 2006. This amount increased to reach 7.7 billion forints by the end of the first quarter of 2007 due primarily to new hardware and other tangible assets as well as software.

Other assets amounted to 6.3 billion forints as of 31 March 2007, as opposed to 13.0 billion forints in the same period of the previous year. The main reason for the decrease was the fact that settlements (of interest subsidies) with the Hungarian State produced a high figure in the reference period. The contribution of this item to assets was 90.2% and amounted to 11.7 billion forints as opposed to 38.9% and 2.4 billion forints in the reported quarter.

Interest bearing liabilities

Mortgage bonds contributed 92.4% to the Bank's interest bearing liabilities as of 31 March 2007 compared to 94.5% in the previous year. The 466.6 billion forints book value of mortgage bonds as of 31 March 2007 was 4.2% higher than at the end of March 2006. The year-on-year increase amounting to 18.8 billion forints was contributed by 25.7 billion forints new issues, 7.1 billion forints repayments and 3.0 billion forints repurchase including related exchange rate adjustments.

Mortgage bond collateral

The value of assets used as **ordinary collateral** for the mortgage bonds issued by the Bank was **852.3 billion forints** as of 31 March 2007, which is a 10.9% increase over the figure of 31 March 2006.

The value of the group of assets involved as collateral as of 31 March 2007 (HUF million)

Outstanding mortgage bonds in circulation	
face value:	452,269
interest:	157,888
total:	609,157
Value of the regular collateral	
principal:	480,778
interest:	371,496
total:	852,274
Value of assets involved as supplementary collateral	
principal:	0
interest:	0
total:	0

The Bank has met all collateral requirements set forth by the Act on Mortgage Loan Companies and Mortgage Bonds.

Interbank funds

At the end of the first quarter of 2007 the 38.4 billion forints **interbank portfolio** contained interbank drawdown amounting to 3.1 billion forints, a CHF-based syndicated loan equivalent to 22.9 billion forints, and a Schuldschein loan equivalent to 12.4 billion forints denominated in euro. The Bank has used the syndicated loan facility as supplementary funds.

Other liabilities

The Bank's other liabilities amounting to 4.6 billion forints include, among others, debts to suppliers (contributing 21.6% as of 31 March 2007 compared to 15.1% as of 31 March 2006), passive accruals (17.9% in 2006 and 7.7% in 2007), and taxes payable (15.7% in 2006 and 14.1% in 2007). The item of other liabilities also includes deposits to secure project loans (1.2 billion forints in 2007, contributing 26.1%).

Shareholders' equity

The year-on-year increase in shareholders' equity was 23.3% (5.9 billion forints), **reaching 31.0 billion forints** as of 31 March 2007. The increase was predominantly contributed by a 4.4 billion forints rise in accumulated profit. The 0.6 billion forints increase in the real value of cash-flow hedge reserve also contributed to the increase in shareholders' equity and resulted from changes in yield and exchange rates. The aggregate growth in stock exchange premium and general reserve amounted to 907.6 million forints and contributed approximately 15.5% to the increase in shareholders' equity. Compared to the fourth quarter of 2006 shareholders' equity was 5.1% higher, due mainly to the impact of retained earnings, premium and general reserve.

Capital structure

DESCRIPTION	Data in HUF million		
	31 March, 2007	31 Dec, 2006	31 March, 2006
Risk weighted assets (RWA)			
Balance sheet items	190,088	188,759	168,215
Off-balance sheet items	3,807	4,743	4,229
Total risk weighted assets	193,895	193,502	172,444
Tier 1			
Subscribed capital	6,600	6,600	6,600
Premium	1,709	1,210	1,446
General reserve	2,753	2,603	2,108
Stock option reserve	335	182	244
Changes in fair value of available for sale fin. assets	0	-6	-7
Retained earnings	21,742	20,794	17,370
Cash-flow hedge reserve*	0	0	0
Intangible assets	-5,215	-4,676	-880
Total Tier 1 capital	27,924	26,705	26,881
Tier 2			
General risk reserve	0	0	0
Total Tier 2 capital			0
Total regulatory capital	27,924	26,705	26,881
Tier 1 capital adequacy (%)	14.4	13.8	15.6
Total capital adequacy (%)	14.4	13.8	15.6

Cash flow hedge reserve is excluded when calculating Tier1 and regulatory capital.

