



**FHB Mortgage Bank Plc.**

**Summary of Q1 2012 results**

Budapest, 28<sup>th</sup> May, 2012

## Summary consolidated figures

in HUF million	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
<b>Main balance sheet items</b>					
Total assets	826,890	816,114	778,877	-4.6%	-5.8%
Refinanced loans	242,117	226,890	187,479	-17.4%	-22.6%
Loans (gross)	387,247	420,260	388,001	-7.7%	0.2%
Mortgage bonds	368,256	337,965	303,100	-10.3%	-17.7%
Senior unsecured bonds	106,237	100,558	118,700	18.0%	11.7%
Customer deposits	117,696	161,105	178,895	11.0%	52.0%
<i>Refinanced + own loans / deposits + issued securities</i>	<i>106.3%</i>	<i>107.9%</i>	<i>95.8%</i>	<i>-12.1%-pt</i>	<i>-10.5%-pt</i>
Shareholders' equity	59,283	53,382	53,461	0.1%	-9.8%
in HUF million	1Q 2011	4Q 2011	1Q 2012	Q-o-Q	Y-o-Y
<b>Main P/L items</b>					
Net interest income	6,105.4	4,082.8	5,614.1	37.5%	-8.0%
Net interest income w/o interest on state capital increase	6,105.4	5,827.1	5,614.1	37.5%	-8.0%
<i>Net interest margin</i>	<i>2.91%</i>	<i>1.94%</i>	<i>2.83%</i>	<i>0.89%-pt</i>	<i>-0.08%-pt</i>
<i>Net interest margin w/o interest on state capital increase</i>	<i>2.91%</i>	<i>2.77%</i>	<i>2.85%</i>	<i>0.09%-pt</i>	<i>-0.06%-pt</i>
Net fees and commissions	739.1	714.4	903.8	26.5%	22.3%
Total income (with net fees)	6,779.7	11,693.5	5,559.4	-52.5%	-18.0%
Losses from lending and impairment	-1,456.1	-13,041.5	-988.7	-92.4%	-32.1%
Operating cost	-4,812.8	-5,252.0	-4,173.3	-20.5%	-13.3%
<i>Cost to income ratio</i>	<i>71.0%</i>	<i>44.9%</i>	<i>75.1%</i>	<i>30.15%-pt</i>	<i>4.08%-pt</i>
<i>Cost/income ratio without special banking tax</i>	<i>61.8%</i>	<i>55.4%</i>	<i>66.6%</i>	<i>11.16%-pt</i>	<i>4.83%-pt</i>
<b>Pre-tax profits</b>	<b>510.8</b>	<b>-6,600.1</b>	<b>397.5</b>	-	<b>-22.2%</b>
<b>After tax profits</b>	<b>168.6</b>	<b>-4,247.9</b>	<b>13.9</b>	-	<b>-91.8%</b>
Profit before taxation without special banking tax	1,521.4	-8,820.6	1,103.8	-	-27.5%
<b>After tax profit without special banking tax</b>	<b>1,179.3</b>	<b>-6,468.3</b>	<b>720.2</b>	-	<b>-38.9%</b>
<b>After tax profit w/o special banking tax and provisioning for fixed-rate repayments</b>	<b>1,179.3</b>	<b>4,544.9</b>	<b>720.2</b>	-	<b>-38.9%</b>
EPS base (HUF)	5.1 Ft	-212.3 Ft	-2.4 Ft	-	-
<i>Return on Assets</i>	<i>0.08%</i>	<i>-2.02%</i>	<i>0.00%</i>	<i>2.02%-pt</i>	<i>-0.08%-pt</i>
<i>Return on Equity</i>	<i>1.16%</i>	<i>-30.35%</i>	<i>0.03%</i>	<i>30.38%-pt</i>	<i>-1.13%-pt</i>
<i>ROAA without special banking tax</i>	<i>0.56%</i>	<i>-3.07%</i>	<i>0.09%</i>	<i>3.16%-pt</i>	<i>-0.47%-pt</i>
<i>ROAE without special banking tax</i>	<i>8.09%</i>	<i>-46.22%</i>	<i>1.35%</i>	<i>47.56%-pt</i>	<i>-6.74%-pt</i>
in HUF million	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
<b>Capital adequacy</b>					
Risk weighted assets	247,616	323,363	306,750	-5.1%	23.9%
Regulatory capital (IFRS)	40,810	41,159	36,729	-10.8%	-10.0%
<i>Capital adequacy ratio (IFRS)</i>	<i>12.6%</i>	<i>10.4%</i>	<i>10.2%</i>	<i>-0.2%-pt</i>	<i>-2.4%-pt</i>

## Interim report on the results of FHB Group in the first quarter of 2012

This report of FHB Mortgage Bank Public Company Limited by Shares for the first quarter of 2012 is based on the data of the consolidated balance sheet and profit and loss account prepared according to the International Financial Reporting Standards (IFRS). The narratives compare the consolidated, audited figures as of 31 December 2011, and the consolidated, non-audited figures as of 31 March 2011 and 31 March 2012. The same accounting policy and calculation methods have been applied by interim report and consolidated balance sheet and profit and loss account according to the International Financial Reporting Standards (IFRS) as of 31 December 2011.

The Group accounted the entire amount of special banking tax prescribed for 2012 pursuant to the provisions of Act LIX of 2006. The Group accepts and does not contest this amount set by law, the Group is bound to pay during the course of the year 2012 the full amount. However, in order to present the impacts of actual operation, the analysis and comparative indicators of interim reports are based on the adjusted financial statements that include special banking tax pro rata.

