

## ANNOUNCEMENT

FHB Mortgage Bank Plc /seat: 1132 Budapest, Váci út 20., registered No.: 01-10-043638/ hereby informs its shareholders on the resolutions of the Annual General Shareholder's Meeting held on 29 April, 2008, in the framework of meeting its obligations on extraordinary information as provided by Section 55 (1) of Act CXX of 2001 on the Capital Market.

Under the items of the agenda the General Meeting passed the resolutions as follows (besides these, the General Meeting passed three procedural resolutions related to the election of the Chairman of the General Meeting, the minutes and the composition of the vote teller committee, and to the joint discussion of certain items of the agenda):

### **Agenda item No.4**

#### **Assessment on the fulfillment of the Chief Executive Officer's bonus targets regarding the year 2007, decision on the disbursement of the bonus**

##### *Resolution No.4/2008 (29.04.) of the General Meeting*

*The General Meeting established with 25.929.364 yes votes, 15 no votes and 4.822.368 abstention(s), that the Chief Executive Officer's bonus tasks for 2007 were partially met. The General Meeting resolves that, similarly to all of the Company's employees entitled to a bonus, no bonus should be paid to the Chief Executive Officer for 2007.*

### **Agenda item No.1-5**

#### **Acceptance of the business reports prescribed by the Accounting Law for the year 2007, decision on the utilization of the after tax profit, furthermore, acceptance of the consolidated reports according to the International Financial Reporting Standards**

##### *Resolution No.5/2008 (29.04.) of the General Meeting*

*The General Meeting adopted the following resolution with 30.195.895 yes votes, 558.352 no votes and 0 abstentions:*

- a.i. The General Meeting accepts the Bank's Business Report in accordance with the Hungarian Accounting Law on the year 2007.*
- a.ii. The General Meeting accepts the Bank's Accounts (Balance Sheet, Profit/Loss Statement and Complementary Annex) on the year 2007.  
The General Meeting establishes the Bank's:*
  - balance sheet total in HUF 626,254,634 thousand,*
  - after tax profit in HUF 4,560,428 thousand,*

a.iii. The General Meeting decides on the utilization of the after tax profit as follows:

- **dividend shall not be paid** on Series „A“ and series „B“ shares from the 2007 after tax profit.
- The 2007 balance sheet profit shall be placed in the Bank's profit reserve.

b.i. The General Meeting accepts the Bank Group's Consolidated Business Report in accordance with the International Financial Reporting Standards on the year 2007.

b.ii. The General Meeting accepts the Bank Group's Consolidated Accounts in accordance with the International Financial Reporting Standards on the year 2007.

The General Meeting establishes the balance sheet and after tax profit of the Bank Group in accordance with the International Financial Reporting Standards as follows:

- consolidated balance sheet total in HUF 616,954,271 thousand,
- consolidated after tax profit in HUF 5,294,155 thousand.

### **Agenda item No.6**

#### **Report on the business plan of the Company for the year 2008**

Resolution No.6/2008 (29.04.)  
of the General Meeting

The General Meeting approves with 19.070.412 yes votes, 0 no votes and 11.683.835 abstentions the report about the Company's business plan for the year 2008.

### **Agenda item No.7**

#### **Amendment of the Statutes of the Company (Sphere of activities of the Company; General Meeting; Competence of the General Meeting, order of adoption of resolutions, exercise of the voting right; Board of Directors; Supervisory Board; Chief Executive Officer; Announcements)**

Resolution No.7/2008 (29.04.)  
of the General Meeting

The General Meeting passed with 30.183.269 yes votes, 12.626 no votes and 558.352 abstentions, including 8.000.000 yes votes of Series „B“ voting preference shareholders, the amendments of Article 4 of the Statutes of the Company on sphere of activities, Article 11.2 on General Meeting, Articles 12.1., 12.3., 12.5. on the competence of the General Meeting, order of adoption of resolutions and exercise of the voting right, Articles 14.7., 14.8., 14.13., 14.15., 14.16. on the Board of Directors, Articles 15.2., 15.7., 15.14. on the Supervisory Board, Article 19.1. and 19.6. on the Chief Executive Officer, and Article 24. on Announcements in accordance with the written proposal disclosed by the Board of Directors, as contained in the the Annex attached to the resolution.

