



FHB Mortgage Bank Plc.

**Interim management report
for the first quarter of 2015**

Budapest, May 15, 2015

I. SUMMARY CONSOLIDATED FIGURES

in HUF million	31/03/2014	31/12/2014	31/03/2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Main balance sheet items					
Total assets	789,321	769,438	821,973	6.8%	4.1%
Refinanced loans	129,981	116,182	104,711	-9.9%	-19.4%
Loans (gross)	366,001	357,773	333,654	-6.7%	-8.8%
Mortgage bonds	202,438	179,615	190,604	6.1%	-5.8%
Senior unsecured bonds	96,004	112,230	110,341	-1.7%	14.9%
Customer deposits	243,809	298,762	346,811	16.1%	42.2%
Shareholders' equity	76,949	88,048	83,917	-4.7%	9.1%
<i>Capital adequacy ratio</i>	<i>11.4%</i>	<i>13.9%</i>	<i>10.0%</i>	<i>-3.9%</i>	<i>-1.4%</i>
<i>CET1 ratio</i>	<i>8.8%</i>	<i>13.4%</i>	<i>7.8%</i>	<i>-5.6%</i>	<i>-1.0%</i>

in HUF million	Q1 2014	Q4 2014	Q1 2015	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014
Main P/L items					
Net interest income	5,226	5,520	5,155	-6.6%	-1.4%
<i>Net interest margin</i>	<i>2.78%</i>	<i>2.86%</i>	<i>2.63%</i>	<i>-0.24%-pt</i>	<i>-0.15%-pt</i>
Net fees and commissions	1,280	1,742	1,580	-9.3%	23.4%
Net operating income	6,897	-2,807	-2,201	-21.6%	-131.9%
Provision for impairment on loan losses	-1,474	-134	5,473	-	-
Operating cost	-3,841	-4,224	-4,424	4.8%	15.2%
<i>Cost to income ratio</i>	<i>55.7%</i>	<i>127.9%</i>	<i>201.0%</i>	<i>73.1%-pt</i>	<i>145.3%-pt</i>
<i>Cost/income ratio w/o special banking tax and w/o provision</i>	<i>50.5%</i>	<i>105.4%</i>	<i>152.2%</i>	<i>46.8%-pt</i>	<i>101.7%-pt</i>
Profit before tax	1,581	-7,165	-1,153	-83.9%	-172.9%
Profit after tax	1,145	-6,596	-3,804	-42.3%	-
Profit before tax w/o special banking tax and other one-offs	2,491	1,027	465	-54.7%	-81.3%
<i>Basic EPS (HUF)</i>	<i>68.13 Ft</i>	<i>-306.91 Ft</i>	<i>-127.32 Ft</i>	<i>-</i>	<i>-</i>
<i>Return on Assets</i>	<i>0.61%</i>	<i>-3.42%</i>	<i>-1.94%</i>	<i>1.5%</i>	<i>-2.5%</i>
<i>Return on Equity</i>	<i>6.1%</i>	<i>-29.2%</i>	<i>-17.9%</i>	<i>11.3%</i>	<i>-24.0%</i>

II. REPORT ON FIRST QUARTER OF 2015 RESULTS OF FHB GROUP

This report of FHB Mortgage Bank Public Co Plc. for the first quarter of 2015 is based on the data of the consolidated balance sheet and profit and loss account prepared according to the International Financial Reporting Standards (IFRS). The narratives compare the consolidated, audited figures as of 31 December 2014, and the consolidated, non-audited figures as of 31 March 2014 and 31 March 2015.

The Group accounted the entire amount of special banking tax prescribed for 2015 according to IFRS pursuant to the provisions of Act LIX of 2006. The Group accepts and does not contest this amount set by law, the Group is bound to pay during the course of the year 2015 the full amount. However, in order to present the impacts of actual operation, the analysis and comparative indicators of interim reports are based on the adjusted financial statements that include special banking tax pro rata.

For the information of investors, appendix of this interim report presents the financial statements including the special banking tax for the entire business year and the financial statements that include special banking tax pro rata, as well.

1. Summary of the achievements of the past period

Consolidated before tax result of the Banking Group based on IFRS was HUF 1,152.5 million loss in the first quarter, the profit after tax was HUF 3.8 billion loss. The performance was primarily impacted by unrealised loss which is caused by revaluation and reported in the financial (trading) results, while a significant amount of tax liability emerged from the implementation of Act XL on implementation of Act XXXVIII of 2014 on the Settlement of certain issues concerning the Uniformity Decision of the Supreme Court (Curia) related to consumer loan agreements provided by financial institutions (Settlement Rules Act).

Profit before tax of FHB Group adjusted by special banking tax and other one-off items reached HUF 465 million in the first quarter. FHB Group reported almost HUF 2.7 billion tax expense, but the quantifying of tax effects related to the Settlement Rules Act – having impact on previous periods – is continuously happening during the year 2015, which sometimes may cause significant changes in the amount of the tax expense in 2015.

Main P&L items are reported as follows:

- **Net interest income** decreased by HUF 365 million compared to the previous quarter as a result of reduction of interest on loans due to lowering interest rates and decreasing loan portfolio partly caused by the settlement. Amount of HUF 5.1 billion net interest income represented 2.63% net interest margin on average total assets, by 24 basis point lower compared to the previous quarter and by 15 basis points lower than a year ago.
- **Net fees and commissions** amounted to HUF 1.6 billion, which was resulted by increase of fund management fees, bank account and card related fee incomes. Volume of net fees and commissions in the first quarter was by 23% higher than in 2014 Q1.
- The negative result of financial (trading) transactions is mainly caused by the revaluation which depends on the EUR exchange rate at the end of the period, and which meant HUF 1.8 billion unrealised FX losses.
- Amount of **operating costs** was HUF 4.4 billion in the first quarter, 4.8% higher than in the previous quarter partly due to higher – headcount-related – personnel expenses and partly due to higher depreciation.
- The development of **risk costs** were determined by items related to the settlement and HUF conversion. Due to decrease in loan portfolio, impairment on loans decreased as well. In addition, gross volume of loans converted to HUF – which had to derecognise and recognise as a new loan at fair value in the financial statements according to IFRS – decreased by HUF 4.8 billion and in line with IFRS requirements the related impairment was released and as a result value of impairment decreased to the same extent. Due to the aforementioned accounting methods, the Bank released total amount of HUF 5.5 billion from impairment in the first quarter.
- Rate of non-performing loans (NPL ratio) decreased to 16.9% (from 20.2% at the end of the previous quarter) also largely as a consequence of the aforementioned IFRS characteristics. Coverage of non-performing portfolio stood at 50.9% at the end of the first quarter.
- Looking at the subsidiaries, performance of Diófa Asset Management Ltd. was outstanding which result was HUF 110 million profit after tax at 31 March 2015. The total net value of assets and other portfolios under management increased from HUF 338.7 billion at the end of the previous year to HUF 356.2 billion as of 31 March 2015. This means an increase close to 5.1% thanks to the net asset value of investment funds. Magyar Posta Takarékszövetkezet Real Estate Fund with volume exceeding HUF 38.5 billion contributed mainly to the growth of investment funds. In case of investment fund, market share of Diófa Asset Management on the market of investment funds increased from 0.6% as of the first quarter of 2014 to

nearly 2% for the end of March 2015, while its market share from wealth management of pension funds grew to 15.2% from 0.3% in one year.

- The Postal sales channel contributed to the Bank Group's increasing deposit volume by HUF 3.5 billion rise in the first quarter. This means a 10.5% (61% in 12 months) growth of deposits collected in the Postal network. The number of Postal current accounts increased to almost 37 thousand as of 31 March 2015 from 24 thousand at the end of December 2014, increased by 53% quarter-on-quarter. The number of Postal accounts exceeded 38 thousand in the middle of May.

Consolidated total assets of FHB Group amounted to HUF 822.0 billion on 31 March 2015, by 4.1% or approximately HUF 32.7 billion higher than a year before and by HUF 52.5 billion or 6.8% higher than at the end of previous quarter.

Increase in total assets in the last quarter has been driven by the increase (HUF 48 million) of deposits on the liability side. Share of nearly HUF 347 billion deposits in interest bearing liabilities represented 49.9% at the end of the quarter, compared to 46.7% at the end of the previous quarter and 35.6% a year before.

Gross loans amounted to HUF 333.7 billion on 31 March 2015. Retail loan disbursements reached HUF 3.4 billion, which is 18.9% higher than in the previous year. Volume of loan disbursement for corporates exceeded HUF 2.0 billion, as a result, the corporate loan portfolio increased to HUF 88.7 billion by 31 March, representing 26.6% of the total loan portfolio. The total loan portfolio fell by HUF 24 billion during the quarter, partly due to contractual repayments, partly as a result of repayments related to settlement.

Capital adequacy ratio of FHB Group based on regulation effective since 1 January 2014 (CRR) – including also additional supervisory capital requirements (SREP) – is 10.0% as of 31 March 2015, compared to 13.9% in the previous quarter. CET1 ratio reached 7.8% at the end of March. During the first quarter, regulatory capital decreased by HUF 8.4 billion (-11.5%), total capital requirements increased by HUF 9.7 billion (+23%). The decrease in the regulatory capital - beyond balance sheet loss of the period – is mainly a consequence of 2015-year changes in rates of transitional regulations.

Performance of FHB shares

In terms of capitalisation, FHB is 5th in the rank of "Premium" category listed companies and contributes 1.21% to the aggregate capitalisation of the BSE based on 31 March 2015 data.

As of the end of the first quarter in 2015, FHB's weight in the BUX index was 0.83% (in the previous quarter and also in the first quarter stood at the fifth place), while in the previous quarter it was the biggest member but Q1 2015 it has reached the 2nd place with a weight of 12.7% in BUMIX, the index of share prices of mid- and small-cap companies.