The Bank's **risk weighted assets (RWA) amounted to 193.9 billion forints** as of 31 March 2007, which is a 12.4% of year-on-year increase. The growth was almost entirely contributed by balance sheet items, mainly by the expansion of the loan portfolio. Tier 1 was 27.9 billion forints showing a year-on-year increase of 3.9% at the end of the first quarter of 2007.

As of 31 March 2007 the **capital adequacy ratio was 14.4%** including the profit for the period compared to 13.8% as of 31 December 2006 and 15.6% as of 31 March 2006.

Off-balance sheet items

The Bank's pending liabilities among the off-balance sheet items was 1.8 billion forints. Contracted but not yet disbursed loans amounted to 6.9 billion forints. Future liabilities amounted to 175.7 billion forints and mainly include hedge transactions relating to mortgage bonds. Liabilities from currency swaps amounted to 171.2 billion forints and included 109.4 billion forints CHF swap and 60.7 billion forints HUF swap. Interest swaps amounted to 4.5 billion forints and mainly included HUF-denominated transactions (2.9 billion forints), and, to a lesser extent, CHF transactions (1.6 billion forints).

The Bank only undertakes hedge transactions to close currency positions and eliminate risks, and does not engage in derivative transactions for speculative purposes.

Declaration

FHB Jelzálogbank Nyrt. (FHB Mortgage Bank Plc.) hereby declares that the figures and statements of this Preliminary Report comply with reality, and it does not conceal any fact or information that would be substantial in the judgement of the issuer's position.

As issuer, FHB Jelzálogbank Nyrt. assumes exclusive liability for the contents of the preliminary report. FHB Jelzálogbank Nyrt. declares that it is liable as issuer for the reimbursement of losses caused by the omission and/or the misleading contents of regular and extraordinary information.

Budapest, 14 May, 2007

Dániel Gyuris
CEO

Jenő Siklós
Deputy CEO

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 Investor relations: Péter Bárdos

Financial Statements of FHB Mortgage Bank Plc. prepared in accordance with International Financial Reporting Standards (IFRS)

Profit and Loss Statement

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2007	31 March, 2006	Change (%)
Interest income	14,313,011	13,626,505	5.0%
Interest expense	-10,003,036	-9,438,135	6.0%
Net interest income	4,309,975	4,188,370	2.9%
Fee and commission income	444,281	334,406	32.9%
Fee and commission expense	-130,384	-200,470	-35.0%
Profit from FX transactions	114,863	177,718	-35.4%
Profit from changes of fair value of derivatives	-166,104	45,176	-467.7%
Gain less losses from securities	104,138	52,041	100.1%
Other operating income	14,958	3,326	-88.9%
Other operating expense	-28,741	-17,243	66.7%
Operating income	4,662,986	4,583,324	-1.1%
Losses/provisions on loans and impairment	214,355	-28,930	-840.9%
General and administrative costs	-2,630,702	-1,818,591	34.9%
Profit before tax	2,246,639	2,735,803	-17.9%
Taxation expense	-510,512	-653,821	-21.9%
Profit for the period	1,736,127	2,081,982	-16.6%

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Balance Sheet

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2007	31 March, 2006	Change (%)
Assets			
Cash	116,606	2,253	5075.6%
Due from National Bank of Hungary	172,184	24,958,485	-99.3%
Placements with other banks	24,407,958	9,943,356	145.5%
Available for sale securities	14,096,667	3,930,851	258.6%
Refinancing of mortgage loans	272,128,647	264,589,732	2.8%
Loans	216,962,753	182,449,221	18.9%
Fair value of derivatives	3,686,118	2,497,431	47.6%
Property and equipment	7,733,289	1,849,618	318.1%
Other assets	6,303,363	13,023,519	-51.6%
Total Assets	545,607,585	503,244,466	8.4%
Liabilities			
Deposits from banks	38,356,349	25,891,729	48.1%
Mortgage bond liabilities	466,605,957	447,784,400	4.2%
Fair value of derivatives	5,059,984	1,799,034	181.3%
Other liabilities	4,590,914	2,642,027	73.8%
Total Liabilities	514,613,204	478,117,190	7.6%
Shareholders' Equity			
Share capital	6,600,001	6,600,001	0.0%
Repurchased own shares	-158,538	-2,849	5464.7%
Share premium	1,709,014	1,446,047	18.2%
General reserve	2,752,508	2,107,902	30.6%
Cash-flow hedge reserve	-1,984,918	-2,630,436	-24.5%
Stock option reserve	334,510	244,141	37.0%
Variation in fair value of tradable financial assets	-334	-7,378	-95.5%
Retained earnings/(deficit)	21,742,138	17,369,848	25.2%
Total Shareholders' Equity	30,994,381	25,127,276	23.3%
Total Liabilities and Shareholders' Equity	545,607,585	503,244,466	8.4%