### **Agenda item No.8**

#### **Election and decision on the remuneration of the Auditor**

*Resolution No.8/2008 (29.04.)  
of the General Meeting*

*The General Meeting, with 24.450.702 yes votes, 0 no votes and 6.303.545 abstention, including 8.000.000 yes votes of Series „B” voting preference shareholders, elected Ernst & Young Ltd. (registered office: 1132 Budapest, Váci út 20.; Register of Companies number: 01-09-267553; Chamber of Auditors membership number: 001165; HFSA registration number: T-001165/94) to execute the tasks of the elected Auditor of the Company for the business year 2008, and at the same time has approved the appointment of registered auditor Gabriella Virágh (mother's name: Erzsébet Kiss; residence: 1032 Budapest, Kiscelli u. 74.; Chamber of Auditors number: 004245; HFSA registration number: Ept. 004245/04) as auditor liable in person.*

*The Auditor shall fill its position until the day of the General Meeting concluding the 2008 business year but not later than 31 May 2009.*

*The remuneration of Ernst & Young Ltd. for auditing the Bank's Annual Report including the Annual Report prepared according to the Hungarian Accounting Standards and the Annual Report consolidated according to the International Financial Reporting Standards should be 13,235,000 forints + V.A.T.*

*The General Meeting authorises the Chief Executive Officer and the Deputy Chief Executive Officer responsible for Finance to conclude the relevant contract with the Auditor in consideration of the above.*

### **Agenda item No.9**

#### **Report of the Supervisory Board on the Share Compensation Programme, decision on the renewal of the Share Compensation Programme**

*Resolution No.9/2008 (29.04.)  
of the General Meeting*

*The General Meeting with 18.790.032 yes votes, 0 no votes and 11.964.215 abstention acknowledged the report about the fulfilment of the conditions of the approved 2007 Management Share Option Programme designed to increase the market price of the shares of the Company.*

Resolution No.10/2008 (29.04.)  
of the General Meeting

The General Meeting accepted with 18.790.032 yes votes, 0 no votes and 11.964.215 abstention the modification of Paragraph 5.1 and Paragraph 9 of the written proposal for resolution disclosed by the Board of Directors on the renewal of the Share Compensation Programme, as follows:

*"5.1. Financial performance ratios (under IFRS):*

*Increase in profit after taxation (actual year/previous year): minimum 20%*

*Average return on equity: minimum 20%*

*9. In the event that the title of an entitled external (non-executive) member of the Board of Directors terminates before the date such party may exercise the right to take receipt of the shares earned, such party shall also lose the right to participate in the program as an individual. Any deviation from this rule requires a separate resolution of the Board of Directors of the Company. In the event the employment relationship of an entitled party employed either by the Company or by any member of FHB Banking Group terminates before the date such party may exercise the right to take receipt of the shares earned, such party shall also lose the right to participate in the program as an individual. Any deviation from this rule requires a separate resolution of the Chief Executive Officer of the Company."*

Resolution No.11/2008 (29.04.)  
of the General Meeting

The General Meeting with 24.139.738 yes votes, 12.626 no votes and 6.601.883 abstention, in the interest of increasing the price of the Company's shares, resolved that the members of the Board of Directors, the managing directors and the Company's senior managers became entitled to be granted shares on the conditions below:

1. *The term of the renewed share option programme is 2 years (2008-2010).*
2. *Type of shares available for granting: Series "A" FHB Plc. ordinary shares with face value at HUF 100.*
3. *Method of granting: FHB Plc. transfers shares at a discount price to entitled parties.*
4. *Eligible persons and the number of shares available for grant purposes:*
  - *The value of the maximum entitlement of each of the Chairman of the Board of Directors, the Chief Executive Officer and Deputy CEOs of FHB Plc. – the latter two based on individual performance evaluation – is a package of shares with total face value at HUF 1,600,000 (maximum 16,000 shares/person),*
  - *The value of the maximum entitlement of each non-executive member of the BoD of FHB Plc. is a package of shares with total face value at HUF 800,000 (maximum 8,000 shares/person),*
  - *The value of the maximum entitlement of each of the maximum 27 senior managers of the FHB Banking Group nominated by the CEO of FHB Plc. is a package of shares with total face value at HUF 900,000 based on individual performance evaluation (maximum 9.000 shares/person).*

*(The number of shares to be used for Programme purposes may not be higher than 300,000 shares in a year and 600,000 shares for the whole term.)*

5. *The conditions of earning share benefits:*

*Shares may be granted on condition that according to the International Financial Reporting Standards (IFRS) the performance of the FHB Banking Group reaches the targets set by this Program in respect of at least three of the four ratios consisting of three financial ratios and one consolidated ratio regarding the performance of the Company on the Budapest Stock Exchange, described in detail in sections 5.1 and 5.2 below, with the impacts of this share option programme taken into account.*