The price of FHB Mortgage Bank's shares showed strengthening. Closed the first quarter of 2015 at HUF 735 – that meant a HUF 40 increase compared to 31 December 2014 data.

2. Main activities and subsidiaries' performance

The housing market and retail mortgage lending

The housing construction has decreased in 2015. According to CSO statistics, 1,572 new homes were built in 2015, 7% less than in the same period of 2014 while the number of new housing construction permits issued was 2,381, 44% higher compared to the same period of 2014 data of which the biggest increase was in Budapest (201%) regarding territorial units.

As of 31 March 2015, the volume of retail mortgage loans (HUF 4,982 billion) was down by 10.1% compared to 31 March 2014; the volume change adjusted by exchange rate volatility was -16.2%. Volume of HUF loans (HUF 4,865 billion) increased by 133.0% year-on-year due to HUF conversion; while the FX loan portfolio (HUF 118 billion) declined by 96.9% for the same reason (-96.9% adjusted by the volatility of exchange rate).

The amount of retail housing loans decreased in Q1 by 6.9%, change adjusted by exchange rate volatility was -10.4%. At the end of March 2015, housing loans amounted to HUF 3,110 billion. This meant 7.5% decrease compared to 31 March 2014 which is -12.9% adjusted by exchange rate volatility. Volume of housing loans denominated in HUF was HUF 3,060 billion, showing a 91.6% increase (also because of the HUF conversion) during the last quarter, while volume of FX loans decreased by 97.2% (adjusted by the volatility of exchange rate it was -97.4%).

General-purpose mortgage loans amounted to HUF 1,873 billion as of 31 March 2015; after exchange rate adjustment the portfolio decreased by 21.2% and 15.8% year-on-year and quarter-on-quarter, respectively. HUF denominated general-purpose mortgage loans (HUF 1,805 billion) increased by HUF 1,290 billion quarter-on-quarter and by 246.0% year-on-year. The exchange rate adjusted change in FX denominated general-purpose mortgage loans was -96.0% in Q1 2015 and -96.3% year-on-year.

Own lending

Volume of gross loans of FHB Group amounted to HUF 333.7 billion as of 31 March 2015 decreased by 6.7% compared to the previous quarter's figure (HUF 357.8 billion) and year-on-year decrease was 8.8%. Share of FX loans in total outstanding loan portfolio was 11.6% as of 31 March 2015, in the contrary of the percentage in previous quarter, which was 49.3%. The share of FX loans of retail loans decreased to 7.6% which is 57.3% lower than in Q4 2014.

Retail loans remained dominating within the loan portfolio with a contribution of 73.4% (76.2% on 31 December 2014). Retail loans decreased by 10.2% (or HUF 27.8 billion) and by 12.8% (or HUF -36.1 billion) quarter-on-quarter and year-on-year, respectively.

in HUF million	31/03/2014	31/12/2014	31/03/2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Retail loans	281,083	272,770	244,977	-10.2%	-12.8%
Housing loans	140,378	134,241	127,946	-4.7%	-8.9%
Other mortgage loans	129,760	127,596	108,324	-15.1%	-16.5%
Consumer loans	6,704	6,365	4,616	-27.5%	-31.1%
Loans for employees	1,531	1,523	1,449	-4.9%	-5.4%
Retail leasing	2,710	3,045	2,642	-13.2%	-2.5%

in HUF million	31/03/2014	31/12/2014	31/03/2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Corporate loans	84,918	85,002	88,677	4.3%	4.4%
Corporate loans	83,910	83,917	87,491	4.3%	4.3%
Corporate leasing	1,008	1,085	1,186	9.3%	17.7%
Total own lending, gross	366,001	357,772	333,654	-6.7%	-8.8%
Impairment	-39,171	-38,669	-28,710	-25.8%	-26.7%
Loans, net	326,830	319,103	304,945	-4.4%	-6.7%
Refinanced loans	129,981	116,182	104,711	-9.9%	-19.4%

In terms of structure of retail loans, housing loans as the largest volume contributed 52.2% and other mortgage loans contributed 44.2% to the retail loan portfolio. A year before proportion was 49.9% and 46.2%, respectively. Reverse mortgages achieved HUF 3.1 billion as of 31 March 2015, there was no significant change. The volume of consumer loans amounted to HUF 4.6 billion, which is 27.5% lower than in the previous quarter. Volume of corporate loans amounted to HUF 88.7 billion, representing 26.6% of the total portfolio. The amount increased by 4.3% compared to the previous quarter and 4.4% year-on-year.

In Q1 2015, HUF 3.4 billion of retail and HUF 2.0 billion of corporate loans have been disbursed; the first figure is more than 18.9% higher than in last year. In the first quarter of 2015, the Bank placed HUF 0.9 billion loans out to corporate customers within the framework of Funding for Growth Scheme.

During the quarter FHB offered further 28 properties to the National Asset Management Company (NET) in Q1 2015 and 121 transactions were closed because of NET sale with a total amount of almost HUF 0.6 billion. Since the start of the program the number of completed transactions exceeded 2,200 units.

FHB Commercial Bank Ltd.

According to Hungarian Accounting Standards (HAS), total assets of FHB Commercial Bank were HUF 570.5 billion as of 31 March 2015, showing a 2.2% increase compared to a year before (HUF 558.1 billion).

On 31 March 2015, volume of gross loans according to HAS was HUF 214.1 billion decreasing by 9.4% compared to 31 March 2014. Gross loans represented 37.5% of total assets. Corporate loans of FHB Commercial Bank – excluding intra-group loans – amounted to HUF 76.0 billion having a share of 35.5% among total loan portfolio.

Interest bearing liabilities amounted to HUF 514.7 billion, representing 90.2% among liabilities, and showed 0.1% increase year-on-year and 11.7% quarter-on-quarter. Deposits of HUF 347.4 billion represented 67.5% among interest bearing liabilities, while interbank liabilities represented the second highest ratio with the amount of HUF 144.2 billion, containing refinanced loans from FHB Mortgage Bank, and refinancing related to outstanding loans already drawn under the Funding for Growth Scheme.

Deposits increased by more than 42% compared to the same period of the previous year and increased by 16.5% during the first quarter, due to a significant increase in corporate deposits and the deposits hold on postal accounts. Volume of corporate deposits was significantly above retail deposit's volume as of 31 March 2015; its share was 63.5%. Volume of sight deposits increased by HUF 40.8 billion year-on-year and increased HUF 15.9 billion quarter-on-quarter. As a result, sight deposits represented 31.3% of total deposits.

At the end of March 2015, number of retail and corporate accounts managed by Commercial Bank was 195 thousand and 11 thousand, respectively, and 154 thousand retail and 7.1 thousand corporate banking cards related to these accounts. Both number of accounts and cards represented growth in yearly and quarterly comparison, as well. The sale of postal account packages, which has started in April 2014, contributed to the growth of number of accounts also. At the end of March 2015 the number of post accounts was nearly 37

thousand. More than 99% of managed accounts contracted to internet services (Netbank) compared to the 86% at the end of March 2014. Number of account holders with Netbank contract grew by 43.7% during the year.

According to HAS, profit after tax for the first quarter of 2015 was HUF 1,251 million loss, net results were bothered by the non-shifted part of financial transaction levy (HUF 218 million) and by the expenses of FX rate protection scheme (HUF 44 million). Settlement and HUF conversion did not affect substantively the results of the quarter due to the previously generated impairments and provisions. Adjusted by special banking tax and therein before mentioned one-off items, profit after tax of FHB Commercial Bank was HUF 254 million.

Net interest income – in controlling approach – was 20.1% higher than a year before as a result of decreasing interest income (by 10.8%) and decreasing interest expenses (by 35.1%). Net fee and commission income was 1.3% higher than a year before, while it decreased by 4.0% quarter-on-quarter. Operating costs increased by 10.6% compared to the first quarter of 2014, while decreased by 0.5% compared to the previous quarter.

The capital adequacy ratio of the Bank on 31 March 2015 was 10.3%. Shareholder's equity according to HAS was HUF 38.0 billion as of 31 March 2015 and the solvency capital was HUF 48.1 billion.

FHB Real Estate Ltd.

Main business of FHB Real Estate Ltd. is to provide cover valuation, real estate investment, sales and management services, and real estate valuation services for FHB Group, in addition provide valuation services, services related to energy certification and real estate agency to external customers.

The real estate cover valuation business generated HUF 59 million revenue in 2015 Q1, which is HUF 7 million more than a year before, while real estate brokerage reached HUF 46 million income in 2015, which is almost the same compared to the same period in 2014 (HUF 46 million).

FHB Real Estate closed the first quarter with HUF 6.4 million loss.

FHB Real Estate Lease Ltd.

As of 31 March 2015, the consolidated loan volume of FHB Real Estate Lease Ltd. according to IFRS was HUF 7.4 billion. Lease financing disbursement amounted to HUF 121 million in 2015 Q1. Leasing portfolio reached almost HUF 4.1 billion as of 31 March 2015, which is almost the same as on 31 December 2014, while the year-on-year rise was 13.2% (from HUF 3.6 billion as of 31 March 2014). FHB Real Estate Lease Ltd. closed the 2015 Q1 with HUF 34 million loss consolidated according to IFRS.

Diófa Asset Management Ltd.

Diófa Asset Management Ltd. as the member of FHB Banking Group is focusing on investment fund management, real estate investments, pension fund wealth management and tailor made solutions for institutional and private clients.

The main part of the assets under management is given by the open-ended investment funds launched at the end of 2013 and during 2014. The volume of FHB Forte Short Bond Fund, FHB Money Market Fund and FHB Absolute Yield Fund exceeded HUF 14.6 billion by the end of March 2015 compared to HUF 13.2 billion at the end of 2014.

