



FHB Mortgage Bank Plc.

Summary of the full year 2015 results

Budapest, 17 March, 2016

I. SUMMARY CONSOLIDATED FIGURES

in HUF million	31/12/2014	30/09/2015	31/12/2015	31/12/2015/ 30/09/2015	31/12/2015/ 31/12/2014
Main balance sheet items					
Total assets	769,438	748,068	744,857	-0.4%	-3.2%
Refinanced loans	116,182	87,768	82,790	-5.7%	-28.7%
Loans (gross)	357,773	326,390	314,877	-3.5%	-12.0%
Mortgage bonds	179,615	193,460	194,470	0.5%	8.3%
Senior unsecured bonds	112,230	91,328	60,524	-33.7%	-46.1%
Customer deposits	298,762	328,846	329,048	0.1%	10.1%
Shareholders' equity	88,048	82,260	108,568	32.0%	23.3%
<i>Capital adequacy ratio</i>	<i>17.84%</i>	<i>18.61%</i>	<i>20.15%</i>	<i>1.53%-pt</i>	<i>2.30%-pt</i>
<i>CET1 ratio</i>	<i>15.31%</i>	<i>11.37%</i>	<i>12.54%</i>	<i>1.17%-pt</i>	<i>-2.77%-pt</i>

in HUF million	Q4 2014	Q3 2015	Q4 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014	2014	2015	2015 / 2014
Main P/L items								
Net interest income	5,520	2,901	3,225	11.2%	-41.6%	20,642	14,628	-29.1%
<i>Net interest margin</i>	<i>2.86%</i>	<i>1.53%</i>	<i>1.71%</i>	<i>0.18%-pt</i>	<i>-1.15%-pt</i>	<i>2.74%</i>	<i>1.93%</i>	<i>-0.81%-pt</i>
Net fees and commissions	1,742	1,753	1,989	13.5%	14.2%	5,353	7,018	31.1%
Net operating income	-2,807	4,760	5,078	6.7%	-280.9%	3,670	11,934	225.1%
Provision for impairment on loan losses	-134	-513	-3,663	-	-	-4,382	-840	-80.8%
Operating cost	-4,224	-4,717	-4,468	-5.3%	5.8%	-16,599	-18,764	13.0%
<i>Cost to income ratio</i>	<i>-150.5%</i>	<i>-99.1%</i>	<i>88.0%</i>	<i>187.1%-pt</i>	<i>238.4%-pt</i>	<i>452.2%</i>	<i>157.2%</i>	<i>-</i>
<i>Cost/income ratio w/o special banking tax</i>	<i>-201.1%</i>	<i>-116.4%</i>	<i>77.2%</i>	<i>193.6%-pt</i>	<i>278.3%-pt</i>	<i>255.4%</i>	<i>127.1%</i>	<i>-128.3%-pt</i>
Profit before tax	-7,165	-470	-3,052	-	-57.4%	-17,310	-7,671	-55.7%
Profit after tax	-6,596	-502	-4,717	-	-28.5%	-16,195	-10,514	-35.1%
Profit after tax w/o special banking tax and other one-offs	1,998	-1,857	-1,251	-32.7%	-162.6%	3,828	-4,284	-211.9%
<i>Basic EPS (HUF)</i>	<i>-306.91 Ft</i>	<i>-88.35 Ft</i>	<i>-257.8 Ft</i>	<i>-</i>	<i>-</i>	<i>-223.20 Ft</i>	<i>-125.54 Ft</i>	<i>-43.8%</i>
<i>Return on Assets</i>	<i>-3.42%</i>	<i>-0.27%</i>	<i>-2.51%</i>	<i>-2.2%-pt</i>	<i>0.9%-pt</i>	<i>-2.15%</i>	<i>-1.39%</i>	<i>0.8%-pt</i>
<i>Return on Equity</i>	<i>-29.2%</i>	<i>-2.4%</i>	<i>-19.6%</i>	<i>-17.2%-pt</i>	<i>9.6%-pt</i>	<i>-19.7%</i>	<i>-10.7%</i>	<i>9.0%-pt</i>
<i>ROAA w/o special banking tax and other one-offs</i>	<i>1.04%</i>	<i>-0.98%</i>	<i>-0.66%</i>	<i>0.3%-pt</i>	<i>-1.7%-pt</i>	<i>0.51%</i>	<i>-0.57%</i>	<i>-1.1%-pt</i>
<i>ROAE w/o special banking tax and other one-offs</i>	<i>8.8%</i>	<i>-8.9%</i>	<i>-5.2%</i>	<i>3.7%-pt</i>	<i>-14.0%-pt</i>	<i>4.7%</i>	<i>-4.4%</i>	<i>-9.0%-pt</i>

II. REPORT ON THE FOURTH QUARTER AND FULL YEAR OF 2015 RESULTS OF FHB GROUP

This report of FHB Mortgage Bank Public Co Plc. for the whole year and the fourth 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, non-audited figures as of 30 September 2015 and 31 December 2015, and also audited figures as of 31 December 2014.

1. Summary of the achievements of the past period

FHB Group's consolidated total assets amounted to HUF 744.9 billion on 31 December 2015 that is 0.4% (about HUF 3.2bn) lower compared to the previous quarter and is 3.2% (HUF 24.6bn) below the same quarter

of the previous year. Despite the increasing overall lending volume the portfolio of own lending shrank by about HUF 43 billion partly due to the financial settlement with retail clients and the natural amortization of the outstanding loan portfolio. Due to the same reasons refinanced loan volume decreased significantly by more than HUF 33 billion. Parallel with the reduction of the loan portfolio the stock of issued securities – especially bonds – dropped considerably.

Lending

Lending showed an outstanding performance in both retail and corporate segments in the examined year. New retail lending volume of HUF 20.2 billion increased by 21.6%, while the volume of disbursed corporate loans of HUF 44 billion reflect a 31.0% jump versus 2014.

Nearly half of the retail loan disbursement (HUF 12 billion) originates from retail mortgage lending, while disbursement of mortgage loans aiming at refinancing previous loans reached HUF 5.1 billion. Disbursed personal loan volume of HUF 1.7 billion is almost four times higher compared to the previous year, from which 'Posta személyi kölcsön' (personal loan product offered by the Hungarian Post) introduced in the summer amounted to HUF 700 million.

The success of Non-Refundable Family Home Creating Benefit ('CSOK'), which FHB Group had started offering among the first players on the market from 30 June 2015 and is available for new and even wider range of families, also contributed to the 23.0% increase of mortgage lending versus 2014. By the end of 2015 around 600 loan applications had been approved, from which the number of disbursed loans reached 350 with the total volume amounting to HUF 394 billion. In case of 40% of 'CSOK' applications clients submitted loan applications as well. In terms of contracted subsidy volume FHB's market share is estimated to have exceeded 10.0%.

Corporate lending volume exceeded HUF 15 billion in Q4, while it amounted to HUF 44 billion in 2015. Disbursed amount within the framework of Funding for Growth Scheme ('NHP') of HUF 11.2 billion took nearly the one-fourth of total lending in 2015.

Gross loans amounted to HUF 314.9 billion as of 31 December 2015 contributing to 3.5% decrease compared to the previous quarter and 12.0% shrinkage versus the same period of 2014.

The Bank in the fourth quarter continued its programs with the aim of improving portfolio quality further. As a joint result of these measures and increasing new loan disbursement, the rate of non-performing loans (NPL ratio) to drop to 14.7% by end-December 2015 from 20.2% end-2014 and 16.5% from Q3 2015. Coverage of non-performing portfolio increased to 57.4% by end of the year from previous quarter's 52.2% and 53.4% in the same period of 2014. The quality of corporate loans continues to be outstanding with an NPL ratio of around 3.0%.

Savings

The development of deposits and other savings under management were also favourable. Consolidated deposit volume grew by more than HUF 30 billion – with a pace exceeding 10.0% – to HUF 329 billion by the end of 2015. The share of sight deposits within the total volume stood close to 38.0% versus 31.0% at the end of 2014. Corporate deposit volume reached almost HUF 202 billion. Volume of Postal deposits of more than HUF 37 billion represented a notable share in retail deposits. The number of current accounts opened in the Hungarian Postal network more than doubled to 52.7 thousands end-September from 24 thousands end-2014.

Volume of – non-consolidated – total savings managed by members of FHB Group increased by nearly 20.0% (by more than HUF 127 billion) on annual basis, exceeding the HUF 804 billion by the end of 2015. The bulk of the growth comes from the expansion of funds held on savings accounts. Assets under management of Magyar Posta Investment Ltd. (MPBSZ), which started its activity just two years ago, reached almost HUF 117

billion by the end of Q4 up by 28.0% versus Q3, while showing 186% increase on annual basis. The number of securities and investment accounts managed by the company surged to around 1.5-fold reaching 40.6 pcs at end-December 2015.