5.1. *Financial performance ratios (under IFRS):*

*Increase in profit after taxation (actual year/previous year): minimum 20%*

*Average return on equity: minimum 20%*

*Average return on assets: minimum 1.2%*

5.2. *Consolidated ratio regarding the performance of the Company on the Budapest Stock Exchange:*

*The percentage of change (increase or decrease) in the price of FHB Plc's series "A" shares between the two dates of inspection must exceed the percentage of change in the share price of one-third of the companies in the BUX index.*

*(This ratio can be taken into account if Series "A" FHB Plc. shares are eligible for inclusion in the BUX basket in respect of at least three of the following review criteria applied by the BSE:*

- Frequency of trading [number of days with trading in FHB/ number of stock exchange days] – current limit: min. 95%;*
- Ratio of cross trades to total number of trades [cross trades/total number of FHB trades]– current limit: max. 50%;*
- Trades ratio [FHB trades/ total of trades] – current limit: min. 0.5%;*
- Volume ratio [FHB volume at traded price/ total HUF volume] – current limit: min. 0.5%.)*

*If at least three of the four ratios consisting of three financial ratios and one consolidated ratio regarding the performance of the Company on the Budapest Stock Exchange specified in sections 5.1 and 5.2 are achieved, the non-executive members of the Board can exercise their option under the terms of the Programme. The members of management (the Chief Executive and Deputy Chief Executives of the Company) covered by the Programme may exercise their option depending on the result of the evaluation of their individual performance and contribution to the profits of the FHB Banking Group. The performance of the Chief Executive and the Deputy Chief Executives is evaluated by the Board of Directors, and the CEO is authorized to evaluate the performance of other employees covered by the Programme. Performance evaluations must be performed in compliance with the policy adopted by the Board of Directors and approved by the Supervisory Board.*

6. *The grant of shares is also conditional upon payment by the entitled party of 25% of the counter value of the shares such party has the right to receive (as calculated using the market price of the shares at grant date) to the Company within five (5) bank business days (i.e. only 75% of the shares a person qualifies for can be granted free of charge).*

7. *Once shares are granted as a benefit, the recipient loses the right to sell such shares for a period of six months.*
8. *Members of the Board of Directors who otherwise meet grant conditions but are prohibited by law to acquire FHB shares will be entitled to the cash equivalent of the discount calculated by multiplying the number of shares such a person would be entitled to with the daily average price of the share quoted on the BSE at the end of the annual period of the share option Programme.*
9. *In the event that the title of an entitled external (non-executive) member of the Board of Directors terminates before the date such party may exercise the right to take receipt of the shares earned, such party shall also lose the right to participate in the program as an individual. Any deviation from this rule requires a separate resolution of the Board of Directors of the Company. In the event the employment relationship of an entitled party employed either by the Company or by any member of FHB Banking Group terminates before the date such party may exercise the right to take receipt of the shares earned, such party shall also lose the right to participate in the program as an individual. Any deviation from this rule requires a separate resolution of the Chief Executive Officer of the Company."*
10. *The General Meeting calls upon the Board of Directors of the Company to develop the detailed rules of the management share option programme by no later than July 31<sup>st</sup> 2008. The General Meeting calls upon the Supervisory Board to check the accord between the policy establishing the detailed rules of the management share option programme as set forth by the Board of Directors and this resolution of the General Meeting.*

### **Agenda item No.10**

#### **Authorization of the Board of Directors, subject to Section 224 of the Act on Business Companies, to purchase shares of the Company**

##### Resolution No.12/2008 (29.04.) of the General Meeting

*The General Meeting with 30.754.247 yes votes, 0 no votes and 0 abstention including 8.000.000 yes votes of Series „B“ voting preference shareholders, authorized, pursuant to the provisions of Section 224 of Act IV of 2006 (the Companies Act), the Board of Directors to acquire the Company’s own shares with the following conditions:*

1. *Type and number of own shares that can be acquired: ordinary shares of Series “A” and voting preference shares of Series “B” alike, the maximum number of which in total with regard to the same date shall not exceed 10% of the registered capital, and in the case of Series “A” ordinary shares, 7% of the registered capital.*
2. *Purpose of acquisition of own shares:*
  - *In the case of ordinary shares of Series “A”, the implementation of the share option programme and the business strategy of the Company as planned;*
  - *In the case of voting preference shares of Series “B”, the protection of the Company’s neutrality.*
3. *Method of acquisition of own shares:*
  - *In the case of ordinary shares of Series “A”: on the Stock Exchange, for consideration;*