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

### I. Summary of the achievements of the past period

FHB Group's **consolidated balance sheet total** calculated according to International Financial Reporting Standards decreased by 5.8%, from 826.9 billion forints to 778.9 billion forints. Primarily fixed-rate final repayments contributed to fall of loans and mortgage bonds generating decline in balance sheet total.

**Consolidated shareholders' equity** decreased by 9.8% year-on-year and amounted to 53.5 billion forints as of 31 March 2012.

**Consolidated after-tax profit** for Q1 of 2012 was 13.9 million forints; adjusted with the special banking tax it is 27.5% below the 2011 reference period figure.

The **average net interest margin** (NIM) slipped from 2.91% in Q1 2011 by 6 basis points, to 2.85 year-on-year. Average net margin in Q1 2012 increased compared to Q4 2011.

In Q1 of 2012 the Group's **CIR was 75.1%** compared to 71.0% in the reference quarter of 2011. Indicator adjusted with special tax was 4.8%-points over value of 61.8% in Q4 2011. The growth in the cost/income ratio was mainly due to unfavourable level of incomes compared to former periods, operating costs decreased by 13% in contrast with Q1 2011.

#### *Performance of FHB shares*

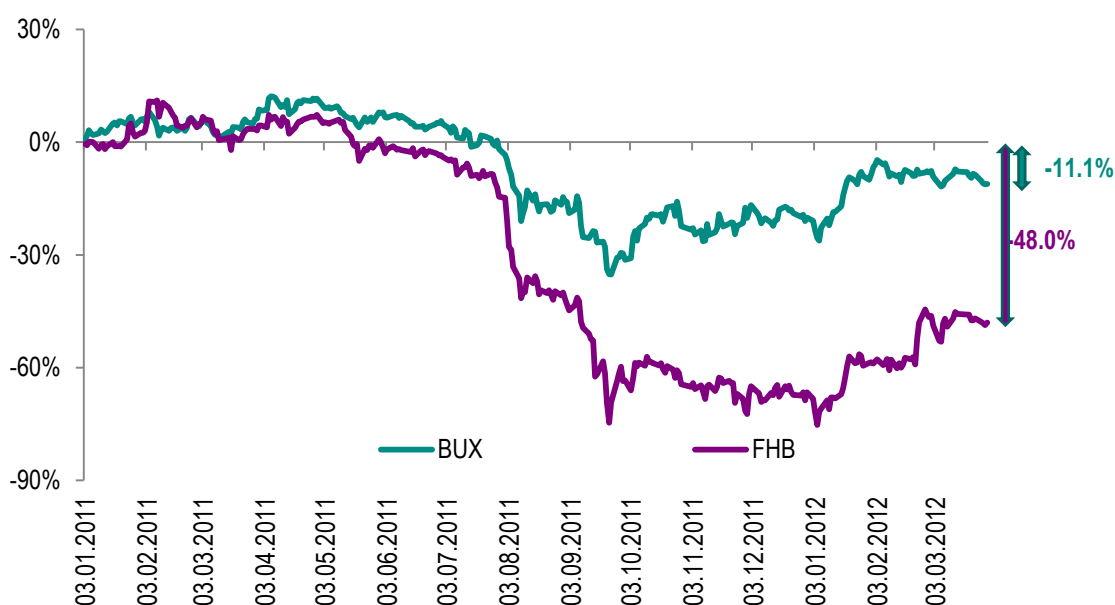
In terms of capitalisation, FHB is currently 7th in the rank of "A" rate listed companies and contributes 0.8% to the aggregate capitalisation of the BSE based on 31 March 2012 data.

As of 31 March 2012 FHB's weight in the BUX index was 0.85% (7th biggest weight in the basket), and was 2<sup>nd</sup> – improving its ranking from 3<sup>rd</sup> place – with a weight of 15.17% in BUMIX, the index of share prices of mid- and small-cap companies.

The price of FHB Mortgage Bank's shares increased by 21.3%, compared to Q4 and closed the first quarter at 564 forints.

The total turnover of mortgage bonds and senior bonds issued by FHB, amounted to 1.2 billion forints in Q1 of 2012, representing an extremely significant 18-times growth in comparison to Q4 2011 (in Q4 mortgage bonds' turnover was 67 million forints).

### Cumulated change in prices 2011 - Q1 2012



## II. Main activities and subsidiaries' performance

### *CMB issues, funding*

In first quarter of 2012, the dilemmas of EU remained unchanged, market judgement on the debt crisis of euro zone has not improved. Thanks to this concerns, the S&P has worsened the rating classification of nine EMU countries. In spite of the uncertainties, the international stock markets performed well throughout the quarter, and the BUX index also increased significantly from February.

In early January, the forint exchange rate against the euro fluctuated extremely and touched a new historical bottom. The forint strengthened gradually in February and by the end of the quarter came back to a "normal" level, but this is primarily due to the favourable international atmosphere after the approval of the Greek rescue package. According to the analysts view, the key of investors' confidence is the EU/IMF-Hungary agreement. There were as extreme high yields at the Hungarian government securities market as in January 2009 but the end of the quarter, these yields decreased. The analysts expect durable correction only after the IMF agreement.

At this hectic and uncertain market situation in January, FHB launched one senior uncovered bond in private placement at 15.4 billion forint face value. The FK17ZF01 bonds are fixed rated and the repayment of the total capital is only at the maturity date.

In February the market environment improved significantly, so the Bank organized more auctions: one CMB (FJ15NF02) was issued at the Stock Exchange's auction and three senior uncovered bonds were issued in the context of a public offering. The face value of the total issued CMB's were 3 billion forints, with the yield of 10.2%. The variable rated bonds (FK15NV01) were sold to the public sector and the two discount bonds maturing in 2014 were sold to institutional investors at 3.6 billion face value. The yields moved between 10% and 10.3%.