The total net value of assets and other portfolios under management of Diófa Asset Management Ltd. increased to HUF 393 billion by end-2015 from HUF 338.7 billion end-2014. Magyar Posta Takarékszövetkezet Real Estate Fund with its HUF 81.4 billion size had the largest contribution to the increase of those investment funds, which represents more than 33.6% of the value of net assets managed by Diófa Asset Management. Magyar Posta Takarékszövetkezet Real Estate Fund became the second largest real estate fund in Hungary behind Erste's similar fund, but exceeding HUF 79 billion net asset value of OTP Real Estate Fund.

Main P&L items

The Bank's consolidated IFRS-based profit after tax amounted to HUF 10,514 million losses due to the impact of implementation of settlements and fair banking act and other harder regulatory requirements.

The main elements resulting the negative P&L are the following: net interest income shrunk by 29% mainly as a consequence of low interest rate environment and implementation of the Settlement and "Fair Banking" acts; net financial (trading) result showed a HUF 358 million loss comparing to the HUF 4 billion positive result of the previous year; operating costs increased by 13%, or more than HUF 2 billion in the year of 2015 compared to 2014 due to increasing business related costs parallel with the growing activity and extraordinary expenditures related to the settlements.

At the same time net fees and commissions showed an outstanding result reaching HUF 7,018 million increasing by more than 31% compared to 2014, while in the fourth quarter the HUF 1,989 million net fee result performed a 14.2% and 13.5% growth year-on-year and quarter-on-quarter, respectively.

The risk cost was HUF 3.7 billion in the fourth quarter and HUF 840 million in the year 2015. The volume of impairments – parallel with improving coverage, i.e. more than 57% level at the end of the year – decreased by 5.4% or by HUF 1.5 billion compared to the previous quarter, in line with the improving NPL ratio.

The net income of associated companies contributed to the total revenue by HUF 639 million. Among the companies in the scope of consolidation the result of Diófa Asset Management Plc. is noteworthy, which closed 2015 with a profit after tax of HUF 737.5 million.

During the year HUF 35,655 million expenditures emerged on consolidated basis related to the execution of the settlements, which were partly counterbalanced by the revenue coming from the collection of the overdue interests, by the release of HUF 23.5 million provisions generated in 2014, and by the release of impairments.

Due to the changes of tax regulations the Bank decreased the amount of deferred tax in the balance sheet by HUF 1.575 million as a one-off extraordinary expenditure.

In addition, HUF 2,825 million of special banking tax and the non-shifted financial transaction levy had negative impact on the result. The Bank Group's IFRS consolidated profit after tax – ignoring the special banking tax and above-mentioned one-off items – was HUF 1,251 million loss in the fourth quarter.

Capital position

FHB Mortgage Bank Co. Plc. at the end of December 2015 increased its share capital with HUF 4,249 billion face value, or HUF 30.5 billion issue value. The Court of Registration approved and registered the capital increase with its resolution on February 24, 2016. As a result of the capital increase the consolidated IFRS shareholders' equity of FHB Group increased to HUF 108.6 billion. Pursuant to the European Regulation CRR valid since 1st of January 2014, the permission of the NBH as the competent authority is required to consider the issued capital instruments as regulatory capital. In case of the shares issued in the capital increase NBH gave permission with its resolution as of March 9, 2016 only to consider the issued 'B' dividend preference

shares and 'C' ordinary shares as Tier 1 capital, consequently their total volume will be taken into consideration in the calculation of the regulatory capital only after that date.

The first pillar capital adequacy ratio of FHB Group reached 20.15% as of 31 December 2015, compared to previous year's 17.84% and to 18.61% at the end of September. CET1 ratio calculated taking into consideration the primary core (Tier 1) capital elements reached 12.54%, while at the end of previous quarter stood at 11.37%. During the fourth quarter, regulatory capital decreased by HUF 2.1 billion (-3.1%), while total capital requirements decreased by HUF 3 billion (-10.5%).

Performance of FHB shares

In terms of capitalisation, FHB is 5th in the rank of "Premium" category listed companies and contributes 0.91% to the aggregate capitalisation of the BSE based on 31 December 2015 data.

As of the end of the fourth quarter in 2015, FHB's weight in the BUX index was 0.65% which meant that it stands at the sixth place (in the previous quarter stood also at the sixth place), while in the fourth quarter it was the second biggest member with a weight of 12.73% (in the 3rd quarter 13.10%) in BUMIX, the index of share prices of mid- and small-cap companies.

The price of FHB Mortgage Bank's shares showed slight weakening. Closed the fourth quarter of 2015 at HUF 699 – that meant a HUF 14 decrease compared to 30 September 2015 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, 7,612 new homes were built in 2015, 8.9% less than in the same period of 2014 while the number of new housing construction permits issued was 12,515, 29.9% higher compared to the same period of 2014 data of which the biggest increase was in Budapest (72.8%) regarding territorial units.

As of 31 December 2015, the volume of retail mortgage loans (HUF 4,722 billion) was down by 13.2% compared to 31 December 2014; the volume change adjusted by exchange rate volatility was -17.9%. Volume of HUF loans (HUF 4,701 billion) increased by 122.6% year-on-year due to HUF conversion; while the FX loan portfolio (HUF 22 billion) declined by 99.4% for the same reason (-99.4% adjusted by the volatility of exchange rate).

The amount of retail housing loans decreased in Q4 by 1.4%. At the end of December 2015, housing loans amounted to HUF 3,009 billion. This meant 9.9% decrease compared to 31 December 2014 which is -14% adjusted by exchange rate volatility. Volume of housing loans denominated in HUF was HUF 3,002 billion, showing a 0.9% decrease (during the last quarter, while volume of FX loans decreased by 69.2% (adjusted by the volatility of exchange rate it was -69.3%).

General-purpose mortgage loans amounted to HUF 1,713 billion as of 31 December 2015; after exchange rate adjustment the portfolio decreased by 23.9% and 3.5% year-on-year and quarter-on-quarter, respectively. HUF denominated general-purpose mortgage loans (HUF 1,698 billion) decreased by HUF 48 billion quarter-on-quarter and increased by 229.7% year-on-year. The exchange rate adjusted change in FX denominated general-purpose mortgage loans decreased 49.8% quarter-on-quarter and 99.1% year-on-year.

Own lending

Volume of gross loans of FHB Group amounted to HUF 314.9 billion as of 31 December 2015 decreased by 3.5% compared to the previous quarter's figure and year-on-year the decrease was 12%. Share of FX based loans in total outstanding loan portfolio was 7.8%, in the contrary of the percentage in previous quarter and in Q4 2014, which was 7.5% and 49.3%, respectively. The share of FX loans of retail loans is 1.3% that is practically on the same level as it was in the end of previous quarter; while this proportion was 57.3% on 31 December 2015.

Retail loans remained dominating within the loan portfolio with a contribution of 71.0% (71.9% on 30 September 2015). Retail loans decreased by 4.8% (or HUF 11.2 billion) and by 18.0% (or HUF 49.2 billion) quarter-on-quarter and year-on-year, respectively.

in HUF million	31/12/2014	30/09/2015	31/12/2015	31/12/2015/ 30/09/2015	31/12/2015/ 31/12/2014
Retail loans	272,770	234,763	223,595	-4.8%	-18.0%
Housing loans	134,241	122,207	118,123	-3.3%	-12.0%
Other mortgage loans	127,596	101,675	94,571	-7.0%	-25.9%
Consumer loans	6,365	6,529	6,871	5.2%	7.9%
Loans for employees	1,523	1,352	1,306	-3.4%	-14.2%
Retail real estate leasing	3,045	3,000	2,724	-9.2%	-10.5%
Corporate loans	85,002	91,627	91,282	-0.4%	7.4%
Corporate loans	83,917	88,991	87,873	-1.3%	4.7%
Corporate real estate leasing	1,085	1,506	1,397	-7.2%	28.8%
Equipment leasing	0	1,130	2,012	78.1%	-
Total own lending, gross	357,772	326,390	314,877	-3.5%	-12.0%
Impairment	-38,669	-28,086	-26,557	-5.4%	-31.3%
Loans, net	319,103	298,304	288,321	-3.3%	-9.6%
Refinanced loans	116,182	87,768	82,790	-5.7%	-28.7%

In terms of structure of retail loans, housing loans as the largest volume contributed 52.8% and other mortgage loans contributed 42.3% to the retail loan portfolio. A year before proportion was 49.2% and 46.8%, respectively. The volume of consumer loans amounted to HUF 6.9 billion, which is 5.2% higher than in the previous quarter. Volume of corporate loans amounted to HUF 91.3 billion, representing 29.0% of the total portfolio. The amount decreased by 0.4% compared to the previous quarter and increased by 7.4% year-on-year. Within corporate loans volume of real estate leasing assets grew by 28.8% during the fourth quarter and launched capital equipment leasing as new activity which reached HUF 2 billion by the end of the year.