At the beginning of 2014, Asset Management Ltd. has launched two new funds, which were distributed by Magyar Posta Investment Services Ltd. through the Hungarian Post Office's network at the beginning. Net assets value of Real Estate Fund exceeded HUF 38.5 billion by the end of March 2015, while the market value

of Hungarian Post Money Market Fund was over HUF 2.3 billion. The Magyar Posta Takarékszövetkezet Real Estate Fund is also distributed in the network of FHB Bank and in the network of Takarékbank.

At the end of the first quarter of 2015 the total net value of assets and other portfolios under management increased to HUF 356.2 billion from HUF 34.4 as of 31 March 2014. That means more than a tenfold expansion during 12 months thanks to the growth of net asset value of investment funds and increase in wealth under management of pension funds. Magyar Posta Takarékszövetkezet Real Estate Fund with volume of more than HUF 38.5 billion at the end of Q1 2015 contributed mainly to the growth of investment funds. In case of investment funds, market share of Diófa Alapkezelő increased from 0.6% as of 31 March 2014 to almost 2% for the end of March 2015, while its market share from wealth management of pension funds grew to 15.2% from 0.3% in one year.

Asset Management Ltd. closed first quarter of 2015 with HUF 110 million profit after tax according to HAS, subscribed capital amounted to HUF 195.4 million and shareholders' equity to HUF 410.6 million as of 31 March 2015.

FHB INVEST Investment and Real Estate Management Llc.

FHB INVEST Investment and Real Estate Management Llc. (its former name: Díjbeszedő Operatív and Szolgálati Kft.; DÜSZ) was established by splitting-off from Díjbeszedő Holding Ltd. DÜSZ Llc. is a subsidiary of FHB Mortgage Bank dealing with facility management and also real estate lease since 2014.

Share capital of the Company was HUF 636 million in 31 March 2015, shareholder's equity amounted to HUF 3.5 billion and profit after tax reached HUF 5.9 million loss (according to HAS) in the first quarter of 2015.

Jointly controlled and associated companies

Profit after tax according to IFRS of the **Díjbeszedő Faktorház Ltd. (DBF)** was HUF 127 million in the first quarter of 2015. Pre-tax profit related to the purchased receivables before maturity in Q1 2015 was HUF 208 million, while pre-tax profit from purchased expired receivables amounted to HUF -26 million according to IFRS. Shareholder's equity of the Company according to IFRS amounted to HUF 12.1 billion at the end of first quarter 2015.

The main activity of **DíjNET Ltd.** is operation and development of an electronic bill presentment and payment system. In Q1 2015, profit after tax (according to HAS) was HUF 21.9 million. Subscribed capital amounted to HUF 5 million, while shareholder's equity was HUF 128 million at 31 of March 2015.

Díjbeszedő IT Kft. (DBIT), which provides services related to the IT activities of companies belonging to the Díjbeszedő Group, reached HUF 2.1 million profit after tax in the first quarter of 2015. Subscribed capital amounted to HUF 670 million, while shareholder's equity amounted to HUF 573 million at the end of March 2015.

By the end of March 2015, **Magyar Posta Investment Services Ltd. (MPBSZ)** opened more than 27,000 securities and long-term investment accounts; the securities portfolio managed on accounts was HUF 68.3 billion at the end of March 2015, compared to HUF 48.9 billion at the end of December 2014. MPBSZ closed the first quarter with HUF 64.8 million loss (according to HAS). The company's shareholder's equity was HUF 342.1 million and total assets amounted to HUF 3.1 billion.

Magyar Takarékszövetkezet Asset Management (MATAK) Ltd. don't realised significant results from its core activity, but its consolidated profit including net result of Bank of Hungarian Savings Cooperatives Co. Ltd. (Takarékbank) and its consolidated subsidiaries contributed by HUF 145.6 million to the consolidated first quarter result of 2015 of FHB Group.

Organisational changes and headcount

As of 31 March 2015, the consolidated full-time headcount was 852.1, by 39.8 persons more than the headcount of 812.3 as of 31 December 2014 and 49.0 persons more than the headcount of 803.1 as of 31 March 2014. The number of employees has increased in line with the Group's expansion, due to the new companies joining the Group and growing the number of tasks and activities related to these new members.

Headcounts of the Group members were as follows:

	31/03/2014	31/12/2014	31/03/2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
FHB Mortgage Bank Plc.	181.2	180.7	183.1	1.3%	1.0%
FHB Commercial Bank Ltd.	583.3	584.2	615.1	5.3%	5.5%
FHB Life Annuity Ltd.	6.0	0.0	0.0	-	-100.0%
FHB Real Estate Ltd.	8.9	8.9	8.9	0.0%	0.0%
FHB Real Estate Leasing Ltd.	10.7	12.3	12.0	-2.0%	11.9%
Diófa Asset Management Ltd.	10.9	18.8	21.3	13.3%	95.2%
Diófa Real Estate Management Llc	0.0	3.0	3.3	8.3%	-
FHB INVEST Investment and Real Estate Management Ltd.	0.0	1.1	1.1	0.0%	-
Hungarian Card Ltd.	2.0	3.3	7.3	123.1%	262.5%
FHB Consolidated	803.1	812.3	852.1	4.9%	6.1%

Changes in key position

The Annual General Meeting of the Company on 28 April 2015 elected Deloitte Hungary Audit and Consulting Ltd. for the auditor also for 2015 (location: 1068 Budapest, Dózsa György str. 84/C; reg. number: 01-09-071057; chamber membership number: 000083; HFSA number: T-000083/94). The appointed auditor responsible is Tamás Horváth (mother's name: Veronika Grósz; birth place, date: Budapest, 08/03/1969; location: 1028 Budapest, Bölény str. 16; chamber membership number: 003449; HFSA number: E003449).

The Annual General Meeting elected Márton Oláh and Zoltán Kovács as members of Board of Directors, and based on the proposal of Board of Directors, Annual General Meeting re-elected Enikő Mártonné Uhrin as member of Supervisory Board and of Audit Committee.

Post-balance sheet date events

The FHB Group sent until the end of April the bulletins of the settlements – complying with its obligations of the Act – for its related clients, which meant more than 38,600 letters. The delivery of the letters is not completed entirely, on the basis of the Bank's administrations 90% of the sent bulletins have been taken over. In the following period the main tasks will be processing the remaining reimbursement and answering the complains until now 137 pieces, 0.6% of the delivered bulletins) and handling the incoming "Re-FX-ing" requests.

On 31 March 2015 FHB Mortgage Bank Plc. signed a contract of acquiring for the ownership of 10% shares of JNT Security Ltd. At the same time FHB commercial Bank Ltd. entered into a long term service contract with JNT Security Ltd. for the money processing and cash and valuables logistics. The transaction was successfully closed in the middle of May 2015.

On 15 April 2015 FHB Mortgage Bank Plc. acquired share in EXO-BIT Ltd. through participating in the share capital increase decided by the sole shareholder of EXO-BIT Ltd. After a second capital increase decided by the owners - and has been executed by other companies – the direct and indirect share of FHB Mortgage Bank Plc. in EXO-BIT Ltd. became 15.8%. The EXO-BIT Ltd. provides IT services to the members of FHB Group.

ANALYSIS OF FHB MORTGAGE BANK PLC.'S CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO IFRS

1. P&L structure

in HUF million	Q1 2014	Q4 2014	Q1 2015	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014
Interest income	14,840	13,281	13,187	-0.7%	-11.1%
Interest expense	-9,614	-7,761	-8,032	3.5%	-16.5%
Net interest income	5,226	5,520	5,155	-6.6%	-1.4%
Fees and commissions income	1,470	2,024	1,869	-7.6%	27.2%
Fees and commissions expense	-190	-282	-289	2.5%	52.2%
Net fees and commissions	1,280	1,742	1,580	-9.3%	23.4%
Foreign exchange gains, net	1,192	-115	-1,225	-	-
Fair value adjustment	-476	-593	-1,404	136.8%	195.2%
Gain on securities, net	394	-598	1,188	-	201.9%
Net result of investment services	0	259	31	-87.9%	-
Net financial (trading) result	1,110	-1,047	-1,409	34.6%	-
Other operating income	628	574	16,256	-	-
Other operating expenses	-1,749	-9,580	-23,974	150.3%	-
o/w special banking tax & one-off PTI	-707	-707	-706	-0.1%	-0.1%
Other results	-1,120	-9,005	-7,718	-14.3%	-
Net income of associated companies	402	-17	191	-	-52.5%
Total non-interest income (with net fees)	1,671	-8,327	-7,356	-11.7%	-
Net operating income	6,897	-2,807	-2,201	-21.6%	-
Net operating income w/o provisions	6,897	3,302	-2,201	-	-
Provision for impairment on loan losses	-1,474	-134	5,473	-	-
Personnel expenses	-1,570	-1,369	-1,708	24.8%	8.8%
Banking operation cost	-1,540	-1,878	-1,777	-5.4%	15.3%
Cost of business activity	-85	-429	-136	-68.3%	60.8%
Depreciation	-623	-537	-784	45.9%	25.8%
Other tax payable	-23	-11	-20	86.0%	-13.5%
Operating costs	-3,841	-4,224	-4,424	4.8%	15.2%
Income before income taxes	1,581	-7,165	-1,153	-83.9%	-
Income taxes	-437	568	-2,651	-	-
Profit after tax	1,145	-6,596	-3,804	-42.3%	-
Profit before tax w/o special banking tax and other one-offs	2,491	1,027	465	-54.7%	-81.3%

The Bank's consolidated profit after tax according to IFRS amounted to HUF 3,804 million losses in Q1 2015.

The negative result is mainly due to the effects of the settlement act and also the financial trading result, the changes of interests and exchange rates. In Q1, the settlements generated HUF 26.5 billion expenses, which were compensated by the proportional release of provisions and the income raising effects of the settlements. The settlements had a significantly negative influence on the liabilities of taxes because the incurred expenses of the settlement are non-reducing tax bases, so the Bank had to account a major amount, HUF 2.7 billion of income tax. The result of the Curia Act and the settlements – affected by previous periods the quantifying of tax effects is continuously happening during the year 2015, which sometimes may cause significant changes in the amount of tax expense in 2015.