In March 2012, FHB launched one issues in the context of public subscription. This new series (FK14NI01) was issued by the Bank to the small investors at 1.5 billion face value. The bonds issued to the public sector are structured, its interest rate bounded to the Hungarian base rate and to the inflation. In the first three months of 2012, 20.5 billion forints uncovered bonds and 3.1 billion forints mortgage bond were issued.

In Q1 of 2012 matured CMBs with nominal value of 0.5 million euros and approximately 25.6 billion forints, senior bonds of 4 billion forints and 50 million euros of state loan. The Bank redeemed approximately 108.5 million euros and 2.7 billion forints CMBs. In the course of Q1 of 2012 a total of 17 series were issued (including four new senior uncovered bonds and one CMB) in the framework of 9 transactions as opposed to 5 transactions in Q1 of 2011. Funds involved by the Bank in Q1 of 2012 amounted to 23.6 billion forints.

#### *Retail mortgage lending and the housing market*

Retail customers' demand for loans remained very low in the Q1 2012; at the same time, the supply side was weakened by unfavourable changes in the regulatory and market environment. Parallel with the loan market, the housing market as well as housing construction have hit rock bottom. According to CSO statistics, 2,444 new homes were built in 2012 Q1, by 11% less than in 2011 Q1; the number of new housing construction permits issued was only 2,146, 10% less compared to the 2011 data.

As of 31 March 2012, the retail mortgage loans portfolio (6,161 billion forints) was down by 10.7% compared to 31 December 2011; the volume growth adjusted by exchange rate volatility was -7.9%. The portfolio of HUF loans expanded (+10.9%, or +209 billion forints); at the same time the FX loan portfolio shrank because of fixed rate early repayments (-15.5% once adjusted by the volatility of exchange rate) in Q1 2012. Concerning the changes over the past 12 months, there was a small change in the retail mortgage loan portfolio (-4.1%), and 16.0% shrank once adjusted by exchange rate volatility. HUF loans increased by 24.0% or 412 billion forints, while FX loans dropped by 1,586 billion forints or 28.2%, after exchange rate adjustment.

Housing loans dropped by 12.2% in the reported quarter and by 9.8% after exchange rate adjustment, and amounted to 3,726 billion forints as of 31 March 2012. Year-on-year change was -9.1% and -19.0% after exchange rate adjustment. Similarly to the past three quarters, HUF denominated housing loans increased in Q1 2012 (+74 billion forints); year-on-year increase was 9.9% (+150.2 billion forints). FX denominated housing loans were down by 18.8% (after exchange rate adjustment) in Q1 2012 and by 33.1% year-on-year. General-purpose mortgage loans amounted to 2,435 billion forints as of 31 March 2012; after exchange rate adjustment the portfolio shrank by 4.9% in Q1 2012. The change was -11.0% year-on-year. Similarly to the previous quarter, general-purpose HUF denominated mortgage loans expanded significantly by 40.2% (135 billion forints) quarter-on-quarter and by 126.1% (or 263 billion forints) year-on-year. Conversely, the exchange rate adjusted change in FX denominated general-purpose mortgage loans was -11.7% in Q1 of 2012 and -22.3% year-on-year.

#### *Own lending*

The gross loan portfolio of FHB Group amounted to 388.0 billion forints as of 31 March 2012, 0.2% up from the 31 March 2011 figure (387.2 billion forints). Year-on-year growth is attributed to exchange rate volatility and to

the increase of SME loans. Compared to 31 December 2011 (420.3 billion forints) the portfolio was down by 7.7%, primarily as a result of fixed rate early repayments.

Retail loans continued to dominate within the loan portfolio with a contribution exceeding 83%. As of 31 March 2012, 57.5% of outstanding loans were denominated in FX, close to the 58.5% level at the end Q1 of 2011 due to final repayments and exchange rate volatility.

HUF mn	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
Housing loans	185,744	181,924	162,856	-10.5%	-12.3%
Other mortgage loans	145,545	163,543	151,339	-7.5%	4.0%
Consumer loans	8,069	7,728	7,046	-8.8%	-12.7%
Loans for employees	2,382	2,244	2,072	-7.7%	-13.0%
Retail leasing	2,374	2,753	2,100	-23.7%	-11.5%
Corporate leasing	42,847	61,163	61,330	0.3%	43.1%
Corporate loans	231	851	1,258	47.8%	444.6%
Other loans	56	54	0	-100.0%	-100.0%
<b>Loans, gross</b>	<b>387,247</b>	<b>420,260</b>	<b>388,001</b>	<b>-7.7%</b>	<b>0.2%</b>
Provisions	-23,169	-39,033	-31,628	-19.0%	36.5%
<b>Loans, net</b>	<b>364,078</b>	<b>381,227</b>	<b>356,373</b>	<b>-6.5%</b>	<b>-2.1%</b>

Loans to retail customers were by 9.2% (or 32.7 billion forints) down from the 31 December 2011 figure. In terms of structure, 42.0% of the retail loan portfolio is contributed by housing loans. Other mortgage loans contributed 39.0% to the loan portfolio. As of 31 March 2011, the contribution of the two dominant items was 48.0% and 37.6%, respectively. Mortgage loans extended to senior citizens achieved 3.1 billion forints as of 31 March 2012.

The portfolio of corporate loans rose from 43.1 billion forints as of 31 March 2011 by 19.5 billion forints (or 45.3%) year-on-year, and the growth over the 31 December 2011 figure was 574 million forints (0.9%). The corporate business represents 16.1% of the total loan portfolio, this rate was 11.1% on 31 March, 2011.

