

## ANNOUNCEMENT

**FHB Mortgage Bank Co. Plc** (seat: H-1082 Budapest, Üllői út 48., registered No.: 01-10-043638, hereinafter: "Company") hereby informs its shareholders on the resolutions of the Annual General Shareholder's Meeting („General Meeting”) held on 20 April 2011, in the framework of meeting its obligations on extraordinary information as provided by Act CXX of 2001 on the Capital Market and Decree No. 24/2008 of the Minister of Finance on the Detailed Rules of Disclosure Obligation Relating to Securities Issued to the Public.

At the date of the General Meeting the total amount of the series "A" ordinary shares embodying voting rights was 66 000 010 pieces. At the date of the General Meeting the Company owned 138 401 pieces of series "A" ordinary shares (treasury shares). Consequently, 65 861 609 pieces of series "A" ordinary shares as voting shares could be taken into account at the General Meeting. The amount of the attending series "A" voting ordinary shares was 38 197 438 pieces at the General Meeting.

In the course of the decision making the results were rounded to three decimals.

The summary of the procedural resolutions are as follows:

The General Meeting unanimously elected with its resolution No. 1/2011 (20.04) the officers of the General Meeting.

The General Meeting decided with its resolution No. 2/2011 (20.04) on the joint discussion of items No. 1-4 of the Agenda and decided that the General Meeting passes one single resolution on these items of the Agenda.

The General Meeting approved with its resolution No. 3/2011 (20.04) its Agenda with the amendments approved by its resolution No. 2/2011 (20.04).

Under the items of the Agenda the General Meeting passed the resolutions as follows:

### Items No. 1-4

1. **Report of the Board of Directors on the business activities, financial position, business policy and management of the Company in the year 2010**
2. **Report of the Supervisory Board on the financial reports of the Company on the year 2010 in accordance with Hungarian accounting standards („HAS”) and International Financial Reporting Standards („IFRS”) (consolidated)**
3. **Report of the Auditor on the financial reports of the Company on the year 2010 in accordance with Hungarian accounting standards („HAS”) and International Financial Reporting Standards („IFRS”) (consolidated)**
4. **Acceptance of the**
  - i. **business report,**
  - ii. **financial statements (balance sheet report, profit and loss account, additional notes) of the Company as a bank as prescribed by the Hungarian accounting standards,**
  - iii. **decision on the utilization of the after tax profit,****furthermore, the consolidated**
  - i. **business report,**
  - ii. **financial statement according to the International Financial Reporting Standards**
  - iii. **for the year 2010**

### Resolution No. 4/2011 (20.04) of the General Meeting

- a.i. *The General Meeting accepts the Company's Business Report on the year 2010 in accordance with the Hungarian Accounting Standards.*
- a.ii. *The General Meeting accepts the Company's Accounts (Balance Sheet, Profit/Loss Statement and Notes to Account) on the year 2010 in accordance with the Hungarian Accounting Standards.*

*The General Meeting establishes the Company's*

- *balance sheet total in **HUF 845 205 million***
- *after tax profit in **HUF -19 359 million***
- *balance sheet result in **HUF -14 889 million.***

- a.iii. The General Meeting decides on the utilization of the after tax profit:  
- dividend shall not be paid on series „A” shares after year 2010.  
- The 2010 balance sheet result shall be placed in the Company's profit reserve.
- b.i. The General Meeting accepts the Company's Consolidated Business Report in accordance with the International Financial Reporting Standards („IFRS”) on the year 2010.
- b.ii. The General Meeting accepts the Company's Consolidated Accounts in accordance with the International Financial Reporting Standards („IFRS”) on the year 2010.  
The General Meeting establishes the balance sheet and after tax profit of the Company in accordance with the International Financial Reporting Standards as follows:  
- consolidated balance sheet total in **HUF 873 520 488 thousand**,  
- consolidated after tax profit in **HUF 11 197 833 thousand**.