- *In the case of voting preference shares of Series "B": on the OTC market, for consideration.*
  - 4. *The minimum and maximum amount of consideration payable for one own share:*
    - *In the case of ordinary shares of Series "A", the minimum purchase price shall be one forint, and the maximum purchase price shall be between 75% and 125% of the average price of the shares on the Stock Exchange over the three months preceding the transaction;*
    - *In the case of voting preference shares of Series "B", the minimum purchase price shall be 4.3 times the face value per share, and the maximum purchase price shall not exceed 125% of the average price of the shares on the Stock Exchange over the month preceding the transaction.*
  - 5. *This authorization shall be valid until 30 September 2009.*
- Other conditions of acquisition of own shares shall be governed by the relevant provisions of the Companies Act.*

### **Agenda item No.11**

#### **Approval of the amendment to the Rules of Procedure of the Supervisory Board**

*Resolution No.13/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting approved with 24.438.076 yes votes, 12.626 no votes and 6.303.545 abstention the Rules of Procedures of the Supervisory Board with the amendments contained in the written proposal.*

### **Agenda item No.12**

#### **Approval of the Guidelines of Remuneration of the Company**

*Resolution No.14/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting adopted with 19.034.373 yes votes, 314.011 no votes and 11.405.863 abstention the Guidelines of Remuneration of the Company as set forth in the written proposal.*

### **Agenda item No.13**

#### **Revocation of members of the Board of Directors, election of new members**

*Resolution No.15/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting passed with 30.189.570 yes votes, 0 no votes and 564.677 abstention, including 8.000.000 yes votes of Series „B” voting preference shareholders, the resolution on the election of the members of the board of directors in two phases, in accordance with the following rules.*

- 1. The General Meeting votes and resolves on the candidates for the membership of the board of directors in the first phase one-by-one, ensuring in each voting the rights of „B” series shareholders at present with priority voting rights. If the General Meeting elects the candidates for the membership of the board of directors by the above one-by-one voting, such resolution enters into force in accordance with points 2 and 3 below. In case the General Meeting refuses the election of the candidates for the membership of the board of directors in thy one-by-one voting, such resolution of the General meeting enters into force immediately, irrespective of points 2 and 3 below.*
- 2. The General Meeting – after voting on each nominee for the membership of the board of directors in accordance with section 1 above – confirms all candidates for the membership of the board of directors elected to member of the board of directors in accordance with section 1 above in one resolution ensuring the rights of „B” series shareholders at present with priority voting rights (hereinafter referred to as: „Confirmation Resolution”).*
- 3. The election of the candidates for the membership of the board of directors in accordance with pint 1 above enters into force if the General meeting passes the Confirmation Resolution. If the Confirmation Resolution is not passed by the General meeting, the one-by one electing resolutions passed in accordance with point 1 above do not enter into force.*

*Resolution No.16/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 23.892.350 yes votes, 558.352 no votes and 6.303.545 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dr. Károly SALAMON as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an external member of the Board of Directors.*

*Simultaneously, the General Meeting expressed - pursuant to Section 25 Paragraph 1 of the Act IV of 2006 on the Business Companies - its approval for Dr. Károly SALAMON for being member of the Board of Directors of Allianz Hungaria Biztosító Zrt., as well as the Board of Directors of Allianz Bank Zrt.*

*Resolution No.17/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 30.445.107 yes votes, 1.000 no votes and 308.140 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dr. Zoltán SPÉDER as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an external member of the Board of Directors.*

*Resolution No.18/2008 (29.04.)*  
*of the General Meeting*



*The General Meeting with 25.367.217 yes votes, 0 no votes and 5.387.030 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dr. Christian RIENER as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an external member of the Board of Directors.*

*Resolution No.19/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 22.475.342 yes votes, 256.967 no votes and 8.021.938 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dr. Márton VÁGI as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an external member of the Board of Directors.*

*Resolution No.20/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 20.685.610 yes votes, 256.967 no votes and 9.811.670 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect István SOMKUTI as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an external member of the Board of Directors.*

*Resolution No.21/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 20.692.350 yes votes, 558.352 no votes and 9.503.545 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect László HARMATI as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an internal member of the Board of Directors.*

*Simultaneously, the General Meeting expressed - pursuant to Section 25 Paragraph 1 of the Act IV of 2006 on the Business Companies - its approval for László HARMATI for being member of the Board of Directors of FHB Commercial Bank Ltd.*