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Cash Flow

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2007	31 March, 2006
Cash flows from operating activities		
Net profit	1,736,127	2.081.982
Non cash adjustments to net income to net cash from operating activities:		
Depreciation	159,426	128.345
Provision for losses	-226,453	27.248
Loss/(profit) on sale of fixed assets	-166	-70.096
Stock option reserve	152,339	34.105
Share granted	0	0
Derivatives	548,591	-3.847.201
Cash flow hedge reserve		0
Operating profit / (loss) before changes in operating assets	2,369,774	-1.645.617
<i>Increase (decrease) in operating assets:</i>		
Refinancing of mortgage loans	-2,938,467	-4.677.281
Loans	-5,054,024	-11.213.320
Accrued interest receivable	0	0
Other assets	-1,235,166	-8.842.487
<i>Increase (decrease) in operating liabilities:</i>		
Due to other banks	-5,495,480	-5.604.329
Accrued interest payable	0	0
Other liabilities	416,320	230.661
Net cash used in operating activities	-11,937,043	-31.752.373
Cash flows from investing activities		
Increase in available for sale securities	-11,236,332	-517.139
Proceeds from sale of property and equipment	872	0
Purchase of property and equipment	-1,376,807	-115.297
Net cash used in investing activities	-12,612,267	-632.436
Cash flows from financing activities		
Sale/(purchase) of own shares	0	0
Long term loans	-897,000	0
Paid dividend	0	0
Cash flow hedge reserve	0	0
Instalment from mortgage bonds	-7,058,680	-2.628.000
Proceeds from issue of mortgage bonds	18,037,328	29.385.511
Net cash from financing activities	9,795,694	26.757.511
Net increase in cash and cash equivalents	-14,753,616	-5.627.298
Cash and cash equivalents at beginning of year	39,450,364	40.531.391
Cash and cash equivalents at end of period	24,696,748	34.904.093
Cash and cash equivalents comprises of:		
Cash	116,606	2.253
Due from Central Bank	172,184	24.958.484
Placements with other banks, with a maturity of less than 90 days	24,407,958	9.943.356
Cash and cash equivalents at end of period	24,696,748	34.904.093
<i>Supplemental information</i>		
Interest received	13,806,427	12.917.130
Interest paid	-11,496,662	-10.585.192
Tax paid	-245,458	-317.234

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Statement of Shareholders' Equity

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Stock option reserve	Variation in fair value (financial assets)	Retained earnings (deficit)	Shareholders' Equity
31 March 2006	6,600,001	-2,849	1,446,047	2,107,902	-2,630,436	244,141	-7,378	17,369,848	25,127,276
Transfer to general reserve				495,592				-495,592	0
Change of fair values cash flow hedge					746,507				746,507
Own shares purchase		-259,749							-259,749
Shares granted		250,610	-236,485						14,125
Dividends for 2005								-1,848,000	-1,848,000
Creation of stock option reserve						-61,970		210,036	148,066
Changes in fair value of available for sale financial assets							1,375		1,375
Profit for the period								5,557,588	5,557,588
31 December 2006	6,600,001	-11,988	1,209,562	2,603,494	-1,883,929	182,171	-6,003	20,793,880	29,487,188
Transfer to general reserve				149,014				-149,014	0
Change of fair values cash flow hedge					-100,989				-100,989
Own shares purchase		-146,550							-146,550
Shares granted			499,452			139,404		-638,856	0
Dividends for 2006									0
Creation of stock option reserve						12,9353			12,935
Changes in fair value of available for sale financial assets							5,669		5,669
Profit for the period								1,736,127	1,736,127
31 March 2007	6,600,001	-158,538	1,709,014	2,752,508	-1,984,918	334,510	-334	21,742,138	30,994,381