In addition, amount of HUF 706 million of special banking tax, the financial institution levy related to exchange rate protection scheme and non-shifted financial transaction levy had negative impact on the result. The Bank

Group's IFRS consolidated profit before tax – ignoring the special banking tax and above-mentioned one-off items – was HUF 465 million in the first quarter of 2015.

Net interest income

Net interest income was HUF 5.2 billion in Q1 2015, 1.4% lower than a year before and 6.6% lower compared to the previous quarter. The net figure emerged as a balance of HUF 13.2 billion interest income (0.7% lower quarter-on-quarter and 11.1% lower year-on-year, respectively) and HUF 8.0 billion interest expense (q/q: 3.5%, y/y: -16.5%). This figure does not include the interest incomes which were levied during the settlements, because these incomes were showed in other operational expenses in the IFRS profit and loss account in order to be able to compare these amounts with the amounts of the previous period.

Distribution of interest income and expenses shows the following table:

	Q1 2014	Q4 2014	Q1 2015	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014	2014	2015	2015 / 2014
Interest income								
Loans	41.0%	47.0%	43.4%	-3.5%-pt	2.4%-pt	41.0%	43.4%	2.4%-pt
Refinancing	9.3%	8.5%	8.2%	-0.3%-pt	-1.1%-pt	9.3%	8.2%	-1.1%-pt
Mortgage bond interest subsidy	14.4%	13.3%	12.5%	-0.9%-pt	-1.9%-pt	14.4%	12.5%	-1.9%-pt
Supplementary interest subsidy	1.3%	1.1%	1.1%	0.0%-pt	-0.2%-pt	1.3%	1.1%	-0.2%-pt
Securities and interbank activities	13.7%	11.9%	15.9%	3.9%-pt	2.1%-pt	13.7%	15.9%	2.1%-pt
Swap transactions	20.3%	18.3%	19.0%	0.7%-pt	-1.3%-pt	20.3%	19.0%	-1.3%-pt
Other interest income	0.0%	-0.1%	0.0%	0.1%-pt	0.0%-pt	0.0%	0.0%	0.0%-pt
Interest expenses								
Bonds issued	50.8%	64.8%	60.1%	-4.7%-pt	9.3%-pt	50.8%	60.1%	9.3%-pt
Interbank activities	7.7%	0.4%	0.9%	0.5%-pt	-6.8%-pt	7.7%	0.9%	-6.8%-pt
Customer deposits	17.7%	16.4%	17.0%	0.6%-pt	-0.7%-pt	17.7%	17.0%	-0.7%-pt
Derivatives	21.1%	19.2%	21.4%	2.2%-pt	0.3%-pt	21.1%	21.4%	0.3%-pt
Other interest expense	2.7%	-0.8%	0.5%	1.4%-pt	-2.1%-pt	2.7%	0.5%	-2.1%-pt

The net interest margin to average total assets (NIM) was 2.63% in Q1 2015, 23 bps lower compared to Q4 2014 (2.86%).

Net fee and commission income

In Q1 2015, the Bank achieved a positive balance of HUF 1,580 million from income and expenditures on commissions and fees; 9.3% lower than in Q4 2014 and 23.4% higher than a year before. Net fees and commissions adjusted by financial transaction levy performed an 8.7% decrease and 34.1% increase quarter-on-quarter and year-on-year, respectively.

Compared to the previous quarter, card related fees, insurance agent fees and fees from direct debit transactions increased, but fund management fee income, mortgage loan commissions and guarantee fees decreased.

Income from fees and commissions in Q1 2015 amounted to HUF 1.869 million, of which 10.4% was contributed by charges related to loans (13.0% in Q4 2014) and 39.4% by accounts and card related banking charges without financial transaction levy (31.7% in Q4 2014). Commissions resulting from the strategic cooperation agreement signed with Allianz Insurance Company contributed 5.6% to income from fees and commissions in the reported quarter (3.4% in Q4 2014). Volume of HUF 245 million of fund management fees contributed by close to 13.1% to quarterly fee incomes.

Card related fee expenses (HUF 103 million) reduced by 1.7% quarter-on-quarter. Agent fees amounted to HUF 66 million, while payment fees reached HUF 54 million in Q1 2015.

Net result of financial transactions

In the first quarter of 2015, the balance of financial transactions was HUF 1,409 million losses, which is by HUF 2,519 million lower than a year before and HUF 362 million lower than it was in Q4 of 2014.

In Q1 2015, the volume of foreign exchange profit was HUF 1,225 million losses, more unfavourable than the previous quarter's figure (HUF 115 million losses) primarily due to unrealised FX loss from revaluation.

In Q1 2015, the change in the value of financial instruments reported at fair value through P&L was HUF 1,404 million losses, which is worse than the HUF 593 million losses in Q4 2014, as well as a year before.

In the first quarter of 2015, the securities transactions resulted in HUF 1,188 million profits as opposed to HUF 598 million losses in the last period. The quarterly profit of the securities transactions were influenced positively by the sale of the Wodomus Ltd. shares (HUF 824 million).

Other operating income and expenditure

In Q1 2015, the balance of other operating income and expenditure was HUF 7.7 billion net expenditure; arising from HUF 16.3 billion incomes and HUF 24.0 billion expenditures. The other expenses mainly were amounted to the P&L effects of settlement law in first quarter. These items were partly compensated by HUF 15.5 billion provision and – approx. HUF 6 billion - impairment release.

In Q1 2015, real estate related income contributed HUF 49 million to other operating income (real estate rent, sales).

Special banking tax amounted to HUF 706 million in Q1 2015, the financial institutions levy was HUF 311 million.

Net income of associated companies contributed HUF 190.7 million to consolidated figures in Q1 2015, which mainly resulted from the HUF 145.5 million (proportional, consolidated) profit of Magyar Takarék Asset Management (MATAK) Ltd. and its investments.

Impairments and provisions for possible loan losses

HUF -5.5 billion (release) of risk costs in the first quarter of 2015 improved significantly compared to the previous year's figure. The release of impairment is the result of the fact, that - due to the implementation of settlement law - the exposures and arrears of affected FX loans was decreased, significant amount of loans has been closed. Among loan losses, in Q1 HUF 308 million losses was reported due to closed transactions covered by real-estates sold to National Asset Management Company, but it was partially compensated by release of loan loss provision related to that transactions.

Operating expenses

Operating costs amounted to HUF 4.4 billion in Q1 2015 which is 15.2% higher than in the same period of 2014. Except other taxes paid reported among operating costs, all other types of costs increased compared to the Q1 of 2014. Operating expenses are 4.8% higher than in the previous quarter, mainly caused by the rise of personnel expenses and depreciation.

Personnel expenses were higher than in the same period of 2014 (+8.8%) and in the previous quarter (+24.8%). The main reason behind the significant year-on-year raise of personnel expenses is the growth of the headcount closely according to the expansion of the Bank Group.

Administrative expenses in Q1 2015 (HUF 1,777 million) reveal a decrease compared to the fourth quarter of 2014 (HUF 1,878 million), but a significant raise to the same period of 2014 (HUF 1,540 million).

Expenses of business activity (HUF 136.1 million) were significantly higher than in the same period in 2014 (HUF 84.6 million), but giving only approximately the third of the Q4 expenses in 2014 (HUF 428.7 million).

Depreciation was HUF 784 million in Q1 2015, with a great increase compared to basis periods. Approximately three-quarters of depreciation are related to intangibles.

Other taxes paid reported among operating costs amounted to HUF 20 million in Q1 2015. The amount of other taxes among cost (for example real estate tax, vehicle tax, etc.) are at the same level in every quarter because of the stability of related assets.

2. Balance Sheet

in HUF million	31/03/2014	31/12/2014	31/03/2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Cash	1,734	2,348	2,331	-0.8%	34.4%
Due from banks & NBH	79,190	177,680	274,758	54.6%	247.0%
Financial assets available-for-sale and held for trading	197,346	109,973	80,996	-26.3%	-59.0%
Fair value of derivative financial assets	2,002	2,547	11,972	-	-
Investment in associates and jointly controlled companies	6,227	6,932	7,123	2.8%	14.4%
Refinanced mortgage loans	129,981	116,182	104,711	-9.9%	-19.4%
Loans and advances	366,001	357,773	333,654	-6.7%	-8.8%
Impairment and provision	-39,171	-38,669	-28,710	-25.8%	-26.7%
Tangible assets	7,042	6,733	6,507	-3.4%	-7.6%
Goodwill and other intangible assets	10,912	8,326	7,771	-6.7%	-28.8%
Other assets	28,056	19,611	20,860	6.4%	-25.6%
Total Assets	789,321	769,438	821,973	6.8%	4.1%
Liabilities total	712,372	681,390	738,056	8.3%	3.6%
Interbank borrowings	133,174	43,036	42,466	-1.3%	-68.1%
Mortgage bonds	202,438	179,615	190,604	6.1%	-5.8%
Bonds issued	96,004	112,230	110,341	-1.7%	14.9%
Deposits	243,809	298,762	346,811	16.1%	42.2%
Fair value of derivative financial liabilities	18,431	12,736	27,166	113.3%	47.4%
Leasing liability	8,481	5,772	4,716	-18.3%	-44.4%
Reserves for annuity	2,450	0	0	-	-
Other liabilities	7,584	29,239	15,951	-45.4%	110.3%
Shareholders' equity	76,949	88,048	83,917	-4.7%	9.1%
Subscribed capital	6,600	6,600	6,600	0.0%	0.0%
Capital reserve	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-158	-207	-207	0.0%	31.4%
Subordinated Tier1 capital	31,749	31,749	31,749	0.0%	0.0%
Other reserves	279	33	-322	-	-
Retained earnings	35,663	39,133	24,444	-37.5%	-31.5%
Non-controlling interest	0	23,717	22,008	-7.2%	-
Balance sheet profit	1,108	-14,685	-2,064	-85.9%	-
Total liabilities and shareholders' equity	789,321	769,438	821,973	6.8%	4.1%

As of 31 March 2015, the Bank's consolidated balance sheet total by IFRS amounted to HUF 822 billion, moving 6.8% up from the end of previous quarter (HUF 32.7 billion), or 4.1% higher than the balance sheet total as of 31 March 2014.