*Resolution No.22/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 18.783.707 yes votes, 15 no votes and 11.970.525 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dr. Gábor BORSÁNYI as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an internal member of the Board of Directors.*

*Resolution No.23/2008 (29.04.)*  
*of the General Meeting*

*The General Meeting with 30.193.395 yes votes, 0 no votes and 560.852 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect Dániel GYURIS as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as an internal member of the Board of Directors.*

*Simultaneously, the General Meeting expressed - pursuant to Section 25 Paragraph 1 of the Act IV of 2006 on the Business Companies - its approval for Dániel GYURIS for being member of the Board of Directors of FHB Commercial Bank Ltd.*

Resolution No.24/2008 (29.04.)  
of the General Meeting

*The General Meeting with 30.490.970 yes votes, 0 no votes and 263.277 abstentions, including 8.000.000 yes votes of Series „B” voting preference shareholders, resolved to elect the following persons for a period of five years, as of the date of the General Meeting – in case the necessary licence of HFSA is dated after the date of the General Meeting, from the date of the licence of HFSA – as members of the Board of Directors:*

*Dr. SALAMON Károly  
Dr. SPÉDER Zoltán  
Dr. Christian RIENER  
Dr. VÁGI Márton  
SOMKUTI István  
HARMATI László  
Dr. BORSÁNYI Gábor  
GYURIS Dániel*

**Agenda item No.14**

**Revocation of members of the Supervisory Board, election of new members**

Resolution No.25/2008 (29.04.)  
of the General Meeting

*The General Meeting with 24.170.322 yes votes, 0 no votes and 6.583.925 abstentions, resolved to elect Róbert SOMFAI as of the date of the present resolution, 29 April, 2008, for a period of five years, until 29 April, 2013, as member of the Supervisory Board with identical remuneration as the other members of the Supervisory Board.*

**Agenda item No.15**

**Decision on the remuneration of members of the Board of Directors and of the Supervisory Board**

Resolution No.26/2008 (29.04.)  
of the General Meeting

*The General Meeting approved with 23.892.350 yes votes, 558.352 no votes and 6.303.545 abstentions the proposal of the Board of the Directors to keep the remuneration of the chairman and the members of the Board of Directors as well as of chairman and the members of the Supervisory Board at its current level for the year 2008.*

## **Agenda item No.16**

### **Approval of the Report on Corporate Governance**

*Resolution No.27/2008 (29.04.)  
of the General Meeting*

*The General Meeting approved with 25.373.957 yes votes, 0 no votes and 5.380.290 abstentions the Corporate Governance Report of the Company as set forth in the written proposal.*

Under item No. 14 of the Agenda the General Meeting voted on the election of dr. Zoltán Szedlacskó as member of the Supervisory Board. The General Meeting decided with 17.565.392 yes votes, 0 no votes and 13.188.855 abstentions to elect dr. Zoltán SZEDLACSKÓ as member of the Supervisory Board of the Company. However, due to Article 12.5. of the Statutes of the Company, in the matter of election of the members of the Supervisory Board, the General Meeting shall make a decision with at least a three-quarters majority of the votes cast (qualified majority, 75% + 1 vote), the General Meeting has not passed valid resolution on the above proposal.

**FHB Mortgage Bank Plc.**

## ANNEX

### of the Resolution 7/2008 (29.04) of FHB Mortgage Bank Plc's Annual General Meeting held on 29 April 2008

1. Due to the alteration of TEÁOR classification from 01 January 2008, sphere of activities of the Company, indicated in Article 4 of the Statutes regarding the sphere of activities of the Company shall be modified as follows:

*Core Business:* ***in lieu of 65221'03 Other lending:***  
*6492'08 Other lending*

*Other business:* ***in lieu of 6523'03 Other financial mediation not included elsewhere:***  
*6499'08 Other financial mediation not included elsewhere*

***in lieu of 6713'03 Other financial supplementary activities not included elsewhere:***  
*6619'08 Other financial supplementary activities*

2. Article 11.2. on the General Meeting shall be modified by the follows:

*11.2. The General Meeting shall be convened by the Board of Directors by means of an announcement published in the media determined by the Statutes, at least 30 days prior to the initial date of the General Meeting. The announcement shall contain the following:*

- a. Corporate name and registered office of shareholders;*
- b. Date and place of the General Meeting;*
- c. Agenda of the General Meeting;*
- d. The conditions stipulated in the Statutes for exercising voting right; and*
- e. The date and place of the repeated General Meeting in case the General Meeting has no quorum.*