HUF mn	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
Retail loans	344,170	358,246	325,413	-9.2%	-5.4%
Corporate loans	43,078	62,014	62,588	0.9%	45.3%
<b>Total own lending, gross</b>	<b>387,247</b>	<b>420,260</b>	<b>388,001</b>	<b>-7.7%</b>	<b>0.2%</b>
Refinanced loans	242,117	226,890	187,479	-17.4%	-22.6%

### Refinancing

To the end of March 2012, the portfolio of refinanced loans dropped by 22.6%, to 187.5 billion forints compared to 31 March, 2011. The portfolio shrank by 17.4% compared to the 226.9 billion forints at 31 December 2011. Final repayments played a role also in decrease of refinanced loans.

### FHB Commercial Bank Ltd.

On 31 March 2012, gross loans of Commercial Bank were nearly 217.3 billion forints, representing 37.2% decrease over the 31 March 2011 figure. Loans to corporates amounted to 60.4 billion forints at the end of the reported period with a 27.8% contribution to total loans.

The number of retail accounts managed by the Commercial Bank was over 154 thousand as of 31 March 2012, and was almost the same as on 31 December 2011 and significantly higher than the 46.6 thousand achieved as of 31 March 2011 (the latter figure does not yet include the Allianz accounts). The number of corporate accounts rose from 2.217 pcs to 6.428 pcs in the past one year. As of 31 March 2012, the aggregate

amount of retail and corporate deposits was 52.0% above the 31 March 2011 figure and exceeded 178.9 billion forints.

#### *FHB Annuity Ltd.*

FHB Annuity Ltd. offers two kinds of products to senior customers. FHB Annuity product is sold directly by FHB Annuity Ltd. FHB Mortgage Annuity product is a reverse mortgage loan, which means the contracts being reported in the balance sheet of FHB Mortgage Bank Plc.

Two new annuity contracts were signed in Q1 2012 with a total value of 46 million forints. (In 2011, real estates get newly into the portfolio, amounted to 139 million forints.) Since its foundation up until 31 March 2012, the Company acquired 725 annuity contracts; at the end of the reported period, after the withdrawal of 65 properties with a value of 860 million forints, the portfolio contained 660 contracts with 11.1 billion forints combined property value (which is the same as total value of annuity contracts).

In 2012 the number of new reverse mortgage contracts signed was 4 and total number of contracts reached 656 by 31 March 2012. In Q1 2012, 81 contracts had ceased and the number of running contracts was 573.

#### *FHB Real Estate Ltd.*

The 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 to external customers and – since the end of 2011 – services related to energy certification.

Besides significantly reduced real estate transactions and lending due to the crisis, the valuation business generated 51 million forints revenue in the Q1 2012, 292 million forints lower than the Q4 of 2011 (in 2011 Q4 the Basel II revaluation generated 160 million forints income); but 19 million forints above the Q1 2011 performance. Up to 31 March 2012, the total number of valuations reached 6,784, of which 1,213 (17.8%) was Group transactions. The same figure in the same period of previous year was 796, of which 558 (70.1%) Group transactions. (In 2011, the total number of valuation was 8,883 (without Basel II revaluation), of which Group transactions reached 4,549 (51.2%).)

The real estate brokerage business generated 3 million forints in Q1 2012; which is significantly (by 70%) lower than the 10.6 million forints income in Q4 2011. Compared to the same period of 2011, the decrease is almost the same. A total of 17 properties were mediated in Q1 of 2012.

In April 2012, FHB Real Estate Ltd. in cooperation with FHB Commercial Bank launched a new product, the "Otthonterkép" ("Homemap"). which is a unique service in Hungary, The homepage at [www.otthonterkep.hu](http://www.otthonterkep.hu) helps to get information with an interactive map application, gives comparison of locations, the overlook of real estate market gives a clear view about the offers, about the number of sold real estates, about the offer and bid prices, and there is a picture gallery with text analysis about the city boroughs. The main target of the portal and additional services of FHB Group is to help decision making regarding real estate and banking services.

#### *FHB Real Estate Lease Ltd.*

Since 2011, the Company has exclusively sold real estate lease products (besides managing its existing mortgage loan portfolio). In Q1 2012, lease financing disbursement amounted to approximately 410.5 million forints (280 million forints in Q4 2011); and as a result the leasing portfolio rose to 3.8 billion forints as of 31 March 2012. The quarterly change was 11.8% increase (over 3.4 billion forints as of 31 December 2011), while the year-on-year rise was 68.3% (over 2.3 billion forints as of 31 March 2011).

### Organisational changes and headcount

As of 31 March 2012, the consolidated full-time headcount was 812.1, by 23.5 persons less than the 835.6 figure as of 31 December 2011 and 12.3% below the 31 March 2011 headcount of 926.5 (which included 390 people of Allianz Bank staff). Headcounts of the Group members were as follows as of 31 March 2012 and 31 March 2011:

Divisions	31/03/2011	31/03/2012	Change%
FHB Mortgage Bank Plc.	61.6	178.6	189.9%
FHB Commercial Bank Ltd.	236.4	607.2	156.9%
FHB Life Annuity Ltd.	7.5	6.7	-10.7%
FHB Real Estate Ltd.	10.6	8.6	-18.9%
FHB Real Estate Leasing Ltd.	9.6	11.0	14.6%
FHB Others	600.8	0.0	-
<b>FHB Consolidated</b>	<b>926.5</b>	<b>812.1</b>	<b>-12.3%</b>

\*Allianz Bank 390 empl. FHB Services Ltd. 203 empl

### Changes in key position

The Annual General Meeting of the Company elected Deloitte Hungary Audit and Consulting Ltd. as the auditor for 2012 (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 as responsible is Tamás Horváth (mother's name: Veronika Grósz; birth place, date: Budapest, 1969.03.08; location: 1029 Budapest, Ördögárok str. 100; chamber membership number: 003449; HFSA number: E003449).