In Q4 2015, HUF 6.4 billion of retail and HUF 15.2 billion of corporate loans have been disbursed; the last figure is more than 92.7% higher than in last year. In the fourth quarter of 2015, the Bank placed HUF 5.0 billion loans out to corporate customers within the framework of Funding for Growth Scheme.

During the quarter FHB offered further 115 properties to the National Asset Management Company (NET) in Q4 2015 and 271 transactions were closed because of NET sale with a total debt almost HUF 1,089 million. Since the start of the program the number of completed transactions reached nearly 2,790 units.

FHB Commercial Bank Ltd.

According to Hungarian Accounting Standards (HAS), total assets of FHB Commercial Bank were HUF 473.8 billion as of 31 December 2015, showing a 9.1% decrease compared to a year before (HUF 521.3 billion).

On 31 December 2015, volume of gross loans according to HAS was HUF 211.6 billion decreasing by 5.2% compared to 31 December 2014. Gross loans represented 44.7% of total assets. Corporate loans of FHB Commercial Bank – excluding intra-group loans – amounted to HUF 79.7 billion at the end of the period (practically unchanged compared to 30 September 2015), having a share of 37.7% among total loan portfolio.

Interest bearing liabilities amounted to HUF 427.4 billion; representing 90.2% among liabilities, and showed 7.3% decrease year-on-year and 6.5% decrease quarter-on-quarter. According to HAS deposits of HUF 331.1 billion represented 77.5% among interest bearing liabilities, while interbank liabilities represented the second highest ratio with the amount of HUF 86.3 billion, containing refinanced loans from FHB Mortgage Bank, and refinancing related to outstanding loans drawn under the Funding for Growth Scheme.

Deposits increased by more than 11% compared to the same period of the previous year and decreased by 0.5% during the fourth 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 December 2015; its share was 61.4%. Volume of sight deposits increased by HUF 30.4 billion year-on-year, while it grew by HUF 9.2 billion quarter-on-quarter. As a result, sight deposits represented 30.9% of total deposits.

At the end of December 2015, number of retail and corporate accounts managed by Commercial Bank was 208 thousands and more than 12 thousand, respectively, and 165 thousand retail and 7.2 thousand corporate banking cards related to these accounts. Both number of accounts and cards represented growth in yearly. 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 December 2015 the number of post accounts was nearly 53 thousand.

According to HAS profit after tax of Commercial Bank for 2015 was HUF 2.0 billion loss, net results were bothered by the non-shifted part of financial transaction levy (HUF 689 million) and by the expenses of FX rate protection scheme (HUF 44.4 million). In consequence of concluded agreement with Hungarian Bank Association (connected with penalty received for operation of BankData database) provision is made in an amount of HUF 7.9 million. Settlement's effect on net income was HUF 1.9 billion loss. Adjusted by special banking tax and therein before mentioned one-off items, profit after tax of FHB Commercial Bank was HUF 1,659 million profit.

Net interest income in 2015 – in controlling approach – was 3.9% lower than a year before as a result of decreasing interest income (by 18.5%) and decreasing interest expenses (by 33.5%). Net fee and commission income was 7.4% higher than a year before, while it decreased by 24.3% quarter-on-quarter. Operating costs increased by 11.7% compared to the end of 2014, while they increased by 6.4% compared to the previous quarter. The reason of this increase is partly the rise of headcount, and partly the consequence of business activity, but – just like in the whole Group – the extraordinary costs that are connected to the settlement, also contributed to this rise.

The capital adequacy ratio of the Bank on 31 December 2015 was 20.00% that shows an increase compared to the end of previous quarter (19.71%) and compared to 31 December 2014 (17.63%). Shareholder's equity according to HAS was HUF 37.3 billion as of 31 December 2015 and the solvency capital was HUF 47.4 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 406.0 million revenue in 2015 Q4, which is HUF 87.3 million more than a year before, while real estate brokerage reached HUF 200.7 million income in 2015, which is significantly higher than the same period in 2014 (HUF 116.3 million).

FHB Real Estate closed the year with HUF 25.6 million profit.

FHB Lease Ltd.

As of 31 December 2015, the consolidated loan volume of FHB Lease Ltd. according to IFRS was HUF 9.4 billion. Lease financing disbursement amounted to HUF 3,135 million in 2015, of which more than HUF 2,358 million is from the equipment leasing that started in the end of the first quarter of 2015. Leasing portfolio reached more than HUF 4.7 billion as of 31 December 2015. FHB Lease Ltd. closed 2015 with HUF 573 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 through funds, pension fund wealth management and tailor made solutions for institutional and private clients.

Diófa Asset Management Ltd. in Q2 and Q3 2015 reformed significantly those investment funds that are sold for their retail clients. Before the transformation the Asset Management in several cases used to manage different kind of investment funds, which had the same profile, and which funds were sold separately in distribution networks (eg. money market funds). During the process, the funds with same profile will be combined and transformed, so a coherent and organised product-structure will be able to establish. The reason of this reformation is to improve the efficiency of production and marketing activities, and to decline the administrative burdens. Diófa Asset Management is planning another merger in the coming year.

At the end of the fourth quarter of 2015 the total net value of assets and other portfolios under management increased to HUF 393.0 billion from HUF 338.6 as of 31 December 2014. That means more than 16.0% 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 81.4 billion at the end of Q4 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 beginning of 2014 to exceeding 2.7% for the end of December 2015, while its market share from wealth management of pension funds grew to 15.5% from 15.1% in one year.

Asset Management Ltd. closed the year of 2015 with HUF 737.5 million profit after tax according to HAS, subscribed capital amounted to HUF 196.2 million and shareholders' equity to HUF 317.9 million as of 31 December 2015.

FHB INVEST Investment and Real Estate Management Llc.

FHB INVEST Investment and Real Estate Management Llc. (its former name: Díjbeszedő Operatív and Szolgálati Llc.; DÜSZ) 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 636.4 million in 31 December 2015, shareholder's equity amounted to HUF 7.0 billion and profit after tax reached HUF 3.6 billion (according to HAS) in 2015.

Jointly controlled and associated companies

Profit after tax according to IFRS of the **Díjbeszedő Faktorház Ltd. (DBF)** was HUF 271.6 million in 2015. Pre-tax profit related to the purchased receivables before maturity in 31 December 2015 was HUF 725 million, while pre-tax profit from purchased expired receivables amounted to HUF -120 million according to IFRS. Shareholder's equity of the Company according to IFRS amounted to HUF 12.2 billion at the end of 2015.

The main activity of **DíjNET Ltd.** is operation and development of an electronic bill presentment and payment system. In the first nine months of 2015, profit after tax (according to HAS) was HUF 90.5 million. Subscribed capital amounted to HUF 5 million, while shareholder's equity was HUF 196.7 million at 31 of December 2015.

Díjbeszedő IT Llc. (DBIT), which provides services related to the IT activities of companies belonging to the Díjbeszedő Group, reached HUF 8.8 million profit after tax in 2015. Subscribed capital amounted to HUF 672 million, while shareholder's equity amounted to HUF 680.3 million.

By the end of December 2015, **Magyar Posta Investment Services Ltd. (MPBSZ)** opened more than 40.6 thousand securities and long-term investment accounts; the securities portfolio managed on accounts was HUF 116.8 billion at the end of December 2015, compared to HUF 58.1 billion at the end of December 2014. MPBSZ closed the year with HUF 281.4 million loss (according to HAS). The company's shareholder's equity was HUF 425.5 million and total assets amounted to HUF 3.0 billion.

Magyar Takarék Asset Management (MATAK) Ltd.'s result - including net result of Bank of Hungarian Savings Cooperatives Co. Ltd. (Takarékbank) and its consolidated subsidiaries - contributed by HUF 598 million to the consolidated result of 2015 of FHB Group.

Organisational changes and headcount

As of 31 December 2015, the consolidated full-time headcount was 863.8, by 35.9 persons more than the headcount of 827.9 as of 30 September 2015 and 51.5 persons more than the headcount of 812.3 as of 31 December 2014. The main reason of this rise is the headcount increase in the Commercial Bank.

Headcounts of the Group members were as follows:

	31/12/2014	30/09/2015	31/12/2015	31/12/2015/ 30/09/2015	31/12/2015/ 31/12/2014
FHB Mortgage Bank Plc.	180.7	125.7	129.4	3.0%	-28.4%
FHB Commercial Bank Ltd.	584.2	633.5	657.4	3.8%	12.5%
FHB Life Annuity Ltd.	0.0	0.0	0.0	-	-
FHB Real Estate Ltd.	8.9	9.9	9.9	0.0%	11.3%
FHBLeasing Ltd.	12.3	12.9	14.3	10.9%	16.5%
Diófa Asset Managemet Ltd.	18.8	27.6	32.1	16.3%	70.3%
Diófa Real Estate Management Llc	3.0	5.0	8.4	68.5%	179.2%
FHB Invest Ltd.	1.1	1.1	1.1	0.0%	0.0%
Hungarian Card Ltd.	3.3	12.3	11.3	-8.2%	-
FHB Consolidated	812.3	827.9	863.8	4.3%	6.3%

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.