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Loans

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2007	31 March, 2006
Real estate purchase	104,232,58	97,675,260
Real estate construction	47,731,110	41,365,435
Real estate reconstruction	4,487,982	3,246,487
Real estate extension	12,335,171	12,770,163
Other loans secured by real estate	47,255,179	26,196,530
Employee loans	1,554,771	1,231,627
Loans, gross	217,596,771	182,485,502
from this: retail loans	210,722,454	181,764,872
other	6,356,138	720,630
Loan loss provision	-592,384	-575,321
Accrued interest	730,128	539,040
Accrued origination fee	-771,762	
Loans, net	216,962,753	182,449,221

Mortgage bonds

(consolidated, non-audited data as at 31 March, 2007 and as at 31 March, 2006, according to IFRS, data in thousand HUF)

DESCRIPTION	Carrying amount	Nominal value	Carrying amount	Nominal value
	31 March, 2007		31 March, 2006	
Non-listed mortgage bonds				
Fixed	179,854,452	179,359,850	176,248,712	175,659,750
Floating	45,956,305	45,984,250	24,710,192	24,731,500
Listed mortgage bonds				
Fixed	153,540,170	153,575,290	189,319,471	189,133,640
Floating	73,135,775	73,350,080	42,688,615	42,903,180
Accrued interest	14,119,255	-	14,817,410	-
Total	466,605,957	452,269,470	447,784,400	432,428,070

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DATA FORMS RELATED TO THE FINANCIAL REPORTS

PK1. General information on the financial figures

	Yes	No	
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Accounting principles	Hungarian <input type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>

PK2. Business enterprises subject to consolidation

Name	Equity / Share capital (thousand HUF)	Ownership ratio (%)	Voting ratio (%)	Classification ¹
FHB Service Ltd.	1,500,000	100.00	100.00	L
FHB Commercial Bank Ltd.	2,000,000	90.00	90.00	K
FHB Real Estate Ltd.	100,000	95.00	95.00	K
FHB Annuity Real Estate Investment Ltd	100,000	95.00	95.00	K

¹ Full (L); Joint management (K); Affiliated (T)

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PK6. Major off-balance sheet items

Description	31 March, 2007 (HUF million)
Pending obligations	8,710
- available credit facility on credits extended	1,770
- loans committed in contract but not yet extended	6,935
- credit to be purchased from partner bank	5
Future obligations	175,691
Total	184,401

DATA FORMS RELATING TO THE STRUCTURE OF SHARES AND THE GROUP OF OWNERS

RS1. Ownership structure, participation and voting rates

The ownership structure as at 31 March, 2007

Description of group of owners	Entire share capital						Listed series ¹					
	Beginning of target year (01.01.2007)			End of period (31.03.2007.)			Beginning of target year (01.01.2007)			End of period (31.03.2007.)		
	% ²	% ³	Db	% ²	% ³	Db	% ²	% ³	Db	% ²	% ³	Db
Domestic institutional / company	18.99	18.99	12,534,199	35.30	35.35	23,301,164	12.50	10.98	7,248,499	31.06	27.34	18,015,464
Foreign institutional / company	24.52	24.53	16,185,389	8.32	8.33	5,489,717	27.91	24.53	16,185,389	9.47	8.33	5,489,717
Domestic private individuals	2.22	2.22	1,463,771	2.02	2.02	1,332,962	2.52	2.22	1,463,771	2.30	2.02	1,332,962
Foreign private individuals	0.05	0.05	35,452	0.03	0.03	16,977	0.06	0.05	35,452	0.03	0.03	16,977
Employees, executives	0.09	0.09	57,205	0.10	0.10	63,865	0.10	0.09	57,205	0.11	0.10	63,865
Treasury shares	0.01	0.00	8,674	0.12	0.00	80,005	0.01	0.00	8,674	0.14	0.00	80,005
State ⁴	54.11	54.12	35,715,320	54.11	54.18	35,715,320	56.90	50.01	33,001,020	56.90	50.08	33,001,020
International Development Institutes ⁵	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
Other	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
TOTAL	100.00	100.00	66,000,010	100.00	100.00	66,000,010	100.00	87.88	58,000,010	100.00	87.90	58,000,010

The ownership share is equal to the voting rates for entire share capital.