There were no changes in key management or board positions in Q1 of 2012.

### Post-balance sheet date events

On 1 April 2012, FHB Mortgage Bank started to collect and process the application for the new buffer account scheme. Because of the low initial interest, Banking Association– accepting FHB Bank's proposal – suggested to bring forward the further deadlines of registration for exchange rate protection, in agreement with the Government. Accordingly, since 2 May 2012, FHB Bank also accepts the applications of clients owning housing loan. Growing demand for buffer account scheme is observed.

Since 1 April, FHB Bank has been offering its products based on transparent pricing standards. Current client base hasn't been showing much of interest in these constructions.

Until statutory deadline, FHB Bank informed all of its customers entitled in conversion of FX loan into HUF. Until Mid of May over 15% of this clients announced their intention to get the opportunity of loan conversion into HUF and 25% of loan release (this figure does not include the high-expected number of application posted in the last days). In case of this non-performing client segment, FHB intend to apply the other conversion possibilities ensured by law, so not consider this program finished.



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

#### P&L structure

HUF mn	1Q 2011	4Q 2011	1Q 2012	Q-o-Q	Y-o-Y
Interest income	18,783	20,870	20,337	-2.6%	8.3%
Interest expense	-12,677	-16,787	-14,723	-12.3%	16.1%
<b>Net interest income</b>	<b>6,105</b>	<b>4,083</b>	<b>5,614</b>	<b>37.5%</b>	<b>-8.0%</b>
<b>Net interest income w/o interest on state capital increase</b>	<b>6,105</b>	<b>5,827</b>	<b>5,614</b>	<b>-3.7%</b>	<b>-8.0%</b>
Fees and commissions income	1,028	985	1,162	18.0%	13.1%
Fees and commissions expense	-289	-270	-258	-4.5%	-10.6%
<b>Net fees and commissions</b>	<b>739</b>	<b>714</b>	<b>904</b>	<b>26.5%</b>	<b>22.3%</b>
Foreign exchange gains, net	-130	1,679	-1,319	-	-
Fair value adjustment	1,213	3,427	-397	-	-
Gain on securities, net	43	1,103	1,646	49.2%	-
<b>Net trading result</b>	<b>1,126</b>	<b>6,209</b>	<b>-70</b>	<b>-</b>	<b>-</b>
Other non-interest income	278	241	106	-56.0%	-61.9%
Other non-interest expenses	-1,469	446	-995	-	-32.3%
o/w special banking tax	-1,011	2,220	-706	-	-
<b>Other results</b>	<b>-1,191</b>	<b>687</b>	<b>-889</b>	<b>-</b>	<b>-</b>
<b>Total non-interest income (with net fees)</b>	<b>674</b>	<b>7,611</b>	<b>-55</b>	<b>-</b>	<b>-</b>
<b>Total income (with net fees)</b>	<b>6,780</b>	<b>11,693</b>	<b>5,559</b>	<b>-52.5%</b>	<b>-18.0%</b>
Provision for possible loan losses	-1,456	-13,042	-989	-92.4%	-32.1%
Personnel expenses	-2,052	-1,725	-1,505	-12.8%	-26.7%
Depreciation	-588	-634	-631	-0.4%	7.3%
Banking operation cost	-1,938	-2,344	-1,743	-25.7%	-10.1%
Cost of business activity	-53	-389	-131	-66.3%	149.1%
Other tax payable	-182	-160	-163	2.2%	-10.2%
<b>Operating cost</b>	<b>-4,813</b>	<b>-5,252</b>	<b>-4,173</b>	<b>-20.5%</b>	<b>-13.3%</b>
<b>Operating cost w/o special banking tax</b>	<b>-4,813</b>	<b>-5,252</b>	<b>-4,173</b>	<b>-20.5%</b>	<b>-13.3%</b>
<b>Income before income taxes</b>	<b>511</b>	<b>-6,600</b>	<b>397</b>	<b>-</b>	<b>-22.2%</b>
Income taxes	-342	2,352	-384	-	12.1%
<b>After tax profit</b>	<b>169</b>	<b>-4,248</b>	<b>14</b>	<b>-</b>	<b>-91.8%</b>
<b>After tax profit w/o special banking tax and provisioning for fixed-rate repayments</b>	<b>1,179</b>	<b>4,545</b>	<b>720</b>	<b>-84.2%</b>	<b>-38.9%</b>

<i>EPS (yearly, HUF)</i>	5.1	-212.3	-2.4	-	-
<i>Net interest margin</i>	2.91%	1.94%	2.85%	0.92%-pt	-0.06%-pt
<i>Net interest margin w/o interest on state capital increase</i>	2.91%	2.77%	2.85%	0.09%-pt	-0.06%-pt
<i>ROAA</i>	0.08%	-2.02%	0.00%	2.02%-pt	-0.08%-pt
<i>ROAE</i>	1.16%	-30.35%	0.03%	30.38%-pt	-1.13%-pt
<i>ROAA w/o special banking tax</i>	0.56%	-3.07%	0.09%	3.16%-pt	-0.47%-pt
<i>ROAE w/o special banking tax</i>	8.09%	-46.22%	1.35%	47.56%-pt	-6.74%-pt

The Bank's consolidated after-tax profit by IFRS amounted to 14 million forints in Q1 2012, 155 million forints less than the Q1 2011 figure and 4.3 billion forints higher than in Q4 2011.