Tamás Foltányi resigned from his position held at FHB Mortgage Bank as the member of the Board of Directors, and his other positions in the FHB Group, while his mandate held at FHB Mortgage Bank as IT executive officer was terminated by mutual consent on 15 June 2015. Responsibilities of the IT deputy chief executive officer of FHB carried out by Gábor Fejér.

On 27 July 2015, Ms Gabriella Balogh resigned from her position held at the Company as the member of the Board of Directors.

In Q4 of 2015 there was no change in the management and board of directors of the Bank.

Post-balance sheet date events

In January 2016 the National Bank of Hungary (NBH) launched its new lending programme, the Growth Supporting Programme (GSP). The aim of the GSP to support the SME-s' sustainable lending, i.e. it stimulates the lending activity of the banks. The GSP contains two elements: the third, so called phasing out section of the former growth supporting programme, i.e. the Funding for Growth Scheme (FGS), and the introduction of the Market Lending Scheme (MLS). The latter is a new package, which helps banks to return to the market based lending, providing positive incentives. The main aim for the year of 2016 of the NBH is to increase lending portfolio for corporates and SMEs by HUF 250-400 billion during the year, which means a 5-10% increase compared to the present portfolio.

Pursuant to the entry into force on 1st January 2016 of the government regulation No. 265/2011 (XII.6.) about the housing subsidy many amendments were published related to Non- Refundable Family Home Creating Benefit "CSOK". Some definitions, application conditions and the possible requested amounts were amended. Earlier the maximum supported amount cannot exceed the HUF 3.25 million, now the maximum amount is HUF 10 million for the eligible applicants. The subsidy still depends on the number of the children and the total useful area of the flats, but following the amendments the donated money does not depend on the energy class of the flat.

The Hungarian Competition Authority (GVH) imposed a fine of HUF 4.015 billion on the Hungarian Banking Association for the operation of 'BankAdat' database on January 12, 2016. FHB Mortgage Bank Co. Plc. and FHB Commercial Bank Ltd. sign a contract to take over the fulfilment of the respective fine, which implies a HUF 151.9 million provisioning for the two financial institutions in 2015.

In accordance with the Board decision as of December 28, 2015 the Bank increased its share capital, whereby the new shares were to be issued privately. As a result of the above transaction 14,163,430 pcs of 'B' series as dividend preference shares and 2,832,686 pcs of 'C' series as ordinary shares were issued in the total capital amount of HUF 30.5bn. The Court of Registration approved and registered the capital increase with its resolution on February 24, 2016.

NBH gave permission with its resolution as of March 10, 2016 to consider the issued 'B' and 'C' shares as Tier 1 capital.

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

1. P&L structure

in HUF million	Q4 2014	Q3 2015	Q4 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014	2014	2015	2015 / 2014
Interest income	13,281	9,179	8,841	-3.7%	-33.4%	55,100	41,159	-25.3%
Interest expense	-7,761	-6,278	-5,616	-10.5%	-27.6%	-34,458	-26,531	-23.0%
Net interest income	5,520	2,901	3,225	11.2%	-41.6%	20,642	14,628	-29.1%
Fees and commissions income	2,024	2,088	2,409	15.4%	19.0%	6,354	8,352	31.4%
Fees and commissions expense	-282	-335	-421	25.4%	49.0%	-1,001	-1,334	33.2%
Net fees and commissions	1,742	1,753	1,989	13.5%	14.2%	5,353	7,018	31.1%
Foreign exchange gains, net	-115	-873	-149	-83.0%	29.5%	658	-1,945	-
Fair value adjustment	-593	-579	241	-	-	-1,062	-2,180	105.3%
Gain on securities, net	-598	750	1,352	80.2%	-	4,923	3,528	-28.3%
Net result of investment services	259	92	129	40.5%	-50.3%	259	239	-7.7%
Net financial (trading) result	-1,047	-610	1,574	-	-	4,778	-358	-
Other operating income	1,450	5,282	-25,463	-	-	2,173	1,398	-35.7%
Other operating expenses	-9,580	-4,706	23,859	-	-	-32,625	-11,391	-65.1%
o/w special banking tax & one-off PTI	-707	-706	-706	0.0%	-0.1%	-2,828	-2,825	-0.1%
Other results	-8,129	575	-1,604	-	-80.3%	-30,452	-9,993	-67.2%
Net income of associated companies	-893	141	-105	-	-	3,350	639	-80.9%
Total non-interest income (with net fees)	-8,327	1,860	1,853	-0.4%	-	-16,972	-2,694	-84.1%
Net operating income	-2,807	4,760	5,078	6.7%	-	3,670	11,934	225.1%
Net operating income w/o provisions	-2,807	4,760	5,078	6.7%	-	3,670	11,934	225.1%
Provision for impairment on loan losses	-134	-513	-3,663	-	-	-4,382	-840	-80.8%
Personnel expenses	-1,369	-1,724	-1,460	-15.3%	6.6%	-6,332	-6,680	5.5%
Banking operation cost	-1,878	-2,542	-2,543	0.0%	35.4%	-6,835	-9,200	34.6%
Cost of business activity	-429	-272	-344	26.5%	-19.7%	-916	-1,118	22.0%
Depreciation	-537	-160	-111	-30.5%	-79.3%	-2,452	-1,710	-30.3%
Other tax payable	-11	-19	-9	-50.9%	-13.1%	-63	-56	-10.7%
Operating costs	-4,224	-4,717	-4,468	-5.3%	5.8%	-16,599	-18,764	13.0%
Income before income taxes	-7,165	-470	-3,052	-	-57.4%	-17,310	-7,671	-55.7%
Income taxes	568	-32	-1,665	-	-	1,115	-2,843	-
Profit after tax	-6,596	-502	-4,717	-	-28.5%	-16,195	-10,514	-35.1%
Profit after tax w/o special banking tax	-5,889	204	-4,011	-	-31.9%	-13,367	-7,688	-42.5%
After tax profit w/o special banking tax and other one-offs	1,998	-1,857	-1,251	-32.7%	-	3,828	-4,284	-

The Bank's consolidated profit after tax according to IFRS amounted to HUF 10,514 million losses in 2015, the consolidated total comprehensive income of the Bank amounted to HUF 9,948 million loss.

The negative result is mainly due to the significant drop of net interest income and also due to the negative financial trading result, which is caused by the changes of interests and exchange rates.

In addition, amount of HUF 2,825 million of special banking tax and the non-shifted financial transaction levy had negative impact on the result. The Bank Group's IFRS consolidated profit after tax – ignoring the special banking tax and above-mentioned one-off items – was HUF 1,251 million loss in Q4 of 2015.

Net interest income

Net interest income was HUF 3.2 billion in Q4 2015, 41.6% lower than a year before and 11.2% higher compared to the previous quarter.

The net figure emerged as a balance of HUF 8.8 billion interest income (3.7% lower quarter-on-quarter and 33.4% lower year-on-year, respectively) and HUF 5.6 billion interest expense (q/q: -10.5%, y/y: -27.6%).

Distribution of interest income and expenses shows the following table:

	Q4 2014	Q3 2015	Q4 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014	2014	2015	2015 / 2014
Interest income								
Loans	47.0%	41.3%	60.6%	19.3%-pt	13.6%-pt	44.3%	46.9%	2.6%-pt
Refinancing	8.5%	8.5%	8.8%	0.2%-pt	0.3%-pt	9.0%	8.6%	-0.4%-pt
Mortgage bond interest subsidy	13.3%	17.0%	17.2%	0.2%-pt	3.9%-pt	14.2%	15.4%	1.2%-pt
Supplementary interest subsidy	1.1%	1.4%	1.4%	0.0%-pt	0.3%-pt	1.2%	1.3%	0.1%-pt
Securities and interbank activities	11.9%	15.4%	11.2%	-4.2%-pt	-0.8%-pt	11.7%	15.1%	3.4%-pt
Swap transactions	18.3%	16.4%	0.9%	-15.5%-pt	-17.3%-pt	19.6%	12.8%	-6.8%-pt
Other interest income	-0.1%	0.0%	0.0%	0.0%-pt	0.1%-pt	0.0%	0.0%	0.0%-pt
Interest expenses								
Bonds issued	64.8%	69.9%	78.9%	9.0%-pt	14.1%-pt	58.2%	69.2%	11.0%-pt
Interbank activities	0.4%	0.3%	0.2%	0.0%-pt	-0.2%-pt	2.8%	0.5%	-2.3%-pt
Customer deposits	16.4%	16.7%	17.0%	0.3%-pt	0.5%-pt	17.1%	17.4%	0.3%-pt
Derivatives	19.2%	13.2%	3.9%	-9.3%-pt	-15.3%-pt	19.9%	12.6%	-7.3%-pt
Other interest expense	-0.8%	0.0%	0.0%	0.0%-pt	0.8%-pt	2.1%	0.3%	-1.8%-pt

The net interest margin to average total assets (NIM) was 1.71% in Q4 2015, 18 bps higher compared to Q3 2015 (1.53%).