Yes votes:	<b>38 151 920</b>	<b>99,881 %</b>
No votes:	<b>0</b>	<b>0,000 %</b>
Abstentions:	<b>0</b>	<b>0,000 %</b>
Not given:	<b>45 518</b>	<b>0,119 %</b>

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#### **Item No. 5**

### **Report of the Supervisory Board on the Fulfillment of Conditions of the Share Remuneration Programme of the Management in 2010**

#### **Resolution No. 5/2011 (20.04) of the General Meeting**

The General Meeting acknowledges the report on the fulfillment of the conditions of the approved Share Remuneration Programme of the Management for the year 2010 designed to increase the market price of the Company's shares.

Yes votes:	<b>38 197 388</b>	<b>100,000 %</b>
No votes:	<b>50</b>	<b>0,000 %</b>
Abstentions:	<b>0</b>	<b>0,000 %</b>

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#### **Item No. 6**

### **Presentation on the business plan of the Company for the year 2011 (verbal proposal)**

#### **Resolution No. 6/2011 (20.04) of the General Meeting:**

The General Meeting approves the report about the Company's business plan for the year 2011.

Yes votes:	<b>35 397 371</b>	<b>92,669 %</b>
No votes:	<b>0</b>	<b>0,000 %</b>
Abstentions:	<b>2 800 067</b>	<b>7,331 %</b>

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#### **Item No. 7**

### **Decision on the remuneration policy**

#### **Resolution No. 7/2011 (20.04) of the General Meeting:**

1. The General Meeting approved the Remuneration Guidelines of the Company as set forth in the written proposal.
2. The General Meeting repealed the Remuneration Guidelines accepted by Resolution No. 14/2008 (29.04.) of the General Meeting by this date.

Yes votes:	<b>38 197 438</b>	<b>100,000 %</b>
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No votes: 0 0,000 %  
Abstentions: 0 0,000 %

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### Item No. 8

#### **Decision on the Conditions of the Share Remuneration Programme of the Management for the Year 2011-2012**

##### Resolution No. 8/2011 (20.04) of the General Meeting:

In order to increase the market price of the shares of the FHB Mortgage Bank Co. Plc ("Company"), the General Meeting sets a Share Option Programme ("Programme"), under the following terms and conditions:

1. The term of the Programme is: 2 years (Remuneration within the framework of the Programme relates to the 2011 and 2012 business years)
2. Type of shares available for option: Series "A" ordinary shares with face value at HUF 100, issued by the Company.
3. Method of granting: the Company grants option right on shares to entitled parties.
4. Price of drawing the option is: 25% of the average price on the Budapest Stock Exchange between 1 January of the subject year and the date of the General Meeting closing the business year in prior of the subject year weighted by the turnover
5. Eligible persons and the number of shares/options available for grant purposes:
  - The value of the maximum entitlement of each of the Chairman of the Board of Directors, the Chief Executive Officers and Deputy Chief Executive Officers of the Company is a package of shares with total face value at HUF 1,600,000 (or maximum 16,000 shares/person),
  - The value of the maximum entitlement of each non-executive member of the Board of Directors of the Company is a package of shares with total face value at HUF 800,000 (or maximum 8,000 shares/person),
  - The value of the maximum entitlement of each of the senior managers of the FHB Banking Group (maximum 30) is a package of shares with total face value at HUF 900,000 based on individual performance evaluation.

(The number of shares/options to be used for Programme purposes may not be higher than 300,000 per year and 600,000 per Programme).
6. The conditions of granting:

Shares/options may be granted on condition that the performance of the FHB Banking Group as consolidated under the International Financial Reporting Standards (IFRS) reaches the targets set by this Programme in respect of at least three of the ratios described in detail below, with all of the ratios consolidated and with the impacts of the Programme taken into account.

##### Financial ratios:

Increase of equity capital: minimum 10%.

Increase of the ratio of non-performing loans: the ratio of the increase of non-performing loans within the overall loan portfolio in the end of the respective year does not exceed 25 per cent compared to the previous year

Average return on equity (ROE): ratio of average ROE calculated for the respective year exceeds minimum 8 per cent

Average return on assets (ROA): ratio of average ROA calculated from the respective year exceeds minimum 0.6 per cent

(All ratios are to be calculated on IFRS report, surtaxes to be excluded.)

If at least three of the performance ratios specified above are achieved (with all of the ratios taken together), the non-executive members of the Board of Directors can exercise their option under the terms of the Programme. The performance of the Chief Executive Officers and the Deputy Chief Executive Officers is to be evaluated by the Chairman of the Board of Directors. Performance evaluations must be performed in compliance with the policy adopted by the Board of Directors and approved by the Supervisory Board.