On the asset side on an annual basis, the volume of financial assets available-for-sale and held for trading – primarily due to conversion of NBH 2 weeks instruments into deposit of August 2014– dropped by HUF 116.4 billion, or 59.0%, while the refinanced loans fell by 25.3 billion and 19.4%. During the quarter, the due from banks and NBH increased by 54.6%, and the fair value of derivative financial assets grew significantly.

Liabilities increased by 3.6% compared to the reference figures of 2014. Compared to the same period in 2014 interbank liabilities decreased by 68.1%, in addition to the portfolio of mortgage bonds issued decreased by 5.8%, the volume of bonds issued increased by 14.9% respectively. In contrast, the deposits grew significantly by 42.2% over a year.

Shareholders' equity increased by HUF 7.0 billion or 9.1% year-on-year.

Interest earning assets

The Group's interest earning assets increased from HUF 772.5 billion as of 31 March 2014 to HUF 794.1 billion as of 31 March 2015. Interest earning assets contributed 96.8% to the balance sheet total.

NBH and other interbank lending increased from HUF 79.2 billion as of 31 March 2014 to HUF 274.8 billion as of 31 March 2015. The ratio of this item in interest earning assets was 34.5% at the first quarter of 2015.

The value of Bank's securities available-for-sale and held for trading decreased from HUF 197.3 billion as of 31 March 2014 to HUF 81.0 billion, while to HUF 110.0 billion as of 31 December 2014, decreased by more than 26.3%. At the end of 2015 Q1, securities available for sale and held for trading contributed 10.2% to interest earning assets. NBH bonds are no longer in the securities available-for-sale and held for trading, because the two weeks NBH bond ceased, central banking savings facility is available as two weeks deposit. Securities available for sale and held for trading include treasury bills amounting to HUF 8.7 billion and government bonds amounting to HUF 52.4 billion.

Loans

As of 31 March 2015, volume of loans was 8.8% down year-on-year, and decreased quarterly by 6.7%. Impairment to cover loan losses amounted HUF 28.7 billion compared to 31 December 2014, in the reported quarter showed 25.8% decrease (from HUF 38.7 billion as of 31 December 2014).

Year-on-year decline in refinanced loans was 19.4% to HUF 104.7 billion, and there was also a 9.9% drop in this item over the last quarter. As of 31 March 2015, contribution of refinanced loans and gross own lending was 55.1% to interest earning assets; this rate was 64.1% a year before.

Portfolio quality

In the first quarter volume of non-performing loans decreased by 22.1% quarter-on-quarter, while it has decreased by 23.8% year-on-year, which is mainly the result of IFRS specialties. According to IFRS standards loans - affected by HUF conversion - have to be adjusted on fair value in the IFRS statements, which is - in case of problematic loans (terminated loans) - is the same as the net value of loans. Because of these settlements NPL ratio and also impairments were affected by a significant decrease, HUF 4.8 billion. The consequences of the above mentioned factors are: NPL ratio decreased from 20.2% to 16.9% by 31 March 2015, and the coverage of non-performing loans is 50.9%.

Other assets

Tangible assets amounted to HUF 6.5 billion as of 31 March 2015 and decreased by HUF 0.5 billion year-on-year and by HUF 226 million quarter-on-quarter. As of 31 March 2015, intangibles amounted to HUF 7.8 billion, down by HUF 3.1 billion or 28.8% year-on-year and HUF 0.6 billion (-6.7%) below the 31 December 2014 figure.

Value of investment in associated and jointly controlled companies consolidated by equity method amounted to HUF 7.1 billion as of 31 March 2015, including goodwill related to the acquisition of DÚSZ (FHB Invest by the new name).

Other assets amounted to HUF 20.9 billion as of 31 March 2015, decreasing by 25.6% (HUF 7.2 billion) year-on-year. Deferred tax assets reached HUF 8.9 billion while value of real estates reported as inventory was HUF 0.9 billion.

Interest bearing liabilities

Interest bearing liabilities increased from HUF 683.9 billion as of 31 March 2014 to HUF 694.9 billion as of 31 March 2015, representing approximately 84.5% to the balance sheet total. As a year before, issued securities gave major part of interest bearing liabilities with a share of 43.6%. For the end of March 2015 their proportion decreased to 43.3%, while share of client deposits within interest bearing liabilities grew even higher, from 35.6% to 49.9% year-on-year giving the biggest ratio of interest bearing liabilities for the end of March 2015.

Interbank funds

As of 31 March 2015, interbank funds amounted to HUF 42.5 billion showing 1.3% decrease compared to previous quarter, while volume was 68.1% down year-on-year. The volume of interbank funds at the end of the quarter includes the amount of refinancing within the framework of Funding for Growth Scheme (NHP). Contribution of interbank borrowings to interest bearing liabilities was 6.1% as of the first the quarter of 2015.

CMBs issued

The Bank completed six bond issuances in the first quarter: four mortgage bonds were issued which took place through auctions and in the form of private subscription and two bonds were issued in the form of public subscription. In the first quarter of 2015 FHB raised HUF 16.88 billion new fund from securities, of which there was HUF 15.88 billion mortgage bond issues and HUF 1 billion uncovered bonds.

HUF 190.6 billion book value of mortgage bonds as of 31 March 2015 decreased by 5.8% or HUF 11.8 billion from figures of 31 March 2014 (HUF 202.4 billion).

in HUF million	31/03/2014		31/03/2015	
	Book value	Nominal value	Book value	Nominal value
Non-listed mortgage bonds				
Fixed	29,363	29,226	33,213	33,050
Floating	0	0	0	0
Listed mortgage bonds				
Fixed	152,824	147,955	137,170	132,092
Floating	10,936	10,962	11,932	11,940
Total	193,123	188,143	182,314	177,082
Accrued interest	9,315		8,290	
Mortgage bonds Total	202,438	188,143	190,604	177,082
Non-listed bonds				
Fixed	29,855	29,850	33,342	33,283
Floating	4,248	4,194	11,470	11,676
Listed bonds				
Fixed	52,654	53,955	58,468	62,972
Floating	7,032	7,035	4,519	7,049
Total	93,789	95,035	107,799	114,981
Accrued interest	2,215		2,542	
Bonds Total	96,004	95,035	110,341	114,981

Mortgage bonds collateral¹

The net collateral value of real estate covering mortgage bonds issued by FHB Mortgage Bank amounted to HUF 370.3 billion as of 31 March 2015 (HUF 262.5 billion of capital and HUF 107.8 billion of interests), 5.9% less than the HUF 393.6 billion as of 31 December 2014 and 16.7% below the figure of 31 March 2014 (HUF 444.7 billion).

The value of the group of assets involved as collateral:

in HUF million	31/03/2014	31/12/2014	31/03/2015
Outstanding mortgage bonds in circulation			
Face value	229,376	199,488	207,846
Interest	53,997	38,804	39,542
Total	283,374	238,293	247,387
Value of the regular collateral			
Principal	301,218	276,905	262,509
Interest	143,506	116,722	107,784
Total	444,724	393,628	370,294

As of 31 March 2015, the present value of ordinary collateral was HUF 300.2 billion and the present value of mortgage bonds were HUF 239.91 billion, thus the present value of collateral exceeded that of CMBs in circulation not yet repaid, ratio was 125.12%. As of 31 March 2015, net value of ordinary and supplementary collateral principal to unpaid face value of mortgage bonds in circulation was 126.3%, and the net ordinary and supplementary collateral principal to the unpaid interest on mortgage bonds in circulation was 272.6%.

The collateral value of real estate covering ordinary collaterals amounted to HUF 790.1 billion as of 31 March 2015, 2.3% below the 31 December 2014 value (HUF 808.56 billion) and 7.7% down compared to 31 March 2014 (HUF 855.83 billion). The LTV ratio applicable for ordinary collateral was 33.3% as of 31 March 2015, lower than the 35.12% LTV as of 31 March 2014.

Bonds issued

The book value of bonds was HUF 110.3 billion as of 31 March 2015, compared to 31 December 2014 (112.2 billion HUF) decreasing by HUF 1.9 billion or 1.7%. The stock of bonds increased by HUF 14.3 billion (14.9%) in one year.

Deposits

As of 31 March 2015, deposits amounted to HUF 346.8 billion increasing by 42.2% year-on-year and 16.1% quarterly. In the last year, volume of corporate deposits increased (by 79.3%), similarly to retail deposits (+4.5%).

The sight deposit ratio changed to 31.3% on 31 March 2015 from 27.8% a year before and 31.0% at the end of previous quarter.

¹ Non-consolidated data of FHB Mortgage Bank Plc. only, according to HAS

Other liabilities

The Bank reported among the HUF 16.0 billion of other liabilities the generated provisions related to settlement and unused during the settlement of FX based loans, and provisions related to other expected losses. At the end of March 2015 early instalments of clients reached HUF 815.5 million. The Bank reported accounts payable HUF 174.9 million as of the first quarter of 2015, accruals HUF 2,744.4 million and deferred tax liabilities HUF 462 thousand.

Shareholders' equity

Within one year, shareholders' equity increased by 9.1% to HUF 83.9 billion to 31 March 2015. In line with IFRS, the Bank reported the EUR 112 million Tier 1 subordinated bond as part of shareholder's equity. Due to the selling of share package representing 49% of FHB Commercial Bank, the Bank reported HUF 22.0 billion as minority interest as part of shareholder's equity. Balance sheet profit was HUF 2.1 billion loss at the end of March 2015.