Net fee and commission income

In Q4 2015, the Bank achieved a positive balance of HUF 1, 989 million from income and expenditures on commissions and fees; 13.5% higher than in Q3 2015; and 14.2% higher than a year before. Net fees and commissions adjusted by financial transaction levy performed a 14.6% and 12.3% increase quarter-on-quarter and year-on-year, respectively.

Compared to the previous quarter, net result on investment services, mortgage loan commissions and guarantee fees increased; while insurance agent fees and direct debit services related fees decreased.

Income from fees and commissions in Q4 2015 amounted to HUF 2,736 million, of which 9.0% was contributed by charges related to loans (10.6% in Q3 2015) and 32.2% by accounts and card related banking charges without financial transaction levy (40.3% in Q3 2015). Volume of HUF 266 million of fund management fees contributed by 9.7% to quarterly fee income.

Card related fee expenses (HUF 150 million) increased by 16.6% quarter-on-quarter, while payment fees reached HUF 33 million in Q4 2015.

Net result of financial transactions

In Q1-Q4 2015, the balance of financial transactions was HUF 358.1 million losses, which is by HUF 5,136 million lower than a year before. The net result of financial transactions was HUF 1,574 million profit in the fourth quarter of 2015, which is HUF 2,184 million more than it was in Q3 of 2015.

In Q4 2015, the volume of foreign exchange profit was HUF 148.7 million loss, more favourable than the previous quarter's figure (HUF 873 million loss) primarily due to unrealised FX loss from revaluation.

In Q4 2015, the change in the value of financial instruments reported at fair value through P&L was HUF 241.3 million profits, which is favourable than the HUF 579 million losses in Q3 2015 and results a year before.

In the fourth quarter of 2015, the securities transactions resulted in HUF 1,352 million profits as opposed to HUF 750 million profits in the previous quarter.

Other operating income and expenditure

In the year of 2015, the balance of other operating income and expenditure was HUF 10.0 billion net expenditure; arising from HUF 1.4 billion incomes and HUF 11.4 billion expenditures. In Q4 2015, the balance of other operating income and expenditure was HUF 1.6 billion net expenditure.

The other expenses mainly were amounted to the P&L effects of settlement law (HUF 27.8 billion net expenditures). These items were partly compensated by HUF 23.5 billion provision release and also impairment release.

In Q4 2015, real estate related income contributed HUF 213 million to other operating income (real estate rent, sales). The Bank group also had HUF 372 million income from card service fees of Hungarian Card Service Plc.

Special banking tax amounted to HUF 2,825 million in 2015, the fees of protection funds, other statutory and voluntary funds, and membership fees of SzHISz HUF 693 million, while paid financial transaction fees HUF 2,217 million.

Net income of associated companies contributed HUF 639 million to consolidated figures in 2015, which mainly resulted from three important influencing items of the HUF 598 million (proportional, consolidated) profit of Magyar Takarékos Asset Management (MATAK) Ltd. and its investments, DB Factoring House proportional, HUF 139 million profit and from the HUF 143 million loss (consolidated) realised by Magyar Posta Investment Services.

Impairments for loan losses

The credit risk costs amounted to HUF 840 million in the year of 2015. HUF 5.4 billion profit of yearly risk cost derives from release of impairment for loan losses (mainly due to the settlement of Fair Banking Act). In Q4 the risk cost amounted to HUF 3.7 billion. Beyond the provisioning/releasing impairment for loan losses, the risk cost line is imposed by the collection costs and results of factoring. The impairments amount – considering the significant portfolio-cleaning in Q4 - reduced by 5.4%, HUF 1.5 billion compared to the end of last quarter.

Operating costs

Operating costs amounted to HUF 4.5 billion in Q4 2015, which is 5.8% higher than in the same period of 2014. Operating expenses are 5.3% lower than in the previous quarter, mainly caused by the decline of the depreciation, other tax payable and personnel expenses.

Personnel expenses were higher than in the same period of 2014 (+6.6%) and were lower than in the previous quarter (-15.3%). The main reason behind the significant year-on-year raise of personnel expenses is the

growth of the headcount associated mainly with the expansion of the Bank Group, while quarter-on-quarter decrease is linked to the fact that because of unrealized goals concerning the given period the formerly accrued amounts (for share options and premiums) were released.

Administrative expenses in Q4 2015 (HUF 2,543 million) reveal an increase compared to the same period of 2014 (HUF 1,878 million), while are at a similar level compared to the previous quarter of 2015 (HUF 2,542 million).

Expenses of business activity (HUF 344.2 million) were lower than in the same period in 2014 (HUF 428.7 million), while it is higher as it was in the previous quarter (HUF 272.1 million).

Depreciation was HUF 111.3 million in Q4 2015, which means a significant decrease compared to the previous quarter (HUF 160.1 million). The reason of decrease is the sale of assets that are linked to the formerly mentioned outsourced activities.

Other taxes paid reported among operating costs amounted to HUF 9.4 million in Q4 of 2015. The amount of other taxes among cost (for example real estate tax, vehicle tax, etc.) is lower (by HUF 9.8 million) than in Q3 2015 (HUF 19.2 million).

2. Balance Sheet

in HUF million	31/12/2014	30/09/2015	31/12/2015	31/12/2015/ 30/09/2015	31/12/2015/ 31/12/2014
Cash	2,348	2,594	3,017	16.3%	28.5%
Due from banks & NBH	177,680	209,678	210,957	0.6%	18.7%
Financial assets available-for-sale and held for trading	109,973	107,846	125,955	16.8%	14.5%
Fair value of derivative financial assets	2,547	1,191	884	-25.8%	-65.3%
Investment in associates and jointly controlled companies	6,932	7,877	7,773	-1.3%	12.1%
Refinanced mortgage loans	116,182	87,768	82,790	-5.7%	-28.7%
Loans and advances	357,773	326,390	314,877	-3.5%	-12.0%
Impairment and provision	-38,669	-28,086	-26,557	-5.4%	-31.3%
Tangible assets	6,733	6,236	6,168	-1.1%	-8.4%
Goodwill and other intangible assets	8,326	1,908	1,915	0.4%	-77.0%
Other assets	19,611	24,666	17,077	-30.8%	-12.9%
Total Assets	769,438	748,068	744,857	-0.4%	-3.2%
Liabilities total	681,390	665,808	636,289	-4.4%	-6.6%
Interbank borrowings	43,036	37,723	39,774	5.4%	-7.6%
Mortgage bonds	179,615	193,460	194,470	0.5%	8.3%
Bonds issued	112,230	91,328	60,524	-33.7%	-46.1%
Deposits	298,762	328,846	329,048	0.1%	10.1%
Fair value of derivative financial liabilities	12,736	2,425	2,308	-4.8%	-81.9%
Leasing liability	5,772	12	12	0.0%	-99.8%
Other liabilities	29,239	12,015	10,153	-15.5%	-65.3%
Shareholders' equity	88,048	82,260	108,568	32.0%	23.3%
Subscribed capital	6,600	6,600	10,849	64.4%	64.4%
Capital reserve	1,709	1,709	27,926	-	-
Treasury shares	-207	-207	-207	0.0%	0.0%
Subordinated Tier1 capital	31,749	31,749	31,749	0.0%	0.0%
Other reserves	33	39	599	-	-
Retained earnings	39,133	24,442	24,442	0.0%	-37.5%
Non-controlling interest	23,717	21,895	21,480	-1.9%	-9.4%
Balance sheet profit	-14,685	-3,966	-8,268	108.5%	-43.7%
Total liabilities and shareholders' equity	769,438	748,068	744,857	-0.4%	-3.2%

As of 31 December 2015, the Bank's consolidated balance sheet total by IFRS amounted to HUF 744.9 billion, moving 0.4% down from the end of previous quarter; and HUF 24.6 billion, 3.2% lower than the same period of previous year.

On the asset side on an annual basis, the volume of financial assets available-for-sale and held for trading increased by HUF 16 billion, or 14.5%, while the refinanced loans fell by 33.4 billion and 28.7%. During the fourth quarter, the due from banks and NBH increased by 0.6%, and the fair value of derivative financial assets fell by 25.8%.