Without the special tax and the one-off loss from final repayments, FHB Group's consolidated after-tax profit by IFRS would have been 720 million forints, 84.2% below the adjusted profit for Q4 of 2011 and 38.9% below the profit achieved in Q1 2011. Profit was sharply influenced by net trading result generating 70 million forints loss in Q1 2011 opposite to significant gain achieved in Q4 2011.

#### Net interest income

Net interest income was 5.6 billion forints in Q1 of 2012, 8.0% down from the performance achieved in the reference period of last year and 37% down from the net interest income without interest on state capital

increase in last period. The fall in net interest income is mainly due to significant drop of loans and narrowing interest margin resulting from rising funding costs. The net figure emerged as a balance of 20.3 billion forints interest income (8.3% up from the Q1 2011 figure and 2.6% below the Q4 2011 figure) and 14.7 billion forints interest expense (16.1% higher than in the same period of 2011 and 12.3% below the Q4 2011 figure, 2.1% down without interest on state capital increase).

In the first quarter of 2012, 43.3% of interest income was contributed by interest on own lending (compared to 45.3% in Q4 of 2011), and 18.5% was contributed by interest on refinanced loans (compared to 20.2% in Q4 of 2011). The interest on interbank loans and securities contributed 14.1% (compared to 7.0% in Q4 of 2011). The contribution of interest income on derivatives was 24.1% to total interest income (as opposed to 27.5% in Q4 2011).

Within the line item of interest income, the contribution of interest subsidy (subsidy of interest on covered mortgage bonds and supplementary interest subsidy) was 15.4% in Q1 of 2012, thus the downward trend of interest subsidies continued (16.0% in Q4 of 2011).

In Q1 of 2012, 39.5% of interest expenditure related to CMBs and 17.3% was contributed by interest on senior unsecured bonds. Interest paid on deposits contributed approximately 16.8%, and interest on derivatives contributed 18.3%. Interest paid on covered mortgage bonds contributed 37.7% in Q4 of 2011 as opposed to 47.5% in Q1 of 2011. Interest paid on senior unsecured bonds contributed 12.2% in Q4 of 2011 and were 15.9% in Q1 of 2011. Interest on derivatives contributed 19.0% to expenditure on interest in Q4 of 2011 and 18.0% in the reference quarter of 2011. In Q4 of 2011, interest paid on deposits contributed 13.0% as opposed to 9.6% in Q1 of 2011.

Net interest margin (NIM) was 2.85% in first quarter of 2012 compared to 1.94% in Q4 of 2011 (or 2.77% without interest paid on state capital increase) and 2.91% in Q1 of 2011. The significant rise of NIM in Q1 2012 was due to interest related to earlier state capital increase paid in the Q4 of 2011 (1.7 billion forints). Without this item, the NIM would rise 9 bp compared to Q4 of 2011.

#### *Net fee and commission income*

In Q1 of 2012, the Bank achieved a positive balance of 904 million forints of income from, and expenditures on, commissions and fees; 26.5% above the Q4 of 2011 achievement and 22.3% more than the Q1 of 2011 net income from fees and commissions. There was an increase in fee income related to lending activity, card services, account related banking charges and money transfer fees.

Income from fees and commissions in Q1 of 2012 was 1,162 million forints, of which 48.8% was contributed by charges related to loans (30.3% in Q4 of 2011 and 20.5% in Q1 of 2011), and 27.9% by accounts and card related banking charges (47.3% in Q4 of 2011). Commissions resulting from the strategic cooperation agreement signed with Allianz Insurance Company contributed 13.8% to fee and commission income in the reported quarter (almost the same as 13.9% in Q4 of 2011).

Agents' fees contributed 34.0% to fee and commission expenditures in Q1 of 2012 (Q4 of 2011: 42.2%); card related fees contributed 34.5% (as opposed to 32.2% in Q4 2011).

#### *Net result of financial transactions*

In Q1 of 2012 the net result of financial transactions was 69.6 million forints loss, representing a significant decrease compared to the 6.2 billion forints profit in Q4 of 2011 and was 1.2 billion forints below the Q1 2011 figure.

Exchange rate volatility in the course of the reported quarter and the effect of short term currency swaps reduced earnings from FX transactions by 1.3 billion forints in Q1 of 2012. The overall result was considerably worse than the 2011 reference figure (129.9 million forints loss) and much lower than the 1.7 million forints profit generated in Q4 of 2011.

Changes in the fair value of securities reported at fair value through P&L was 397 million forints loss in Q1 of 2012, as opposed to 3.4 billion forints profit achieved in Q4 of 2011 and 1.2 billion forints profit in Q1 2011.

In Q1 of 2012, gain on securities resulted in 1.6 billion forints profit as opposed to 1.1 billion forints in Q4 of 2011. The figure emerged mainly as a balance of repurchasing the issued bonds during the quarter.

#### *Other operating income and expenditure*

In Q1 2012, the balance of other operating income and expenditure was 888.9 million forints loss, arising from 106.1 million forints income and 995.0 million forints expenditure. The balance of other operating income and expenditure was 301.9 million forints higher than the figure achieved in the reference period of 2011 and by 1.6 billion forints lower than the figure in Q4 of 2011.

In Q1 of 2012, real estate related revenues contributed 50.3%, or 46.8 million forints to other operating income (real estate rent, revaluation). In Q4 of 2011 real estate related income amounted to 274.2 million forints, including 44.1 million forints loss resulting from the adjustment to market value of annuity related properties passed into the ownership of FHB Annuity Ltd.