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The ownership structure as at date of General Shareholder's Meeting (27. April, 2007)

Description of group of owners	Entire share capital						Listed series ¹					
	Beginning of target year (01.01.2007)			End of period (31.03.2007.)			Beginning of target year (01.01.2007)			End of period (31.03.2007.)		
	% ²	% ²	Db	% ²	% ²	Db	% ²	% ²	Db	% ²	% ²	Db
Domestic institutional / company	18.99	18.99	12,534,199	30.82	30.94	20,340,717	12.50	10.98	7,248,499	25.96	22.91	15,055,017
Foreign institutional / company	24.52	24.53	16,185,389	14.66	14.72	9,675,851	27.91	24.53	16,185,389	16.68	14.73	9,675,851
Domestic private individual s	2.22	2.22	1,463,771	0.00	0.00	508	2.52	2.22	1,463,771	0.00	0.00	508
Foreign private individual s	0.05	0.05	35,452	0.01	0.01	5,000	0.06	0.05	35,452	0.01	0.02	5,000
Employees, executives	0.09	0.09	57,205	0.02	0.02	9,925	0.10	0.09	57,205	0.02	0.03	9,925
Treasury shares	0.01	0.00	8,674	0.38	0.00	251,429	0.01	0.00	8,674	0.43	0.00	251,429
State ⁴	54.11	54.12	35,715,320	54.12	54.32	35,716,580	56.90	50.01	33,001,020	56.90	50.20	33,002,280
International Development Institutes ⁵	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
Other	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
TOTAL	100.00	100.00	66,000,010	100.00	100.00	66,000,010	100.00	87.88	58,000,010	100.00	87.88	58,000,010

¹ If the listed series is the same as the entire share capital, this must be indicated and no completion is required. If there are several series on the Stock Market, the ownership structure must be given for every series.

² Ownership share

³ The voting rights ensuring participation in decision making at the General Shareholder's Meeting of Issuer. If the ownership share and the voting rights are identical, only the ownership share column must be completed and submitted / disclosed, while the fact must be indicated.

⁴ E.g.: ÁPV Rt., TB, local authorities, companies with 100% state ownership, etc.

⁵ E.g.: EBRD, EIB, etc.

RS2. Changes in the number of treasury shares (pcs) in the year concerned

The ownership structure as at 31 March, 2007

	1 January	31 March	30 June	30 September	31 December
FHB Nyrt.	8,674	80,005			

The ownership structure as at date of General Shareholder's Meeting (27. April, 2007)

	1 January	31 March	30 June	30 September	31 December
FHB Nyrt.	8,674	251,429			

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RS3/1. List and presentation of Owners holding a share exceeding 5% (at the end of the period) regarding the listed series

The ownership structure as at 31 March, 2007

Name	Nationality ¹	Activity ²	Quantity (pcs)	Share (%) ³	Voting rights (%) ^{3,4}	Notes ⁵
ÁPV Zrt.	B	Á	33,000,010	56.90	50.07	

The ownership structure as at date of General Shareholder's Meeting (27. April, 2007)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Share (%) ³	Voting rights (%) ^{3,4}	Notes ⁵
ÁPV Zrt.	B	Á	33,000,010	56.90	50.07	
VCP Finanz Holding Kft.	B	T	6,500,000	11.21	9.85	
Silverbüst Estate S.A.	K	T	6,303,545	10.87	9.55	

¹ Resident (B), Non-resident (K)

² Custodian (L), State Budget (Á), International Development Institute (F), Institutional (I), Business Enterprise (T) Private (M), Employee, officer (D)

³ To be given rounded up to two decimals

⁴ The voting right assuring participation in decision making in the General Shareholder's Meeting of Issuer.

⁵ E.g.: strategic investor, financial investor, etc.

RS3/2. List and presentation of Owners holding a share exceeding 5% (at the end of the period) regarding the entire share capital

The ownership structure as at 31 March, 2007

Name	Nationality ¹	Activity ²	Quantity (pcs)	Share (%) ³	Voting rights (%) ^{3,4}	Notes ⁵
ÁPV Zrt.	B	Á	35,714,310	54.11	54.19	
Allianz Hungária Biztosító Zrt.	B	T	6,538,050	9,91	9,92	

The ownership structure as at date of General Shareholder's Meeting (27. April, 2007)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Share (%) ³	Voting rights (%) ^{3,4}	Notes ⁵
ÁPV Zrt.	B	Á	35,714,310	54.11	54.35	
Allianz Hungária Biztosító Zrt.	B	T	6,538,050	9.91	9.95	
VCP Finanz Holding Kft	B	T	6,500,000	9.85	9.85	
Silverbüst Estate S.A.	K	T	6,303,545	9.55	9.55	

¹ Domestic (B), Foreign (K)

² Custodian (L), State Budget (Á), International Development Institute (F), Institutional (I), Business Enterprise (T) Private (M), Employee, officer (D)

³ To be given rounded up to two decimals

⁴ The voting right assuring participation in decision making in the General Shareholder's Meeting of Issuer.