Liabilities decreased by 6.6% compared to the reference figures of 2014. Compared to the same period in 2014 interbank liabilities decreased by 7.6%, the portfolio of mortgage bonds issued rose by 8.3%, the volume of bonds issued decreased by 46.1% respectively. In contrast, the deposits grew by 10.1% over a year. In the fourth quarter the volume of the financial assets - especially the bonds issued - decreased by close to HUF 30 billion, and the volume of derivative financial assets decreased by HUF 117 million.

Shareholders' equity increased by HUF 20.5 billion or 23.3% year-on-year, while during the fourth quarter it increased by HUF 26.3 billion.

Interest earning assets

The Group's interest earning assets decreased from HUF 761.7 billion as of 31 December 2014 to HUF 734.6 billion as of 31 December 2015. Interest earning assets contributed 98.9% to the balance sheet total.

NBH and other interbank lending increased from HUF 177.7 billion as of 31 December 2014 to HUF 211 billion as of 31 December 2015. The ratio of this item in interest earning assets was 28.6% at the fourth quarter of 2015. During the quarter the volume of interbank lending was HUF 1.28 billion, which meant a 0.6% increase.

The value of Bank's securities available-for-sale and held for trading increased from HUF 110 billion as of 31 December 2014 to HUF 126 billion, while to HUF 108 billion as of 30 September 2015, increased by 16.8%. At the end of Q4 2015, securities available for sale and held for trading contributed 17.1% to interest earning assets.

Loans

As of 31 December 2015, volume of loans was 12% down year-on-year, and decreased quarterly by 3.5%. Impairment to cover loan losses amounted HUF 26.6 billion, compared to 30 September 2015, in the reported quarter showed 5.4% decrease (from HUF 28.1 billion as of 30 September 2015).

Year-on-year decline in refinanced loans was 28.7% to HUF 82.8 billion, and there was also a 5.7% drop in this item over the last quarter. As of 31 December 2015, contribution of refinanced loans and gross own lending was 54% to interest earning assets; this rate was 62.1% a year before.

Portfolio quality

In the fourth quarter volume of non-performing loans decreased by 14%, HUF 7.5 billion quarter-on-quarter, mainly due to steps in portfolio cleaning, and to a lesser extent due to settlement of HUF loans, while it has decreased by 36.1% year-on-year basis mainly because of the settlement of FX loans. NPL ratio declined from 16.5% to 14.7% by 31 December 2015, while a year before it was 20.2%. The coverage of non-performing loans is 57.4% according to IFRS, while it was 52.2% in Q3.

Other assets

Tangible assets amounted to HUF 6.2 billion as of 31 December 2015 and decreased by HUF 0.6 billion year-on-year and by HUF 0.07 billion quarter-on-quarter. As of 31 December 2015, intangibles amounted to HUF 1.9 billion, down by HUF 6.4 billion or 77% year-on-year and HUF 7 million (0.4%) higher to the 30 September 2015 figure. The stock decline is caused by the sale of tangible and intangibles assets, that are linked to the outsourced activity.

Value of investment in associated and jointly controlled companies consolidated by equity method amounted to HUF 7.8 billion as of 31 December 2015.

Other assets amounted to HUF 17.1 billion as of 31 December 2015, decreasing by 12.9% (HUF 2.5 billion) year-on-year. Deferred tax assets reached HUF 8.2 billion while value of real estates reported as inventory was HUF 0.6 billion.

Interest bearing liabilities

Interest bearing liabilities decreased from HUF 639.4 billion as of 31 December 2014 to HUF 623.8 billion as of 31 December 2015, representing approximately 83.8% to the balance sheet total. As a year before, issued securities gave major part of client deposits with a share of 46.7%. For the end of December 2015 their

proportion grew to 52.7%, while share of bonds issued within interest bearing liabilities decreased from 45.6% to 40.9% year-on-year. Compared to 30 September 2015, the volume of interest bearing liabilities decreased by HUF 27.5 billion, 4.23%.

Interbank funds

As of 31 December 2015, interbank funds amounted to HUF 39.8 billion, showing a 5.4% increase compared to previous quarter, and volume was 7.6% down year-on-year. The volume of interbank funds at the end of the fourth quarter includes the amount of refinancing within the framework of Funding for Growth Scheme (NHP). Contribution of interbank borrowings to interest bearing liabilities was 6.4% as of the year of 2015.

CMBs issued

The Bank completed two issuances in the fourth quarter: in all the cases, mortgage bonds were issued, of which all of them took place through auctions, in the form of reissuance. In 2015 FHB raised HUF 76.4 billion new funds from covered mortgage bonds and senior unsecured bonds.

HUF 194.5 billion book value of mortgage bonds as of 31 December 2015 grew by 8.3% or HUF 14.9 billion from figures of 31 December 2014 (HUF 179,6 billion).

in HUF million	31/12/2014		31/12/2015	
	Book value	Nominal value	Book value	Nominal value
Non-listed mortgage bonds				
Fixed	29,343	29,226	33,184	33,050
Floating	0	0	0	0
Listed mortgage bonds				
Fixed	143,722	138,524	122,298	112,273
Floating	0	0	31,868	31,886
Total	173,065	167,750	187,350	177,209
Accrued interest	6,550		7,120	
Mortgage bonds Total	179,615	167,750	194,470	177,209
Non-listed bonds				
Fixed	33,696	33,649	20,326	20,275
Floating	13,678	14,337	9,567	9,612
Listed bonds				
Fixed	57,010	62,787	23,584	25,949
Floating	4,174	6,696	3,980	5,235
Total	108,558	117,468	57,457	61,072
Accrued interest	3,672		3,066	
Bonds Total	112,230	117,468	60,523	61,072

Mortgage bonds collateral¹

The net collateral value of real estate covering mortgage bonds issued by FHB Mortgage Bank amounted to HUF 292.6 billion as of 31 December 2015 (HUF 207.4 billion of capital and HUF 85.2 billion of interests), 10.8% less than the HUF 327.9 billion as of 30 September 2015 and 25.7% below the figure of 31 December 2014 (HUF 393.6 billion).

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

in HUF million	31/12/2014	30/09/2015	31/12/2015
Outstanding mortgage bonds in circulation			
Face value	199,488	189,090	195,084
Interest	38,804	42,550	40,676
Total	238,293	231,640	235,760
Value of the regular collateral			
Principal	276,905	232,962	207,402
Interest	116,722	94,981	85,178
Total	393,628	327,943	292,580
Value of assets involved as supplementary collateral			
Government and Hungarian Development Bank bonds	0	0	17,007
Total	0	0	17,007

As of 31 December 2015, the present value of ordinary collateral was HUF 258.2 billion and the present value of mortgage bonds were HUF 226.7 billion, thus the present value of collateral exceeded that of CMBs in circulation not yet repaid, ratio was 113.9%. As of 31 December 2015, net value of ordinary and supplementary collateral principal to unpaid face value of mortgage bonds in circulation was 115.0%, and the net ordinary and supplementary collateral principal to the unpaid interest on mortgage bonds in circulation was 209.4%.

The collateral value of real estate covering ordinary collaterals amounted to HUF 704.1 billion as of 31 December 2015, 4.69% below the 30 September 2015 value (HUF 738.7 billion) and 12.9% down compared to 31 December 2014 (HUF 808.6 billion). The LTV ratio applicable for ordinary collateral was 29.3% as of 31 December 2015, lower than the 34.3% LTV as of 31 December 2014.

Bonds issued

The book value of bonds was HUF 60.5 billion as of 31 December 2015, compared to 30 September 2015 (HUF 91.3 billion) decreasing by HUF 30.3 billion or 33.7%. The stock of bonds decreased by HUF 51.7 billion (46.1%) in one year.

Deposits

As of 31 December 2015, deposits amounted to HUF 329.0 billion increasing by 10.1% year-on-year and increasing by 0.1% quarterly. In the last year, volume of corporate deposits increased (+16.2%), similarly to retail deposits (+1.7%).

The sight deposit ratio changed to 37.9% on 31 December 2015 from 31.0% a year before and 36.1% at the end of previous quarter.

Other liabilities

The Bank reported among the HUF 10.2 billion of other liabilities the generated provisions related to contingent and future liabilities, amounting HUF 1 billion. At the end of December 2015 early instalments of clients reached HUF 727.2 million. The Bank reported accounts payable HUF 510.6 million as of the fourth quarter of 2015, accruals HUF 642.2 million.