71.0% of other expenditure was contributed by the special tax (706.3 million forints, pro rata), what was not included in Q4 of 2011 as of it could be deducted by the loss on fixed rate final repayments, thereby the special tax accounted in 2011 have been recovered by the Group.

#### *Operating costs*

Operating costs amounted to 4.2 billion forints in Q1 of 2012, by 20.5% lower than the Q4 2011 level and by 13.3% lower than the Q1 of 2011 figure. Year-on-year decrease appears primarily on personnel expenses (547 million forints), as a result of rationalisation after the successful migration of Allianz Bank – as removal of the parallel positions or closing poor performing branches. The consulting fees shrank by 235 million forints compared to Q1 of 2011, the absence of one-off expenses of migration. By marketing expenditures the increase is more than 55% which is significant – despite of the meaning of the increase is only 44 million forints – because it's showing an increase in business activity.

Cost-to-income ratio (CIR) was 75.1% in Q1 of 2012 as opposed to 71.0% in Q1 of 2011 and to 44.9% in Q4 of 2011. Excluding the special tax, CIR was 66.6% in Q1 of 2012, while 61.8% of Q1 of 2011 and 55.4% of Q4 of 2011. The unfavourable change of this indicator followed from income level.

The contribution of personnel expenses to total operating costs was 36.1% in Q1 of 2012 as opposed to the 36.3% in Q4 of 2011 and 42.6% of Q1 of 2011. There was a 12.8% decrease in personnel expenses compared to the previous quarter's figure and a 26.7% decrease year-on-year.

In Q1 of 2012, material costs were 31.5% down from the Q4 of 2011 figure and were 5.9% less than the Q1 of 2011 figure. The contribution of this item to total costs was 44.9% in Q1 of 2012 compared to 41.4% in Q1 of 2011. In Q1 of 2012, material costs were 1.9 billion forints, 5.9% less than the Q1 of 2011. The breakdown of material costs in Q1 2012 includes 26.8% administrative and general costs, 33.2% maintenance costs, 12.7% real estate lease paid, 10.5% consultancy fees, 4.5% advertising and marketing costs, 3.4% insurance, 2.6% information related expenses, and 6.3% other costs

Depreciation was 631 million forints in Q1 of 2012, by 0.5% down from the Q4 of 2011 and by 7.3% above the Q1 of 2011 amounts. Approximately three-quarters of depreciation related to intangibles.

Other taxes paid reported in the operating costs line amounted to 163 million forints in Q1 of 2012, 160 million forints in Q4 of 2011, and 182 million forints in Q1 of 2011.

## Balance Sheet

HUF mn	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
Cash	2,895	2,554	2,432	-4.8%	-16.0%
Interbank deposits	55,017	65,046	53,585	-17.6%	-2.6%
Available for trade securities	644	1,832	6,732	-	-
Fair value of derivatives	2,360	2,695	2,197	-18.5%	-6.9%
Available for sale securities	114,535	85,891	123,859	44.2%	8.1%
Refinancing	242,117	226,890	187,479	-17.4%	-22.6%
Own loans	387,247	420,260	388,001	-7.7%	0.2%
Impairment and provision	-23,169	-39,033	-31,628	-19.0%	36.5%
Tangible assets	6,448	6,299	6,161	-2.2%	-4.5%
Goodwill and intangible assets	13,775	14,174	13,747	-3.0%	-0.2%
Other assets	25,021	29,506	26,313	-10.8%	5.2%
<b>Total Assets</b>	<b>826,890</b>	<b>816,114</b>	<b>778,877</b>	<b>-4.6%</b>	<b>-5.8%</b>
<b>Liabilities total</b>	<b>767,608</b>	<b>762,733</b>	<b>725,415</b>	<b>-4.9%</b>	<b>-5.5%</b>
Interbank borrowings	35,617	20,992	27,235	29.7%	-23.5%
Mortgage bonds	368,256	337,965	303,100	-10.3%	-17.7%
Bonds issued	106,237	100,558	118,700	18.0%	11.7%
Deposits	117,696	161,105	178,895	11.0%	52.0%
State loans	93,518	62,694	44,631	-28.8%	-52.3%
Fair value of derivatives	34,942	60,511	34,573	-42.9%	-1.1%
Leasing liability	0	10,060	10,509	4.5%	-
Reserves for annuity	2,434	2,265	2,247	-0.8%	-7.7%
Other liabilities	8,908	6,582	5,526	-16.1%	-38.0%
<b>Shareholders' equity</b>	<b>59,283</b>	<b>53,382</b>	<b>53,461</b>	<b>0.1%</b>	<b>-9.8%</b>
Subscribed capital	6,600	6,600	6,600	0.0%	0.0%
Capital reserve	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-123	-29	-29	0.0%	-76.8%
Cash-flow hedge reserve	-113	201	81	-60.0%	-171.1%
Other reserves	523	-86	154	-	-70.6%
Retained earnings	50,604	50,604	44,986	-11.1%	-11.1%
Balance sheet profit	84	-5,618	-39	-99.3%	-146.9%
<b>Total liabilities and shareholders' equity</b>	<b>826,890</b>	<b>816,114</b>	<b>778,877</b>	<b>-4.6%</b>	<b>-5.8%</b>

As of 31 March 2012 the Bank's consolidated balance sheet total by IFRS amounted to 778.9 billion forints, by 37.2 billion forints, or approximately 4.6% down from 31 December 2011 and by 48.0 billion forints, or 5.8%, below the balance sheet total as of 31 March 2011. The year-on-year decline attributed primarily to fixed-rate final repayments could be just partly compensated by conversional loans related to the full repayments. Beside the full repayment drop in the balance sheet total in the first quarter was due to the strengthening of the forint (in the last quarter exchange rate on euro strengthened from 311.13 to 295.6).