Capital position

Capital adequacy ratio of FHB Group – based on regulation (EU) no 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) including also additional supervisory capital requirements (SREP) is 10.0% as of 31 March 2015, compared to 13.9% in the previous quarter. CET1 ratio is 7.8% on 31 March 2015 and it was 13.4% on 31 December 2014.

Total risk exposure amount reached HUF 400 billion at the end of the period, representing 1.9% decrease compared to the previous quarter.

DECLARATION

This management report of FHB Jelzálogbank Nyrt. (FHB Mortgage Bank Plc.) is based on consolidated, non-audited IFRS financial statements.

FHB Jelzálogbank Nyrt. hereby declares that the figures and statements of this management report comply with reality, and it does not conceal any fact or information that would be substantial in the judgment of the issuer's position.

Please note, that according to the rules of Act XXXVIII of 2014 on the settlement of particular issues related to the uniformity decision of the Supreme Court (Curia) on consumer loans provided by financial institutions ("Curia Act") and Act XL of 2014 on the rules of settlement defined in Curia Act and on certain other provisions – taking into account the pending legal procedures and those that may be initiated by the clients in this connection, furthermore taking into consideration that the accounting date (1 February 2015) of the settlements and re-pricings may cause measures with retroactive effect – the facts and figures provided in this interim management report may change significantly.

Budapest, May 15, 2015

Mr Gyula Köbli
Chief Executive Officer

Mr Márton Oláh
Deputy-CEO, Business

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

The consolidation fully applies also to FHB Kereskedelmi Bank Zrt. (FHB Commercial Bank Ltd.), Diófa Alapkezelő Zrt. (Diófa Fund Management Ltd.), FHB Ingatlan Zrt. (FHB Real Estate Ltd.), to FHB Ingatlanlizing Zrt. (FHB Real Estate Leasing Ltd.) and its Croatian affiliate (Central European Credit d.d.), FHB Invest Llc. (previously Díjbeszedő Operational and Service Llc.), Magyar Kártya Szolgáltató Zrt. (Hungarian Card Service Ltd.); Káry-Villa Ingatlanfejlesztő Kft (Káry-Villa Property Development Ltd.); FHB DWH Ltd.; Diófa Real Estate Management Llc. (formerly Hitelunió Kft.). Jointly controlled companies – as Díjbeszedő Faktorház Zrt. (Díjbeszedő Factoring Ltd.), DíjNet Ltd., Díjbeszedő Informatikai Kft. (Díjbeszedő IT Llc.), and Magyar Posta Befektetési Szolgáltató Zrt. (Hungarian Post Investment Services Ltd.) – and Magyar Takarékbefektetési és Vagyonkezelő Zrt. (Magyar Takarékbefektetési Asset Management Ltd.) are consolidated by equity method.

Consolidated Income Statement 'A'

Table includes the special banking tax for the period of reporting pro rata

(consolidated audited data as of 31 December 2014, non-audited data as of 31 March 2014 and 31 March 2015 according to IFRS)

in HUF million	Q1 2014	Q4 2014	Q1 2015	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014
Interest income	14,840	13,281	13,187	-0.7%	-11.1%
Interest expense	-9,614	-7,761	-8,032	3.5%	-16.5%
Net interest income	5,226	5,520	5,155	-6.6%	-1.4%
Fee and commission income	1,470	2,024	1,869	-7.6%	27.2%
Fee and commission expense	-190	-282	-289	2.5%	52.2%
Net fee and commission income	1,280	1,742	1,580	-9.3%	23.4%
Profit/(Loss) from FX transactions	1,192	-115	-1,225	-	-
Change in fair value of financial instruments	-476	-593	-1,404	136.8%	195.2%
Gains from securities	394	-598	1,188	-	201.9%
Gains from investment services	0	259	31	-87.9%	-
Net trading result	1,110	-1,047	-1,409	34.6%	-
Other operating income	628	574	16,256	-	-
Other operating expense	-1,749	-9,580	-23,974	150.3%	-
Net other operating result	-1,120	-9,005	-7,718	-14.3%	-
Net income of associated companies	402	-17	191	-	-52.5%
Operating income	6,897	-2,807	-2,201	-21.6%	-
Provision for impairment on loan losses	-1,474	-134	5,473	-	-
General and administrative expense	-3,841	-4,224	-4,424	4.8%	15.2%
Profit/(Loss) before tax	1,581	-7,165	-1,153	-83.9%	-
Income tax benefit/(expense)	-437	568	-2,651	-	-
Profit/(Loss) for the period	1,145	-6,596	-3,804	-42.3%	-

Basic EPS (yearly)	68.1 Ft	-306.9 Ft	-127.3 Ft	-58.5%	-
Diluted EPS (yearly)	68.1 Ft	-306.9 Ft	-127.3 Ft	-58.5%	-

	2014 Q1	2014 Q4	2015 Q1	2015 Q1 / 2014 Q4	2015 Q1 / 2014 Q1
Profit/(Loss) for the period	1,145	-6,596	-3,804	-42.3%	-
Revaluation reserve	2	0	0	-	-
Change in cash-flow hedge reserve	0	0	0	-	-
Change in fair value of financial assets available for sale	-168	23	-474	-	182.4%
FX translation reserve	-10	-5	16	-	-
Deferred tax effect for other comprehensive income	34	-7	90	-	166.7%
Other comprehensive income/(loss) for the period net of taxes	-142	11	-368	-98.5%	159.1%
Total comprehensive income/(loss) for the period, net of income taxes	1,003	-6,585	-4,171	-86.8%	-

Consolidated Income Statement 'B'

Table includes the special banking tax for the entire business year

(consolidated audited data as of 31 December 2014, non-audited data as of 31 March 2014 and 31 March 2015 according to IFRS)

in HUF million	Q1 2014	Q4 2014	Q1 2015	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014
Interest income	14,840	13,281	13,187	-0.7%	-11.1%
Interest expense	-9,614	-7,761	-8,032	3.5%	-16.5%
Net interest income	5,226	5,520	5,155	-6.6%	-1.4%
Fee and commission income	1,470	2,024	1,869	-7.6%	27.2%
Fee and commission expense	-190	-282	-289	2.5%	52.2%
Net fee and commission income	1,280	1,742	1,580	-9.3%	23.4%
Profit/(Loss) from FX transactions	1,192	-115	-1,225	-	-
Change in fair value of financial instruments	-476	-593	-1,404	136.8%	195.2%
Gains from securities	394	-598	1,188	-	201.9%
Gains from investment services	0	259	31	-87.9%	-
Net trading result	1,110	-1,047	-1,409	34.6%	-
Other operating income	628	574	16,256	-	-
Other operating expense	-3,868	-8,873	-26,093	194.1%	-
Net other operating result	-3,240	-8,299	-9,837	18.5%	203.6%
Net income of associated companies	402	-17	191	-	-52.5%
Operating income	4,778	-2,101	-4,320	105.6%	-
Provision for impairment on loan losses	-1,474	-134	5,473	-	-
General and administrative expense	-3,841	-4,224	-4,424	4.8%	15.2%
Profit/(Loss) before tax	-538	-6,459	-3,272	-49.3%	-
Income tax benefit/(expense)	-34	434	-2,248	-	-
Profit/(Loss) for the period	-572	-6,024	-5,520	-8.4%	-

Basic EPS (yearly)	-37.4 Ft	-272.4 Ft	-233.2 Ft	-14.4%	-
Diluted EPS (yearly)	-37.4 Ft	-272.4 Ft	-233.2 Ft	-14.4%	-

	2014 Q1	2014 Q4	2015 Q1	Q1 2015 / Q4 2014	Q1 2015 / Q1 2014
Profit/(Loss) for the period	-572	-6,024	-5,520	-8.4%	-
Revaluation reserve	2	0	0	-	-
Change in cash-flow hedge reserve	0	0	0	-	-
Change in fair value of financial assets available for sale	-168	23	-474	-	182.4%
FX translation reserve	-10	-5	16	-	-
Deferred tax effect for other comprehensive income	34	-7	90	-	166.7%
Other comprehensive income/(loss) for the period net of taxes	-142	11	-368	-	159.1%
Total comprehensive income/(loss) for the period, net of income taxes	-714	-6,013	-5,888	-2.1%	-

Consolidated Financial Position 'A'

Table includes the special banking tax for the period of reporting pro rata

(consolidated audited data as of 31 December 2014, non-audited data as of 31 March 2014 and 31 March 2015 according to IFRS)