Shareholders' equity

Within one year, shareholders' equity increased to HUF 108.6 billion to 31 December 2015 due to the capital increase amounting a total of HUF 30.5 billion at the end of December. In line with IFRS, the Bank reported

the EUR 112 million Tier 1 subordinated bond as part of shareholder's equity. The Bank reported HUF 21.5 billion as non-controlling interest as part of shareholder's equity. Balance sheet profit relating to the parent company was HUF 8.3 billion loss at the end of December 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) is 20.15% as of 31 December 2015, compared to 18.61% in the previous quarter and 17.84% in the previous year. CET1 ratio is 12.54% on 31 December 2015 and it was 11.37% on 30 September 2015 and 15.31% on 31 December 2014. Total risk exposure amount reached HUF 330 billion at the end of the period, representing 10.5% decrease compared to the previous quarter. The Series "B" dividend preference shares and Series "C" ordinary shares issued at the capital increase on 30 December 2015 received the permit of NBH on March 9 2016 so that the capital increase can be calculated to the primary core capital, and as follows the amount shall be taken into account when calculating of own funds thereafter.

DECLARATION

The management report of fourth quarter, and preliminary result of 2015 of FHB Jelzálogbank Nyrt. (FHB Mortgage Bank Plc.) is based on consolidated, non-audited IFRS financial statements.

FHB Jelzálogbank Nyrt. hereby declares that the quarterly financial statement was made in good faith and gives a true and fair view of the issuer and its consolidated subsidiaries assets, liabilities, financial position, profit and losses and does not conceal any fact or information which is relevant for the assessment of the situation.

Budapest, 17 March, 2016

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. (Diofa Fund Management Ltd.), FHB Ingatlan Zrt. (FHB Real Estate Ltd.), to FHB Lízing Zrt. (FHB Leasing Ltd.) and its Croatian affiliate (Central European Credit d.d.), FHB Invest 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. 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 és Vagyonkezelő Zrt.) are consolidated by equity method.

Consolidated Income Statement

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

in HUF million	2014	2015	2015/ 2014
Interest income	55,100	41,159	-25.3%
Interest expense	-34,458	-26,531	-23.0%
Net interest income	20,642	14,628	-29.1%
Fee and commission income	6,354	8,352	31.4%
Fee and commission expense	-1,001	-1,334	33.2%
Net fee and commission income	5,353	7,018	31.1%
Profit/(Loss) from FX transactions	658	-1,945	-
Change in fair value of financial instruments	-1,062	-2,180	105.3%
Gains from securities	4,923	3,528	-28.3%
Gains from investment services	259	239	-7.7%
Net trading result	4,778	-358	-
Other operating income	2,173	1,398	-35.7%
Other operating expense	-32,625	-11,391	-65.1%
Net other operating result	-30,452	-9,993	-67.2%
Net income of associated companies	3,350	639	-80.9%
Operating income	3,670	11,934	225.1%
Provision for impairment on loan losses	-4,382	-840	-80.8%
General and administrative expense	-16,599	-18,764	13.0%
Profit/(Loss) before tax	-17,310	-7,671	-55.7%
Income tax benefit/(expense)	1,115	-2,843	-
Profit/(Loss) for the period	-16,195	-10,514	-35.1%

Basic EPS (yearly)	-223.2 Ft	-125.5 Ft	-43.8%
Diluted EPS (yearly)	-223.2 Ft	-125.5 Ft	-43.8%

	2014	2015	2015/ 2014
Profit/(Loss) for the period	-16,195	-10,514	-35.1%
Change in cash-flow hedge reserve	0	0	-
Change in fair value of financial assets available for sale	-170	699	-
FX translation reserve	-15	0	-
Deferred tax effect for other comprehensive income	32	-133	-
Other comprehensive income/(loss) for the period net of taxes	-153	566	-
Total comprehensive income/(loss) for the period, net of income taxes	-16,348	-9,948	-39.2%

Consolidated Income Statement (quarterly)

(consolidated audited data as of 31 December 2014, non-audited data as of 30 September 2015, and 31 December 2015 according to IFRS)

in HUF million	Q4 2014	Q3 2015	Q4 2015	Q4 2015 / Q3 2015	Q4 2015 / Q4 2014
Interest income	13,281	9,179	8,841	-3.7%	-33.4%
Interest expense	-7,761	-6,278	-5,616	-10.5%	-27.6%
Net interest income	5,520	2,901	3,225	11.2%	-41.6%
Fee and commission income	2,024	2,088	2,409	15.4%	19.0%
Fee and commission expense	-282	-335	-421	25.4%	49.0%
Net fee and commission income	1,742	1,753	1,989	13.5%	14.2%
Profit/(Loss) from FX transactions	-115	-873	-149	-83.0%	29.5%
Change in fair value of financial instruments	-593	-579	241	-	-
Gains from securities	-598	750	1,352	80.2%	-
Gains from investment services	259	92	129	40.5%	-50.3%
Net trading result	-1,047	-610	1,574	-	-
Other operating income	1,450	5,282	-25,463	-	-
Other operating expense	-9,580	-4,706	23,859	-	-
Net other operating result	-8,129	575	-1,604	-	-80.3%
Net income of associated companies	-893	141	-105	-	-
Operating income	-2,807	4,760	5,078	6.7%	-
Provision for impairment on loan losses	-134	-513	-3,663	-	-
General and administrative expense	-4,224	-4,717	-4,468	-5.3%	5.8%
Profit/(Loss) before tax	-7,165	-470	-3,052	-	-57.4%
Income tax benefit/(expense)	568	-32	-1,665	-	-
Profit/(Loss) for the period	-6,596	-502	-4,717	839.4%	-28.5%

Basic EPS (yearly)	-306.9 Ft	-88.4 Ft	-257.8 Ft	191.8%	-16.0%
Diluted EPS (yearly)	-306.9 Ft	-88.4 Ft	-257.8 Ft	191.8%	-16.0%

	2014 Q4	2015 Q3	2015 Q4	2015 Q4 / 2015 Q3	2015 Q4 / 2014 Q4
Profit/(Loss) for the period	-6,596	-502	-4,717	-	-28.5%
Change in cash-flow hedge reserve	0	0	0	-	-
Change in fair value of financial assets available for sale	23	238	823	245.6%	-
FX translation reserve	-1	6	-1	-	-13.0%
Deferred tax effect for other comprehensive income	-7	-45	-156	245.6%	-
Other comprehensive income/(loss) for the period net of taxes	15	199	666	234.3%	4338.4%
Total comprehensive income/(loss) for the period, net of income taxes	-6,581	-303	-4,051	1237.2%	-38.4%

Consolidated Financial Position

(consolidated audited data as of 31 December 2014, and non-audited data as of 30 September 2015, and 31 December 2015 according to IFRS)

in HUF million	Dec 31, 2014	Sep 30, 2015	Dec 31, 2015	31/12/2015/ 30/09/2015	31/12/2015/ 31/12/2014
Cash on hand	2,348	2,594	3,017	16.3%	28.5%
Due from banks & NBH	177,680	209,678	210,957	0.6%	18.7%
Securities held for trading	34,596	51,514	51,913	0.8%	50.1%
Financial assets available for sale	75,377	56,332	74,042	31.4%	-1.8%
Investment in associates	6,932	7,877	7,773	-1.3%	12.1%
Derivate financial assets	2,547	1,191	884	-25.8%	-65.3%
Refinanced mortgage loans	116,182	87,768	82,790	-5.7%	-28.7%
Loans and advances to consumers	357,773	326,390	314,877	-3.5%	-12.0%
Impairment and provision	-38,669	-28,086	-26,557	-5.4%	-31.3%
Investment property	0	0	780	-	-
Tangible assets	6,733	6,236	6,168	-1.1%	-8.4%
Goodwill and other intangible assets	8,326	1,908	1,915	0.4%	-77.0%
Deferred tax asset	9,364	9,877	8,228	-16.7%	-12.1%
Other assets	10,247	14,789	8,069	-45.4%	-21.3%
Total assets	769,438	748,068	744,857	-0.4%	-3.2%
Due to banks	43,036	37,723	39,774	5.4%	-7.6%
Issued securities	255,344	264,979	235,115	-11.3%	-7.9%
Mortgage bonds	156,385	173,651	174,592	0.5%	11.6%
Bonds	98,958	91,328	60,524	-33.7%	-38.8%
Deposits from customers	298,762	328,846	329,048	0.1%	10.1%
Derivative financial liabilities	12,736	2,425	2,308	-4.8%	-81.9%
Financial liabilities at fair value through profit or loss	36,501	19,809	19,878	0.3%	-45.5%
Finance lease liabilities	5,772	12	12	0.0%	-99.8%
Reserve for annuity payments	0	0	0	-	-
Current tax liability	145	24	1	-95.2%	-99.2%
Deferred tax liability	0	1	1	-15.3%	-
Provisions	25,203	949	999	5.3%	-96.0%
Other liabilities	3,891	11,041	9,152	-17.1%	135.2%
Total liabilities	681,390	665,808	636,289	-4.4%	-6.6%
Share capital	6,600	6,600	10,849	64.4%	64.4%
Share premium	1,709	1,709	27,926	-	-
Treasury shares	-207	-207	-207	0.0%	0.0%
Subordinated Tier 1 capital	31,749	31,749	31,749	0.0%	0.0%
Other reserves	33	39	599	-	-
Retained earnings	39,133	24,442	24,442	0.0%	-37.5%
Minority interest	23,717	21,895	21,480	-1.9%	-9.4%
Balance sheet profit	-14,685	-3,966	-8,268	108.5%	-43.7%
Total shareholders' equity	88,048	82,260	108,568	32.0%	23.3%
Total liabilities and shareholders' equity	769,438	748,068	744,857	-0.4%	-3.2%