*Shareholders who indicate in writing their preference to that effect shall also be sent electronic notification of the convocation of the General Meeting in addition to the announcement through ~~the printed press and the Company's web site~~ the places of announcements, according to the Staves of the Company.*

*The Company shall disclose the material data of the financial statement prepared under the accounting Act, and of the reports of the Board of Directors and the Supervisory Board, as well as the abstract of proposals to the agenda items and the*

*draft resolutions on the Company's web site at least fifteen days prior to the General Meeting.*

3. Articles 12.1., 12.3. and 12.5. on the competence of the General Meeting, the rules on passing resolutions, and exercising the right to vote shall be modified as follows:

*12.1 Each share of a nominal value of HUF 100 (say one hundred forints) shall give right to one vote at the General Meeting. That shareholder may only exercise his/her/its membership rights at the General Meeting who is the holder of the share on the date of shareholders' verification – which is at the same time the date of closure of the register of shareholders – as defined by the Capital Markets Act, the Stock Exchange Rules and in the Rules of KELER Zrt., and whose name is entered in the register of shareholders as of its closure. The turning date of owner's compliance may only fall on the period between the 7th and 3rd stock exchange days preceding the General Meeting.*

*Closure of the register of shareholders shall not limit the right of the holder entered therein to transfer shares after such closure. Nor does the transfer of shares before the day of opening of the General Meeting exclude the right of the holder on the register to participate in the General Meeting and exercise his shareholder's rights.*

*A shareholder or a group of shareholders (that is, a group of persons whose acquisition of influence, pursuant to the Capital Markets Act, shall be summed up) may not exercise a higher voting right than 10% of the voting rights attached to the shares providing all voting rights issued by the Company. This provision shall be applied from the date when the publication disclosed as extraordinary information pursuant to the Capital Markets Act and announcing the drop, below 50%, of the Hungarian State's interest the Company is first published in any of the disclosure media specified in Article 24.*

*12.3 The following shall fall within the exclusive competence of the General Meeting:*

- a) establishment and amendment of the Statutes;*
- b) decision on the change of the form of operation of the Company;*
- c) increase and reduction of the registered capital, including authorization of the Board of Directors to increase the registered capital, as contained in Articles 7.3 and 7.4;*
- d) decision on the merger and consolidation, merger, demerger of the Company with another company limited by shares, or its termination without a legal successor, or the transformation of the Company into another corporate form;*
- e) election, recall and establishment of the remuneration of the members of the Board of Directors;*
- ~~f) recall of the members of the Board of Directors; election, recall and establishment of the remuneration of the members of the Supervisory Board~~*
- g) election, recall and establishment of the remuneration of the members of ~~the Supervisory Board and~~ the Auditor;*
- h) election and recall of the members of the Audit Committee;*

- i) acceptance of the report drawn up in accordance with the Accounting Act and making a decision on the use of after-tax profit;
- j) decision on the payment of dividend and interim dividend, except for the case stipulated in 14.16.15.1 e);
- k) change of rights attached to the individual share series, and transformation of the individual share types and classes;
- l) decision making on the issue of convertible bonds or bonds providing subscription right;
- m) decision on exclusion of the priority of subscription;
- n) decision on the acquisition of own shares, unless the acquisition of own shares is required in the interest of avoiding any serious damage threatening the Company, and on the acceptance of a public bid received for own share;
- o) decision on steps to disturb a public bid procedure;
- p) approval of the Rules of Procedure of the Supervisory Board;
- q) approval of the report on responsible corporate governance;
- r) decision on preparing the establishment of a recognized group of companies and on the contents of the holding contract;
- s) approval of the draft of the holding contract;
- t) decision on the application for the cancellation of the shares of the Company from any stock exchange or subscription system, unless a shareholder who has at least a seventy-five percent voting right in respect of the share series intended to be cancelled exists, as in this case, the shareholder may decide himself/herself/itself on the cancellation of shares by a legal statement drawn up in a private deed with full probative force;
- u) the approval of the rules guidelines of remuneration, which shall be published on the official homepage of the Company deposited among Company documents within thirty days counted from its approval. ~~Based on the provision specified in these rules, it belongs to the exclusive competence of the General Meeting to determine the remuneration of the persons affected by these rules (including especially their remuneration, wages, severance pay and other fringe benefits);~~
- ~~v) decision on compliance/non-compliance with the commitment to submit a property declaration pursuant to the provisions of Act XXIV of 2003 on the modification of certain laws regulating the utilization of public funds and the publicity thereof as well as ensuring an increased transparency and control of public properties and, in connection therewith, on recalling the officer obliged to make a property declaration;~~
- ~~w) on designating a person who shall perform tasks that do not belong to the scope of property declaration related tasks defined with an exclusive competence by the General Meeting;~~
- ~~x) v) decision on all issues referred to the exclusive competence of the General Meeting by law or the Statutes.~~