⁵ E.g.: strategic investor, financial investor, etc.

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DATA FORMS RELATED TO THE ORGANISATION AND OPERATION OF THE ISSUER

TSZ2. Changes in the headcount of full-time staff (persons)

	End of base period (31 December 2006.)	Beginning of target year (1 January 2007.)	End of target period (31 March 2007.)
Bank	373	141	106
Consolidated	433	436	478

TSZ3. Persons in senior positions and (strategic) employees having an influence on the operations of the Issuer

Type ¹	Name	Position	Beginning of mandate	End / termination of mandate	Shares held (pcs)
IT	Ferenc Karvalits	Chairman	05.05.2005	26.03.2007	0
IT	Dr. Márton Vági	member	21.04.2006	21.04.2011	0
IT	dr. Gábor Borsányi	member	12.05.2006	12.05.2011	8,000
IT	dr. Károly Salamon	member	12.05.2006	12.05.2011	8,000
IT	Dániel Gyuris	member, CEO	21.04.2006	21.04.2011	18,500
IT	László Harmati	member, Deputy CEO	21.04.2006	21.04.2011	20,192
IT	Dr. Zoltán Szedlacskó	member	23.05.2003	23.05.2008	24,000
IT	Dr. Gábor Csányi	member	28.05.2005	28.05.2010	0
IT	István Somkuti	member	27.04.2007	27.04.2012	0
FB	Róbert Somfai	Chairman	26.07.2002	27.07.2012	5,000
FB	Ágnes Winkler	member	26.07.2002	27.04.2012	0
FB	Mónika Kék	member	05.05.2005	05.05.2010	0
FB	Kata Orsolya Molnár	member	05.05.2005	05.05.2010	0
FB	Éva Baranyi	member	05.05.2005	05.05.2010	0
FB	Dr. Gyula Czok	member	12.05.2006	12.05.2011	4,000
FB	Dr. Erik Landgraf	member	02.05.2006	02.05.2011	9,074
FB	Nguyen Hoang Viet	member	02.05.2006	02.05.2011	5,200
FB	Mária Szántó	member	02.05.2006	02.05.2011	0
SP	Jenő Siklós	Deputy CEO	10.21.1997	indefinite	22,310
SP	Tamás Foltányi	Deputy CEO	11.01.2005	indefinite	16,000
Shares held (pcs) T O T A L :					140,276

¹ Employee in a strategic position (SP), Member of the Board of Directors (IT), member of the Supervisory Board (FB)

Note:

- At the meeting of the Board of Directors on 26 March 2007 Ferenc Karvalits, chairman of the Board resigned from his post as chairman and Board member. The Board of Directors elected Dr. Márton Vági chairman of the Board.
- FHB shares held by management already contain the impact of the shares granted after the year 2006 based on the share option programme approved by the Annual General Meeting.

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DATA SHEETS RELATED TO EXTRAORDINARY ANNOUNCEMENTS

ST1. Extraordinary announcements during the period of reporting

Date	Medium of announcement	Description
04.01.2007	BSE website	Moody's placed the Bank's short and long term FX deposit ratings to a negative watch list
16.01.2007	BSE website	Current value of FHB's mortgage bonds and their collaterals as at 31.12.2006.
17.01.2007	BSE website	Announcement regarding the repurchase of FHB Plc.'s mortgage bond before maturity
17.01.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement regarding the repurchase of FHB Plc.'s mortgage bond before maturity
18.01.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Current value of FHB's mortgage bonds and their collaterals as at 31.12.2006.
29.01.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement regarding the repurchase of FHB Plc.'s mortgage bond before maturity
09.02.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Successful issue of the FJ08ZF03 mortgage bond
09.02.2007	BSE website	Date of publication of 2006 preliminary report
14.02.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Stock Market Preliminary Report of FHB Mortgage Bank Plc. for the year 2006.
14.02.2007	BSE website	Announcement on the 2007 financial plan of FHB Mortgage Bank Plc.
15.02.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement on the 2007 financial plan of FHB Mortgage Bank Plc.
15.02.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement about the General Contracting Conditions of the Reverse mortgage loan.
01.03.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Change of person in managing position at FHB Commercial Bank Ltd.
05.03.2007	BSE website	Extraordinary announcement about extending the revolving loan.
06.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Extraordinary announcement about extending the revolving loan.
08.03.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Repricing the FJ12NV01 mortgage bond of FHB Plc.
13.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement about the renewal of EMTN Programme of FHB Plc.
13.03.2007	BSE website	FHB's Supplement No. 1 to the Base Prospectus
14.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	FHB's Supplement No. 1 to the Base Prospectus
21.03.2007	BSE website	Issue of Covered Mortgage Bond Series (FJ10NV01).
22.03.2007	Magyar Tőkepiac	Issue of Covered Mortgage Bond Series (FJ10NV01).