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Investor relations: Rita Bozzai

Cash Flow Statement

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

in HUF million	31 December 2014	31 December 2015
Cash flow from operating activities		
Profit/(loss) for the year	-16,196	-10,514
<i>Non cash adjustments to net profit from:</i>		
Depreciation and amortization	2,452	1,710
Extraordinary depreciation and amortization	2,236	0
Recognition of investment property through income statement	-166	0
Provision for losses	24,798	-34,104
(Gain)/Loss on tangible assets derecognized	52	74
(Gain)/Loss on intangible assets derecognized	0	-170
Capitalized interest	-1,138	750
Fair value of derivatives	-1,597	-8,765
Fair value adjustment on financial liabilities through profit and loss	-1,043	-1,494
Change in foreign currency translation reserve	-15	0
Change of investments in associates	-774	-841
Change in leasing liabilities	-2,236	0
Operating profit before change in operating assets	6,373	-53,353
<i>Decrease/(Increase) in operating assets:</i>		
Financial assets held for trading	7,354	-17,317
Financial assets available for sale	76,358	1,901
Refinanced mortgage loans	17,510	33,392
Loans and advances to customers	1,370	39,931
Other assets	-2,848	3,316
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits	76,261	30,286
Due to banks	-91,314	-30,719
Other liabilities	2,028	5,115
Net cash flow from operating activities	93,091	12,552
Cash flow from investing activities		
Proceeds from sales of tangible assets	56	1,189
Purchase of tangible and intangible assets	-2,857	-639
Purchase of investment property	0	-780
Net cash flow from disposal of subsidiaries	12,626	0
Net cash flow from investing activities	9,826	-230
Cash flow from financing activities		
Proceed from issued securities	90,883	77,992
Principal repayment on issued securities	-70,326	-87,132
Treasury shares purchased	-178	0
Long term loans repayment	-557	27,457
Long term loan borrowings	78	0
Finance lease liabilities repayment	-1,284	-949
Cash income from capital raise	0	4,249
Change in minority interest	23,717	8
Net cash flow from financing activity	42,333	21,626
Net increase in cash and cash equivalents	145,250	33,947
Opening balance of cash and cash equivalents	34,778	180,028
Closing balance of cash and cash equivalents	180,028	213,975
Breakdown of cash and cash equivalents:		
Cash	2,348	3,017
Balances with National Bank of Hungary	158,616	162,749
Dues from banks with a maturity of less than 90 days	19,064	48,208
Closing balance of cash and cash equivalents	180,028	213,974
<i>Supplementary data</i>		
Tax paid	-1,139	-2,045
Interest received	56,680	47,669
Interest paid	-37,326	-32,529

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Statement of Shareholders' Equity

(consolidated audited data as of 1 January 2014, and 1 January 2015 and non-audited data as of 31 December 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
Capital increase	4,249		26,217								30,466
Profit/(Loss)									-2,245	-8,269	-10,514
Other comprehensive income							566				566
Purchase/(Sale) of treasury shares											0
Changes due to minority interest											0
Subordinated Tier 1 capital						0					0
Change in share option reserve											0
Change in non-controlling interest									49	-6	43
Dividend in 2015									-41		-41
31 December 2015	10,849	-207	27,926	0	0	31,749	584	14	21,480	16,173	108,567

Off-balance Sheet items – Commitments

(consolidated audited data as of 31 December 2014, non-audited data as of 30 September 2015, and 31 December 2015 according to IFRS)

in HUF million	31 December 2014	30 September 2015	31 December 2015
Commitments			
Guarantees	16,151	15,778	15,272
Undrawn commitments	49,940	47,427	49,971
Total	66,091	63,206	65,243

Transactions with related parties

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

in HUF million	Transactions between FHB Mortgage Bank and owners with influential share	
	31 December 2014	31 December 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	1	0
Total liabilities	1	0
	2014. december 31.	2015. december 31.
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	-64	-65
Profit for the year	-64	-65

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.

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

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

Description of owner	Total equity ¹						Listed series ¹					
	At the beginning of actual year		End of actual period		At the beginning of actual year		End of actual period					
	% ²	% ³	Qty	%	%	Qty	%	%	Qty	%	%	Qty
Series "A" shares listed on BSE												
Domestic institution/company	61.3%	61.6%	40,475,017	38.6%	44.6%	41,911,917	61.3%	61.6%	40,475,017	38.6%	44.6%	41,911,917
Foreign institution/company	21.7%	21.7%	14,297,742	10.7%	12.4%	11,642,388	21.7%	21.7%	14,297,742	10.7%	12.4%	11,642,388
Domestic individual	7.5%	7.5%	4,943,054	6.1%	7.1%	6,669,193	7.5%	7.5%	4,943,054	6.1%	7.1%	6,669,193
Foreign individual	0.1%	0.1%	45,045	0.0%	0.0%	16,326	0.1%	0.1%	45,045	0.0%	0.0%	16,326
Employees, senior officers	0.2%	0.2%	148,055	0.1%	0.1%	77,808	0.2%	0.2%	148,055	0.1%	0.1%	77,808
Treasury shares	0.4%	-	253,601	0.2%	0.0%	253,601	0.4%	0.0%	253,601	0.2%	0.0%	253,601
Government held owner ⁴	7.3%	7.3%	4,832,225	4.5%	5.1%	4,832,225	7.3%	7.3%	4,832,225	4.5%	5.1%	4,832,225
International Development Institutions ⁵	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0
Other	1.5%	1.5%	1,005,271	0.5%	0.6%	596,552	1.5%	1.5%	1,005,271	0.5%	0.6%	596,552
Series total	100.0%	100.0%	66,000,010	60.8%	69.9%	66,000,010	100.0%	100.0%	66,000,010	60.8%	69.9%	66,000,010
Series "B" shares non-listed on BSE												
Domestic institution/company	0.0%	0.0%	0	13.1%	0.0%	14,163,430						
Series total	0.0%	0.0%	0	13.1%	0.0%	14,163,430						
Series "C" shares non-listed on BSE												
Domestic institution/company	0.0%	0.0%	0	26.1%	30.1%	2,832,686						
Series total	0.0%	0.0%	0	26.1%	30.1%	2,832,686						
TOTAL	-	-	-	100.0%	100.0%	82,996,126						

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.

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Number of treasury shares held in the year under review relating to listed series

	31 December 2014		30 September 2015		31 December 2015	
FHB Mortgage Bank Plc.	253,601	0.38%	253,601	0.38%	253,601	0.23%

Owners with more than 5% ownership relating to listed series (as at 31 December 2015)

Name	Custodian Bank (yes/no)	Number of shares	Stake (%)
VCP Finanz Holding Ltd.	no	15,970,000	24.20%
A64 Vagyonkezelő Ltd.	no	15,722,668	23.82%
Allianz Hungária Biztosító Ltd.	no	6,874,162	10.42%
Silvermist Estate SA (Clearstream Nominee)	yes	6,337,089	9.60%
Hungarian National Asset Management Inc.	no	4,832,225	7.32%
Total		49,736,144	75.36%

Owners with more than 5% ownership relating to total equity (as at 31 December 2015)

Name	Custodian Bank (yes/no)	Number of shares	Stake (%)
VCP Finanz Holding Ltd.	no	15,970,000	14.72%
A64 Vagyonkezelő Ltd.	no	15,722,668	14.49%
Allianz Hungária Biztosító Ltd.	no	6,874,162	6.33%
Silvermist Estate SA (Clearstream Nominee)	yes	6,337,089	5.84%
Hungarian National Asset Management Inc.	no	4,832,225	4.45%
Total		49,736,144	45.83%

Data forms related to the organisation and operation of the issuer

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

	End of reference period 31/12/2014	End of last quarter 30/09/2015	Current period closing 31/12/2015
Bank	181	126	129
Consolidated	812	828	864

Persons in senior positions and (strategic) employees having an influence on the operations of the Issuer (as at 31 December 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	Zoltán Kovács	Member	06.05.2015	06.05.2020	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	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
BoD	Márton Oláh	Member, Deputy CEO	28.04.2015	28.04.2020	4,000
SB	Csaba Lantos	Chairman	28.04.2009	29.04.2018	0
SB	Enikő Mártonné Uhrin	Member	28.04.2015	29.04.2018	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:					46,200

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

Information and disclosures in the fourth 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 (Annual General Meeting) and invitation to the AGM
- Shareholders' announcements

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

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