7. An additional term of granting the share option shall be that the entitled person may exercise his/her option in the period of 3 (three) years in a manner that in the first year of the entitlement he/she shall be entitled to draw maximum 60% of the option, and one year after the first drawing, he/she shall be entitled to draw additional 20% at maximum, and after another year, he /she shall be entitled to draw the 20% of the option left.
8. Once the option is drawn, the person drawing the option is not entitled to sell 50% of such shares received in the framework of the respective drawing for a period of six (6) months.
9. In the event the legal or employment relationship of an entitled party 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 Programme as an individual. Any deviation from this rule requires a separate resolution to that effect by the Board of Directors, which the Board of Directors may pass upon grounds set in an explanation attached to a separate proposal submitted to it.
10. The General Meeting asks the Board of Directors of the Company to determine the detailed rules of the Programme till 30 September 2011 at the latest by taking the Resolution of the General Meeting into consideration. The General Meeting calls upon the Supervisory Board to check the compliance between the policy establishing the detailed rules of the Programme as set forth by the Board of Directors and this resolution of the General Meeting, and furthermore to inform the General Meeting about the fulfillment of the terms of the Programme yearly.

<b>Yes votes:</b>	<b>38 193 465</b>	<b>99,990 %</b>
<b>No votes:</b>	<b>3 923</b>	<b>0,010 %</b>
<b>Abstentions:</b>	<b>50</b>	<b>0,000 %</b>

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#### **Item No. 9**

#### **Authorization of the Board of Directors to acquire own shares (in Hungarian: „saját részvény”)**

##### Resolution No. 9/2011 (20.04) of the General Meeting:

Pursuant to the provisions of Section 224 of Act 4 of 2006 on the Business Associations („Companies Act”) the General Meeting authorizes the Board of Directors to acquire the Company’s own shares (treasury shares, “saját részvény” in Hungarian), subject to the following conditions:

1. Type and number of treasury shares that can be acquired:
  - (i) Series ‘A’ ordinary shares, the maximum number of which in total with regard to the same date shall not exceed 25 per cent of the total nominal value of series ‘A’ ordinary shares.
2. Purpose of acquisition of treasury shares:
  - Implementation of the Share Remuneration/Share Option Programme and the business strategy of the Company as planned.
3. Method of acquisition of own shares:
  - On the Budapest Stock Exchange or on the OTC market, for consideration.
4. The minimum and maximum amount of consideration payable for one own share:
  - The minimum purchase price shall be HUF 1,- that is One Hungarian forint, while the maximum purchase price shall be 125% of the average price of the shares weighted by volume of trading on the Budapest Stock Exchange over the one month preceding the transaction.
5. This authorization shall be valid until 30 September, 2012.
6. Other conditions of acquisition of own shares shall be governed by the relevant provisions of the Companies Act.

<b>Yes votes:</b>	<b>38 107 748</b>	<b>99,765 %</b>
<b>No votes:</b>	<b>89 690</b>	<b>0,235 %</b>
<b>Abstentions:</b>	<b>0</b>	<b>0,000 %</b>

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**Item No. 10**

**Election and Decision on the Remuneration of the Auditor**

*Resolution No. 11/2011 (20.04) of the General Meeting:*

1. *The General Meeting elects Ernst & Young Ltd. (registered office: 1132 Budapest, Váci út 20.; registration number of the Company: 01-09-267553; Chamber of Auditors registration number: 001165; HFSA registration number: T-001165/94) as auditor for the 2010 financial year and at the same time accepts the appointment of registered auditor of Krisztina Veronika SULYOK (mother's name: Ilona Czink; home address: 1214 Budapest, Technikus utca 5. 1. em. 5. a.; Chamber of Auditors number: MKVK 006660; HFSA registration number: E-006660/08) as auditor liable in person. In case Krisztina Veronika Sulyok as appointed person would be unable to perform her duties as appointed auditor due to permanent absence, the General Meeting accepts the appointment of Judit SZILÁGYI (mother's name: Judit Darab; home address: 1121 Budapest, Tállya utca 28/A/4.; Chamber of Auditors number: MKVK 001368; HFSA registration number: T-001165) as deputy auditor.*
2. *The mandate of the auditor shall be effective from the subsequent day of the 2011 Annual General Meeting until the day of the General Meeting concluding the 2011 business year but not later than 31 May 2012.*
3. *The remuneration of the auditor for auditing the Company'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 HUF 13,235,000 + VAT for the year 2011, which is equal to the remuneration of the auditor in 2010.*
4. *The General Meeting authorizes the Board of Directors of the Company to conclude the contract with the auditor subject to the above terms and conditions.*