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Date	Medium of announcement	Description
	Világgazdaság Napi Gazdaság	
22.03.2007	BSE website	Another direct euro issue under the EMTN Program of FHB Nyrt.
23.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Another direct euro issue under the EMTN Program of FHB Nyrt.
27.03.2007	BSE website Magyar Tőkepiac Világgazdaság Napi Gazdaság	Invitation for General Shareholder's Meeting of FHB Mortgage Bank Co. Plc.
27.03.2007	BSE website	Change of the President of the Board of Directors at FHB Plc.
28.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Change of the President of the Board of Directors at FHB Plc.
27.03.2007	BSE website	Ordinary shares of series "A" of FHB Mortgage Bank Co. Plc.
28.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Ordinary shares of series "A" of FHB Mortgage Bank Co. Plc.
29.03.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Ordinary shares of series "A" of FHB Mortgage Bank Co. Plc.
02.04.2007	BSE website	Adjustment of the own shares of series "A" held by FHB Mortgage Bank Co. Plc.
03.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Adjustment of the own shares of series "A" held by FHB Mortgage Bank Co. Plc.
03.04.2007	BSE website	Purchase of FHB ordinary shares of series "A"
04.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Purchase of FHB ordinary shares of series "A"
12.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Supplement of the invitation to the General Shareholders` Meeting of FHB Plc
12.04.2007	BSE website	Purchase of FHB ordinary shares of series "A"
13.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Purchase of FHB ordinary shares of series "A"
13.04.2007	BSE website	Invitation for a free chatting before the General Shareholder's Meeting of FHB Mortgage Bank Co. Plc.
16.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Invitation for a free chatting before the General Shareholder's Meeting of FHB Mortgage Bank Co. Plc.
13.04.2007	BSE website	Announcement of the revised proposal for the General Shareholder's Meeting of FHB Plc.
13.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Announcement about the modification of the General Lending Rules
16.04.2007	BSE website	Declaration about FHB's company managing practice in 2006, based on the Responsible Company Management Recommendations.
16.04.2007	BSE website	Proposals in English for FHB Plc's 2007 General Shareholders Meeting
17.04.2007	BSE website	Supplement of the 2006-2007 Issuing Programme of FHB Plc. by the data of the Stock Market Preliminary Report of 31. December 2006.
18.04.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Supplement of the 2006-2007 Issuing Programme of FHB Plc. by the data of the Stock Market Preliminary Report of 31. December 2006.
19.04.2007	BSE website	Current value of FHB's mortgage bonds and their collaterals as at 31.12.2006.
26.04.2007	BSE website	Owners' structure of FHB Plc. (before the General Shareholder's Meeting in 2007)
27.04.2007	BSE website	Revising the extraordinary announcement of FHB Plc. published at 12 April,

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Date	Medium of announcement	Description
		2007.
27.04.2007	BSE website	Resolutions of the 2007 General Meeting of FHB Plc
27.04.2007	BSE website	Summary report of FHB Mortgage Bank Co. Plc. For 2006.
02.05.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Revising the extraordinary announcement of FHB Plc. published at 12 April, 2007.
02.05.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Resolutions of the 2007 General Meeting of FHB Plc
02.05.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Summary report of FHB Mortgage Bank Co. Plc. For 2006.
02.05.2007	BSE website	FHB's Annual report for the year 2006.
02.05.2007	BSE website	Announcement about shares sold by member of the Board of Directors of FHB Plc.
02.05.2007	BSE website	New publication place of FHB's announcements.
03.05.2007	Magyar Tőkepiac Világgazdaság Napi Gazdaság	New publication place of FHB's announcements.
08.05.2007	BSE website	Change of FHB own shares held by the management of FHB Plc. after completing the Share option programme of 2006.