12.5. In the matters specified in Article 12.3, paragraphs a), b), c), d), ~~g) - i)~~ o), s) and t) the General Meeting shall make a decision with at least a three-quarters majority of

*the votes cast (qualified majority, 75% + 1 vote). In any other issues, the simple majority (50% + 1 vote) of the votes cast is required for adopting a resolution. Abstention shall qualify as „no“ vote.*

4. Articles 14.3., 14.7., 14.8., 14.13., 14.15., 14.16. on the Board of Directors shall be modified as follows:

~~14.3 The number of members of the Board of Directors of the Company who are not employed by the Company or an enterprise controlled by the Company shall exceed the number of internal members.~~

~~14.7.6. The mandate of the members of the Board of Directors shall last for five years from the date of their election. The members of the Board of Directors may be called back at any time and can be re-elected following the expiry of their mandate. The members of the Board of Directors shall make a property declaration within thirty days counted from their election and, subsequently, bi-annually, in compliance with the provisions stipulated in Section 95/B of Act XXXVIII of 1992.~~

~~14.8.7. Members of the Board of Directors may waive their office at any time, but if so required by the operability of the Company, in particular if the actual number of the members of the Board of Directors fell below three, or the number of internal members fell below two, or exceeded the number of external members as a result of resignation, resignation will only become effective on the sixtieth day reckoned from the announcement thereof, unless the General Meeting provided for the election of the new member prior to that.~~

~~14.13.12. The meeting of the Board of Directors has a quorum, if more than half of the members of the Board of Directors are in attendance.~~

~~With the exception of the issue indicated in Article 7.3 and 14.18., the Board of Director shall adopt its resolutions by simple majority of votes, in case of a tie, the vote of the chairman shall decide. The Board of Directors shall adopt a resolution with two-third majority of votes regarding the issue of increase of the registered capital of the Company as indicated in Article 7.3. and 14.18.~~

~~(14.15.14. No changes in English text, since only the Hungarian terminology of „Corporate Governance“ has changed.)~~

~~14.16.15. The competence of the Board of Directors~~

~~14.16.15.1. Competences in relation to the strategy, business and financial activities of the Company:~~

- ~~a) Approval of strategic and business policy objectives;~~
- ~~b) Establishment and approval of annual business and financial plans, as well as the business policy;~~



- c) *Analysis and assessment of the implementation of the business policy guidelines on the basis of the quarterly balance sheets of the Company;*
- d) *Management of the finances of the Company, approval of the Accounting Policy and the related internal rules ;*
- e) *In connection with exercising rights related to redeemable shares, obtaining own shares, paying initial dividends, and increasing registered capital to the debit of assets beyond the registered capital, the Board of Directors is entitled to approve an interim balance sheet, and to pass resolutions on the payment of initial dividend with, however, the prior consent of the Supervisory Board;*
- f) *Establishment of risk management guidelines that ensure the assessment of risk factors as well as the suitability of internal control mechanisms and the regulatory and the supervisory systems for their management, and ensure legal compliance;*
- g) *Approval and regular revision of the strategies and rules (as for the rules containing the qualification and estimation processes relating to the credit and operating risks) regarding the separation of tasks inside the organization, the prevention of conflict of interest, taking, measureing, handling, tracing and reduction of risks;*
- h) *Approval the internal rules regarding the principles of disclosure in connection with risk management;*
- i) *Establishment of the strategy and procedure relating to the determination and permanent maintainance of the capital, the extent and composition thereof, required for covering the Company's current and future risks;*
- j) *Establishment of the decision-making competence (limits) relating to financial services;*
- k) *Decision on loan placements 10% over the guarantee capital of the Company (excluding inter-bank financial transactions);*
- l) *Decision on investments with a volume, which from an accounting perspective represents more than 5% of the prevailing equity capital;*
- m) *Decision on the commencement, suspension or termination of the performance of certain activities falling within the licensed sphere of activities of the Company (Article 4.);*
- n) *Determination of the terms and conditions of the contract of agency to be entered into with the property inspector;*
- o) *Establishment of the Treasury's operating procedures on the money and capital market, its rules for entering into and administering deals;*
- p) *Approval of rules for collateral registration, rules on risk taking and large-risk taking, and security valuation;*
- q) *Decision on issues of receivables-property exchanges (forced investments) over HUF 200 million;*