<b>Yes votes:</b>	<b>38 197 438</b>	<b>100,000 %</b>
<b>No votes:</b>	<b>0</b>	<b>0,000 %</b>
<b>Abstentions:</b>	<b>0</b>	<b>0,000 %</b>

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**Item No. 11**

**Revocation of Members of the Board of Directors, Election of New Members (verbal)**

No resolution has been passed by the General Meeting under this item of the Agenda.

It was disclosed, that Dr. Károly SALAMON, member of the Board of Directors has resigned from his membership as of April 21, 2011.

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**Item No. 12**

**Revocation of Members of the Supervisory Board, Election of New Members (verbal)**

*Resolution No. 11/2011 (20.04) of the General Meeting:*

*The General Meeting resolved to elect Ákos STARCZ (mother's name: Erzsébet Hegyháti) as of the date of the present resolution, 20 April, 2011, for a period of five years, until 20 April, 2016, as member of the Supervisory Board with identical remuneration as the other members of the Supervisory Board.*

<b>Yes votes:</b>	<b>35 444 890</b>	<b>92,794 %</b>
<b>No votes:</b>	<b>37 000</b>	<b>0,097 %</b>
<b>Abstentions:</b>	<b>2 715 548</b>	<b>7,109 %</b>

Resolution No. 12/2011 (20.04) of the General Meeting:

The General Meeting resolved to elect Miklós SZABÓ (mother's name: Margit Szabados) as of the date of the present resolution, 20 April, 2011, for a period of five years, until 20 April, 2016, as member of the Supervisory Board with identical remuneration as the other members of the Supervisory Board.

<b>Yes votes:</b>	<b>35 444 890</b>	<b>92,794 %</b>
<b>No votes:</b>	<b>37 000</b>	<b>0,097 %</b>
<b>Abstentions:</b>	<b>2 715 548</b>	<b>7,109 %</b>

It was disclosed, that

- the Hungarian Financial Supervisory Authority approved the election of Ákos STARCZ and Miklós SZABÓ as members of the Supervisory Board by its resolution No. EN-I-415/2011, dated April 8, 2011;
- the assignment of Dr. Erik LANDGRAF and NGUYEN Hoang Viet as members of the Supervisory Board will expire on June 2, 2011.

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**Item No. 13**

**Decision on the Remuneration of Members of the Board of Directors and Supervisory Board**

Resolution No. 16/2011 (20.04) of the General Meeting:

The General Meeting determines the remuneration of the chairman and the members of the Board of Directors as well as of the chairman and the members of the Supervisory Board in the amount equal to the remuneration determined in the year 2010 for the year 2011.

<b>Yes votes:</b>	<b>22 227 438</b>	<b>58,191 %</b>
<b>No votes:</b>	<b>0</b>	<b>0,000 %</b>
<b>Abstentions:</b>	<b>15 970 000</b>	<b>41,809 %</b>

5 000 pieces of votes were not given at the decision-making, which is 0,01 % of the registered votes.

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**Item No. 14**

**Acceptance of the Report on Corporate Governance**

Resolution No. 17/2011 (20.04) of the General Meeting:

The General Meeting approves the Corporate Governance Report of the Company on the year 2010 as set forth in the written proposal.

<b>Yes votes:</b>	<b>38 197 438</b>	<b>100,000 %</b>
<b>No votes:</b>	<b>0</b>	<b>0,000 %</b>
<b>Abstentions:</b>	<b>0</b>	<b>0,000 %</b>

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**Item No. 15**

**Miscellaneous**

No resolution has been passed by the General Meeting under this item of the Agenda.