in HUF million	Mar 31, 2014	Dec 31, 2014	Mar 31, 2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Cash on hand	1,734	2,348	2,331	-0.8%	34.4%
Due from banks & NBH	79,190	177,680	274,758	54.6%	247.0%
Securities held for trading	63,734	34,596	21,083	-39.1%	-66.9%
Financial assets available for sale	133,612	75,377	59,912	-20.5%	-55.2%
Investment in associates	6,227	6,932	7,123	2.8%	14.4%
Derivate financial assets	2,002	2,547	11,972	-	-
Refinanced mortgage loans	129,981	116,182	104,711	-9.9%	-19.4%
Loans and advances to consumers	366,001	357,773	333,654	-6.7%	-8.8%
Impairment and provision	-39,171	-38,669	-28,710	-25.8%	-26.7%
Investment property	11,285	0	0	-	-100.0%
Tangible assets	7,042	6,733	6,507	-3.4%	-7.6%
Goodwill and other intangible assets	10,912	8,326	7,771	-6.7%	-28.8%
Deferred tax asset	7,442	9,364	8,857	-5.4%	19.0%
Other assets	9,330	10,247	12,003	17.1%	28.7%
Total assets	789,321	769,438	821,973	6.8%	4.1%
Due to banks	115,161	43,036	42,466	-1.3%	-63.1%
Issued securities	251,632	255,344	267,743	4.9%	6.4%
Mortgage bonds	169,718	156,385	170,738	9.2%	0.6%
Bonds	81,913	98,958	97,004	-2.0%	18.4%
Deposits from customers	243,809	298,762	346,811	16.1%	42.2%
Derivative financial liabilities	18,431	12,736	27,166	113.3%	47.4%
Financial liabilities at fair value through profit or loss	64,824	36,501	33,203	-9.0%	-48.8%
Finance lease liabilities	8,481	5,772	4,716	-18.3%	-44.4%
Reserve for annuity payments	2,450	0	0	-	-100.0%
Current tax liability	29	145	30	-79.6%	3.2%
Deferred tax liability	477	0	0	-	-99.9%
Provisions	1,102	25,203	8,716	-65.4%	-
Other liabilities	5,977	3,891	7,205	85.2%	20.6%
Total liabilities	712,372	681,390	738,056	8.3%	3.6%
Share capital	6,600	6,600	6,600	0.0%	0.0%
Share premium	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-158	-207	-207	0.0%	31.4%
Subordinated Tier 1 capital	31,749	31,749	31,749	0.0%	0.0%
Other reserves	279	33	-322	-	-215.5%
Retained earnings	35,663	39,133	24,444	-37.5%	-31.5%
Minority interest	0	23,717	22,008	-7.2%	-
Balance sheet profit	1,108	-14,685	-2,064	-85.9%	-286.3%
Total shareholders' equity	76,949	88,048	83,917	-4.7%	9.1%
Total liabilities and shareholders' equity	789,321	769,438	821,973	6.8%	4.1%

Consolidated Financial Position 'B'

Table includes the special banking tax for the entire business year

(consolidated audited data as of 31 December 2014, non-audited data as of 31 March 2014 and 31 March 2015 according to IFRS)

in HUF million	Mar 31, 2014	Dec 31, 2014	Mar 31, 2015	31/03/2015/ 31/12/2014	31/03/2015/ 31/03/2014
Cash on hand	1,734	2,348	2,331	-0.8%	34.4%
Due from banks & NBH	79,190	177,680	274,758	54.6%	247.0%
Securities held for trading	63,734	34,596	21,083	-39.1%	-66.9%
Financial assets available for sale	133,612	75,377	59,912	-20.5%	-55.2%
Investment in associates	6,227	6,932	7,123	2.8%	14.4%
Derivative financial assets	2,002	2,547	11,972	-	-
Refinanced mortgage loans	129,981	116,182	104,711	-9.9%	-19.4%
Loans and advances to consumers	366,001	357,773	333,654	-6.7%	-8.8%
Impairment and provision	-39,171	-38,669	-28,710	-25.8%	-26.7%
Investment property	11,285	0	0	-	-100.0%
Tangible assets	7,042	6,733	6,507	-3.4%	-7.6%
Goodwill and other intangible assets	10,912	8,326	7,771	-6.7%	-28.8%
Deferred tax asset	7,845	9,364	9,260	-1.1%	18.0%
Other assets	9,304	10,247	11,977	16.9%	28.7%
Total assets	789,698	769,438	822,349	6.9%	4.1%
Due to banks	115,161	43,036	42,466	-1.3%	-63.1%
Issued securities	251,632	255,344	267,743	4.9%	6.4%
Mortgage bonds	169,718	156,385	170,738	9.2%	0.6%
Bonds	81,913	98,958	97,004	-2.0%	18.4%
Deposits from customers	243,809	298,762	346,811	16.1%	42.2%
Derivative financial liabilities	18,431	12,736	27,166	113.3%	47.4%
Financial liabilities at fair value through profit or loss	64,824	36,501	33,203	-9.0%	-48.8%
Finance lease liabilities	8,481	5,772	4,716	-18.3%	-44.4%
Reserve for annuity payments	2,450	0	0	-	-100.0%
Current tax liability	29	145	30	-79.6%	3.2%
Deferred tax liability	477	0	0	-	-99.9%
Provisions	1,102	25,203	8,716	-65.4%	-
Other liabilities	8,070	3,891	9,298	139.0%	15.2%
Total liabilities	714,465	681,390	740,149	8.6%	3.6%
Share capital	6,600	6,600	6,600	0.0%	0.0%
Share premium	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-158	-207	-207	0.0%	31.4%
Subordinated Tier 1 capital	31,749	31,749	31,749	0.0%	0.0%
Other reserves	279	33	-322	-	-215.5%
Retained earnings	35,663	39,133	24,444	-37.5%	-31.5%
Minority interest	0	23,717	22,008	-7.2%	-
Balance sheet profit	-609	-14,685	-3,780	-74.3%	-
Total shareholders' equity	75,233	88,048	82,200	-6.6%	9.3%
Total liabilities and shareholders' equity	789,698	769,438	822,349	6.9%	4.1%

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Sector: Financial services
Reporting period: 01.01.2015 – 31.03.2015

Telephone: (1) 452 - 9100
Fax: (1) 452 - 9200
E-mail: Lendvai.Beata@fhb.hu
Investor relations: Beáta Lendvai

Cash Flow Statement 'A'

Table includes the special banking tax for the period of reporting pro rata

(consolidated audited data as of 31 December 2014 and non-audited data as of 31 March 2015 according to IFRS)

in HUF million	31 December 2014	31 March 2015
Cash flow from operating activities		
Profit/(loss) for the year	-16,196	-3,804
<i>Non cash adjustments to net profit from:</i>		
Depreciation and amortization	2,452	792
Extraordinary depreciation and amortization	2,236	0
(Increase)/Decrease in fair value of Investment property	0	0
Recognition of investment property through income statement	-166	0
Provision for losses	24,798	-26,446
(Gain)/Loss on tangible assets derecognized	52	0
(Gain)/Loss on intangible assets derecognized	0	-9
Capitalized interest	-1,138	138
Fair value of derivatives	-1,597	5,005
Fair value adjustment on financial liabilities through profit and loss	-1,043	-1,118
Change in foreign currency translation reserve	-15	13
Change in minority interest	23,717	48
Change of investments in associates	-774	-191
Change in leasing liabilities	-2,236	0
Operating profit before change in operating assets	30,089	-25,572
<i>Decrease/(Increase) in operating assets:</i>		
Financial assets held for trading	7,354	13,513
Financial assets available for sale	76,358	15,081
Refinanced mortgage loans	17,510	11,471
Loans and advances to customers	1,370	23,979
Other assets	-2,848	-1,249
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits	76,261	48,049
Due to banks	-91,314	-374
Other liabilities	2,028	3,199
Net cash flow from operating activities	116,808	88,097
Cash flow from investing activities		
Proceeds from sales of tangible assets	56	115
Purchase of tangible and intangible assets	-2,857	-118
Net cash flow from disposal of subsidiaries	12,626	0
Net cash flow from investing activities	9,826	-2
Cash flow from financing activities		
Proceed from issued securities	90,883	21,687
Principal repayment on issued securities	-70,326	-11,468
Treasury shares purchased	-178	0
Long term loans repayment	-557	-196
Long term loan borrowings	78	0
Finance lease liabilities repayment	-1,284	-1,056
Net cash flow from financing activity	18,616	8,967
Net increase in cash and cash equivalents	145,250	97,061
Opening balance of cash and cash equivalents	34,778	180,028
Closing balance of cash and cash equivalents	180,028	277,089
Breakdown of cash and cash equivalents:		
Cash	2,348	2,331
Balances with National Bank of Hungary	158,616	234,040
Dues from banks with a maturity of less than 90 days	19,064	40,718
Closing balance of cash and cash equivalents	180,028	277,089
<i>Supplementary data</i>		
Tax paid	-1,139	-389
Interest received	56,680	10,697
Interest paid	-37,326	-9,132

Cash Flow Statement 'B'

Table includes the special banking tax for the entire business year

(consolidated audited data as of 31 December 2014 and non-audited data as of 31 March 2015 according to IFRS)

in HUF million	31 December 2014	31 March 2015
Cash flow from operating activities		
Profit/(loss) for the year	-16,196	-5,520
<i>Non cash adjustments to net profit from:</i>		
Depreciation and amortization	2,452	792
	2,236	0
(Increase)/Decrease in fair value of Investment property	0	0
Recognition of investment property through income statement	-166	0
Provision for losses	24,798	-26,446
(Gain)/Loss on tangible assets derecognized	52	0
(Gain)/Loss on intangible assets derecognized	0	-9
Capitalized interest	-1,138	138
Fair value of derivatives	-1,597	5,005
Fair value adjustment on financial liabilities through profit and loss	-1,043	-1,118
Change in foreign currency translation reserve	-15	13
Change in minority interest	23,717	48
Change of investments in associates	-774	-191
Leasing liabilities	-2,236	0
Operating profit before change in operating assets	30,089	-27,288
<i>Decrease/(Increase) in operating assets:</i>		
Financial assets held for trading	7,354	13,513
Financial assets available for sale	76,358	15,081
Refinanced mortgage loans	17,510	11,471
Loans and advances to customers	1,370	23,979
Other assets	-2,848	-1,626
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits	76,261	48,049
Due to banks	-91,314	-374
Other liabilities	2,028	5,292
Net cash flow from operating activities	116,808	88,096
Cash flow from investing activities		
Proceeds from sales of tangible assets	56	115
Purchase of tangible and intangible assets	-2,857	-118
Net cash flow from disposal of subsidiaries	12,626	0
Net cash flow from investing activities	9,826	-2
Cash flow from financing activities		
Proceed from issued securities	90,883	21,687
Principal repayment on issued securities	-70,326	-11,468
Treasury shares purchased	-178	0
Long term loans repayment	-557	-196
Long term loan borrowings	78	0
Finance lease liabilities repayment	-1,284	-1,056
Net cash flow from financing activity	18,616	8,967
Net increase in cash and cash equivalents	145,250	97,061
Opening balance of cash and cash equivalents	34,778	180,028
Closing balance of cash and cash equivalents	180,028	277,089
Breakdown of cash and cash equivalents:		
Cash	2,348	2,331
Balances with National Bank of Hungary	158,616	234,040
Dues from banks with a maturity of less than 90 days	19,064	40,718
Closing balance of cash and cash equivalents	180,028	277,089
<i>Supplementary data</i>		
Tax paid	-1,139	-389
Interest received	56,680	10,697
Interest paid	-37,326	-9,132