- r) *Sales of individual bad debts of individual customers or customer groups with a loss over HUF 50 million.*

*(14.16.15.2. No changes in English text, since only the Hungarian terminology of „Corporate Governance” has changed.)*

*14.16.15.3. Competences in relation to the increase of share capital and the acquisition of own shares:*

- f. The Board of Directors is entitled - upon basis of and according to the authorization set forth by the Statues - to increase the share capital of the Company;*
- g. The Board of Directors is entitled to make decisions on transactions related to own shares upon, and to the extent of, authorisation by the General Meeting;*
- h. The Board of Directors is entitled to make decisions on the acquisition of the Company’s own shares without authorisation by the General Meeting provided such acquisition is required in order to avoid serious damage to the Company.*

*14.16.15.4. Competences in relation to the management of the Group, foundation of companies and investment:*

- i. Decision on the acquisition or sales of a company or a business activity in cases where the volume of such transaction exceeds 100 million HUF and participation reaches the level of influence;*
- ii. Decision on the issues falling within the sphere of authority of the supreme body in respect of one-person businesses owned by the Company, and exercise of owner’s rights;*
- iii. Exercise of member’s rights as set forth in the Business Associations Act in the case of business associations under the controlling influence of the Company;*
- iv. Instruction to the boards of credit institutions, financial enterprises and subsidiary businesses in which the Company holds interest over fifty per cent in the interest of compliance with, and implementation of, joint supervisory provisions.*

*14.16.15.6. Rights related to own operation:*

- v. Making proposals, as required, for the appointment of members to the Board of Directors, and for the remuneration of the members of the Board of Directors;*
- vi. Election and removal of the Chairman of the Board of Directors;*
- vii. Approval and modification of the rules of procedure of the body;*

- viii. *entitled to form standing or ad hoc committees with the participation of board members and/or persons outside the Board (employees, external experts, etc.), and to give the necessary authorisations to these bodies;*
- ix. *The Board of Directors is entitled to use the services of external consultants or experts for the implementation of its activity*
- x. *Supervision of the execution of the resolutions passed by the Board of Directors.*

5. Articles 15.2., 15.7., 15.14. regarding to the Supervisory Board shall be modified as follows:

*15.2. The Supervisory Board consists of at least three and at most nine persons the majority of whom must be independent persons as provided for by the Companies Act. The members of the Supervisory Board shall be elected by the General Meeting for a period not more than five years. ~~The State Audit Office shall make a proposal regarding the person of the chairman of the Supervisory Board. The person elected on the basis of the State Audit Office's designation shall qualify as a member designated by the owners, whereas his/her activities and recalling shall be subject to the rules that relate to Supervisory Board members designated by the employees.~~*

*(15.7. No changes in English text since only the Hungarian terminology of „Corporate Governance” has changed.)*

~~*15.14. The members of the Supervisory Board shall make a property declaration within thirty days counted from their election and, subsequently, every other year, in compliance with the provisions stipulated in Section 95/B of Act XXXVIII of 1992.*~~

6. Article 19.1. and 19.6. regarding to the Chief Executive Officer shall be modified as follows:

*19.1 The Chief Executive Officer is the Company's employee, the senior employee in connection with whom employer's rights are exercised by the Board of Directors, ~~with the exception of those rights which are the exclusive competence of the General Meeting.~~ The Chief Executive Officer is not an officer in the sense of Section 247 of the Companies Act.*

~~*19.6. It is the Chief Executive Officer's responsibility to contact the State Audit Office in order to obtain their proposal specifying the person of the Supervisory Board's chairman. Whenever this is possible, 60 days shall be left for submitting such a proposal.*~~

7. Article 24. of the Statutes of the Company regarding to the Announcements shall be modified as follows:

*The Company shall publish its announcements and notices on the web site operated by the Hungarian Financial Supervisory Authority PSZÁF ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and the Company's official web site ([www.fhb.hu](http://www.fhb.hu)) in addition to the Companies Gazette and the official web site of Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)). The provisions of the*

*Companies Act, the Civil Code, the respective Acts on Credit Institutions, Capital Markets, and Mortgage Banks shall apply to issues not regulated in these Statutes.*