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Statement of Shareholders' Equity 'A'

Table includes the special banking tax for the period of reporting pro rata

(consolidated audited data as of 1 January 2014, and 1 January 2015 and non-audited data as of 31 March 2015 according to IFRS)

in HUF million	Share Capital	Treasury Shares	Share Premium	General reserve	Share option reserve	Subordinated Tier 1 capital	Change in fair value (financial assets AFS)	Foreign currency transaction reserve	Changes due to minority interest	Retained earnings (deficit)	Shareholders' Equity
1 January 2014	6,600	-29	1,709	194	0	31,749	156	29	0	35,664	76,072
Transfer to general reserve				-194						194	0
Profit/(Loss)									-1,316	-14,880	-16,196
Other comprehensive income							-138	-15			-153
Purchase/(Sale) of treasury shares		-178									-178
Subordinated Tier 1 capital											0
Change in share option reserve											0
Change in non-controlling interest									25,033	3,470	28,503
1 January 2015	6,600	-207	1,709	0	0	31,749	18	14	23,717	24,448	88,048
Transfer to general reserve				16						-16	0
Profit/(Loss)									-1,756	-2,048	-3,804
Other comprehensive income							-384	13			-371
Purchase/(Sale) of treasury shares											0
Changes due to minority interest											0
Subordinated Tier 1 capital											0
Change in share option reserve											0
Change in non-controlling interest									47	-4	43
31 March 2015	6,600	-207	1,709	16	0	31,749	-366	27	22,008	22,380	83,916

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Telephone: (1) 452 - 9100
Fax: (1) 452 - 9200
E-mail: Lendvai.Beata@fhb.hu
Investor relations: Beáta Lendvai

Statement of Shareholders' Equity 'B'

Table includes the special banking tax for the entire business year

(consolidated audited data as of 1 January 2014, and 1 January 2015 and non-audited data as of 31 March 2015 according to IFRS)

in HUF million	Share Capital	Treasury Shares	Share Premium	General reserve	Share option reserve	Subordinated Tier 1 capital	Change in fair value (financial assets AFS)	Foreign currency transaction reserve	Changes due to minority interest	Retained earnings (deficit)	Shareholders' Equity
1 January 2014	6,600	-29	1,709	194	0	31,749	156	29	0	35,664	76,072
Transfer to general reserve				-194						194	0
Profit/(Loss)									-1,316	-14,880	-16,196
Other comprehensive income							-138	-15			-153
Purchase/(Sale) of treasury shares		-178									-178
Subordinated Tier 1 capital											0
Change in share option reserve											0
Change in non-controlling interest									25,033	3,470	28,503
1 January 2015	6,600	-207	1,709	0	0	31,749	18	14	23,717	24,448	88,048
Transfer to general reserve				16						-16	0
Profit/(Loss)									-1,756	-3,764	-5,520
Other comprehensive income							-384	13			-371
Purchase/(Sale) of treasury shares											0
Changes due to minority interest											0
Subordinated Tier 1 capital											0
Change in share option reserve											0
Change in non-controlling interest									47	-4	43
31 March 2015	6,600	-207	1,709	16	0	31,749	-366	27	22,008	20,664	82,200

Off-balance Sheet items – Commitments

(consolidated audited data as of 31 December 2014, non-audited data as of 31 March 2014 and 31 December 2014 and 31 March 2015 according to IFRS)

in HUF million	31 March 2014	31 December 2014	31 March 2015
Guarantees	18,324	16,151	13,969
Undrawn commitments	43,533	49,940	37,918
Total	61,857	66,091	51,887

Transactions with related parties

(consolidated non-audited data as of 31 March 2014 and 31 March 2015 according to IFRS)

in HUF million	Transactions between FHB Mortgage Bank and owners with influential share	
	31 March 2014	31 March 2015
Due from banks	0	0
Refinanced mortgage loans	0	0
Fair value of derivatives	0	0
Other assets	0	0
Total assets	0	0
Due to banks	0	0
Issued securities	0	0
Financial liabilities at fair value through profit and loss	0	0
Other liabilities	0	0
Total liabilities	0	0
	31 March 2014	31 March 2015
Interest income	0	0
Interest expense	0	0
Net interest income	0	0
Fees and commission income	0	0
Fees and commission expense	0	0
Net fees and commissions	0	0
Gains from securities	0	0
Net trading result	0	0
Other operating income	0	0
Other operating expense	0	0
Operating profit	0	0
Credit loss expense	0	0
General and administrative expense	-20	-24
Profit for the year	-20	-24

For the purpose of the financial statements, related parties include all the enterprises that directly or indirectly through one or more intermediaries are controlled by the reporting enterprise (this includes parents and subsidiaries) and key management personnel, including the member of the Board and Supervisory Board. For the purposes of this Report, related parties also include shareholders whose holding in the Bank exceeds 10% (VCP Finanz Holding Ltd., A64 Trustee Ltd. and from 2010 also Allianz Hungary Insurance Ltd). Related parties have the power of control over or have a significant influence in, decisions relating to the finances and operation of another enterprise. The Group enters into transactions with associated parties under market conditions.

Data forms relating to the structure of shares and the group of owners

Ownership structure, participation and voting rates (as at 31 March 2015)

(The listed series is the same as the entire share capital.)

Description of owner	Total equity ¹					
	At the beginning of actual year			End of actual period		
	% ²	% ³	Qty	%	%	Qty
Domestic institution/company	61.3%	61.6%	40,475,017	59.1%	59.4%	39,036,134
Foreign institution/company	21.7%	21.8%	14,297,742	24.8%	24.9%	16,370,684
Domestic individual	7.5%	7.5%	4,943,054	7.6%	7.7%	5,039,480
Foreign individual	0.1%	0.1%	45,045	0.0%	0.0%	4,911
Employees, senior officers	0.2%	0.2%	148,055	0.1%	0.1%	54,200
Treasury shares	0.4%	0.0%	253,601	0.4%	0.0%	253,601
Government held owner ⁴	7.3%	7.3%	4,832,225	7.3%	7.3%	4,832,225
International Development Institutions ⁵	0.0%	0.0%	0	0.0%	0.0%	0
Other	1.5%	1.6%	1,005,271	0.6%	0.6%	408,775
TOTAL	100.0%	100.0%	66,000,010	100.0%	100.0%	66,000,010

¹If 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.: MNV Zrt, TB, local authorities, companies with 100% state ownership, etc.

⁵ E.g.: EBRD, EIB, etc.

Number of treasury shares held in the year under review

	31 March 2014		31 December 2014		31 March 2015	
FHB Mortgage Bank Plc.	253,601	0.38%	253,601	0.38%	253,601	0.38%

Owners with more than 5% ownership (as at 31 March 2015)

Name	Custodian Bank (yes/no)	Number of shares	Stake (%)
VCP Finanz Holding Ltd.	no	15,970,000	24.20%
A64 Vagyonkezelő Ltd.	no	16,172,668	24.50%
Allianz Hungária Biztosító Ltd.	no	6,856,662	10.39%
Silvermist Estate SA	no	6,317,389	9.57%
Hungarian National Asset Management Inc.	no	4,832,225	7.32%
Total		50,148,944	75.98%

On 23 January 2015, A64 Vagyonkezelő Kft. (in English: A64 Asset Management Llc.) purchased altogether 2,991,200 pieces of registered FHB ordinary shares. Consequently A64 Vagyonkezelő Kft. will own totally 16,172,668 pieces registered ordinary shares ensuring total 24,5% voting rights in the Company.

Data forms related to the organisation and operation of the issuer

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

	End of reference period 31/03/2014	End of last quarter 31/12/2014	Current period closing 31/03/2015
Bank	181	181	183
Consolidated	803	812	852

Persons in senior positions and (strategic) employees having an influence on the operations of the Issuer (as at 31 March 2015)

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	No. of shares held
BoD	Dr. Zoltán Spéder	Chairman	29.04.2008	29.04.2018	16,000
BoD	Gabriella Balogh	Member	30.04.2013	29.04.2018	0
BoD	Dr. Christian Riener	Member	29.04.2008	29.04.2018	8,000
BoD	Gyula Köbli	Member, CEO	21.04.2010	29.04.2018	16,000
BoD	Tamás Foltányi	Member, Deputy CEO	21.04.2010	29.04.2018	12,000
BoD	Gábor Gergő Soltész	Member, Deputy CEO	30.04.2013	29.04.2018	0
BoD	Ákos Zoltán Starcz	Member	30.04.2013	29.04.2018	0
SB	Csaba Lantos	Chairman	28.04.2009	29.04.2018	0
SB	Enikő Mártonné Uhrin	Member	21.04.2010	21.04.2015	0
SB	Tibor Kádár	Member	24.04.2013	23.04.2018	0
SB	Miklós Szabó	Member	20.04.2011	20.04.2016	2,200
TOTAL No. of shares held by management:					54,200

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

Information and disclosures in first quarter of 2015

Important information and disclosures issued by the FHB Group fall into the following categories:

- Events relating to Group operation (banking announcements, changes in the Rules of Operation)
- Interim management reports, annual reports
- Information in relation to mortgage bonds (offerings and repurchase, updating of the domestic and international mortgage bond issues program, value of mortgage bonds and their cover)
- Month end information about the amount of issued capital and the voting rights
- Proposals submitted to the AGM and invitation to the AGM
- Shareholders' announcements

Announcements, information and disclosures published by FHB are available at the following sites:

www.bet.hu
www.kozzetetelek.hu
www.fhb.hu