The decline on the assets side compared to the reference figures as of 31 March 2011 was the joint result of several factors. It included a drop in interbank deposits of 2.6% and refinanced loans of 22.6% that could be partly compensated by growth in trade securities of 8.1% and decrease in impairment and provision of 36.5% - related to final repayments.

Liabilities decreased by 5.5% compared to the year-on-year figures on the liabilities side. Significant decrease was generated primarily by interbank borrowings (-23.5%), mortgage bonds (-17.7%) and state loans (-52.3%). Additionally in spite of the full repayments, deposits reached 61.2 billion forints growth in Q1. Total amount of bonds grew by 12.5 billion forints.

Shareholders' equity fell by 5.9 billion forint year-on-year primarily owing to the realised losses.

Compared to figures as of 31 December 2011, decline in interbank borrowings of 17.6%, refinancing of 17.4%, own loans of 7.7% and impairment and provision of 19.0% had important impact on balance sheet total. 44.2% increase of bonds offset decline of balance sheet total.

On the liabilities side 10.3% decline of mortgage bonds and 28.8% fall of state loans played a negative role in value of balance sheet total, compensated by improvements in interbank borrowings as of 29.7%, bonds as of 18.0% and deposits as of 11.0%.

#### *Interest earning assets*

The Group's interest earning assets decreased from 802.5 billion forints as of 31 March 2011 to 754.1 billion forints as of 31 March 2012. Interest earning assets contribute approximately 96.8% to the balance sheet total.

NBH and other interbank lending decreased from 55.0 billion forints as of 31 March 2011 to 53.6 billion forints as of 31 March 2012, figures as of 31 December 2011 amounted to 65.1 billion forints. The item contributed 7.1% to interest earning assets as of 31 March 2012.

The value of Bank's securities held for sale increased from 114.5 billion forints as of 31 March 2011 to 123.9 billion forints as of 31 March 2012; while the value of securities amounted to 85.9 billion forints as of 31 December 2011. Contribution of securities held for sale to interest earning assets was 16.4% in Q1 2012. Securities include NBH bonds amounting to 43.9 billion forints, discount treasury bills amounting to 61.3 billion forints and government bonds amounting to 11.7 billion forints and other bank and corporate bonds for sale amounting to 6.9 billion forints. The Bank's portfolio of securities held for sale serves primarily as a liquidity reserve. As of 31 March 2012, the Bank held a portfolio of securities held for trading (6.7 billion forints), which contributed 0.9% to interest earning assets.

#### *Loans*

As of 31 March 2012 the volume of loans was 0.2% up year-on-year and 7.7% down from the 31 December 2011 figure. Impairment to cover loan losses was up from 23.2 billion forints as of 31 March 2011 to 31.6 billion forints as of 31 March 2012. The year-on-year decline in refinanced loans was 22.6%, and there was also a 17.4% drop in this item over the last quarter. As of 31 March 2012 the contribution of refinanced loans and own lending was 76.3% in total assets.

The collateral value of real estate covering ordinary collateral amounted to 1,051 billion forints as of 31 March 2012, 16.0% down compared to 31 March 2011 (1,252 billion forints) and 7.0% below the 31 December 2011 value (1,130 billion forints). The LTV ratio applicable for ordinary collateral was 36.7% as of 31 March 2012, slightly lower than the 38.9% LTV as of 31 March 2011 and the 38.6% as of 31 December 2011.

#### *Portfolio quality*

The ratio of not performing loans continued increasing in the last quarter as expected. NPL ratio has been growing to 16.6% by 31 March 2012 from 14.5% as of 31 December 2011, primarily due to performing portfolio's decline and partly because of growth in number of non-performing loans.

#### *Other assets*

Tangible assets amounted to 6.2 billion forints as of 31 March 2011 and decreased by 287 million forints year-on-year but only by 138 million forints q/q. As of 31 March 2012 intangibles and goodwill amounted to 13.8 billion forints, 28 million forints, or 0.2%, down year-on-year and 427 million forints (-3.0%) below the 31 December 2011 figure.

Other assets amounted to 26.3 billion forints as of 31 March 2012 as opposed to 29.5 billion forints in Q4 of 2011 and 25.0 billion forints as of 31 March 2011. The value of real estate transferred to the Bank's possession as a result of annuity sales in the past years amounted to 11.3 billion forints and hasn't been changed in comparison to figures of last quarter; year-on-year decline was 0.3%. Deferred tax assets amounted to 6.3 billion forints. Among inventories displayed real estates' contribution to other assets were around 8%, deferred expenses reached 7.3%

#### *Interest bearing liabilities*

Interest bearing liabilities dropped from 721.3 billion forints as of 31 March 2011 to 693.4 billion forints as of 31 December 2011 and further to 683.1 billion forints as of 31 March 2012, contributing approximately 87.7% to the balance sheet total. The bulk of interest bearing liabilities was contributed by securities issued and deposits from clients.

#### *Interbank funds*

As of 31 March 2012 the 27.2 billion forints value of interbank funds portfolio fell 29.7% short of the 31 December 2011 amount and was 23.5% below the 31 March 2011 figure. The Bank has used the interbank facilities as supplementary funds. Their contribution to interest bearing liabilities was 4.0% as of 31 March 2012.

#### *CMBs issued*

The contribution of covered mortgage bonds to the Bank's interest bearing liabilities dropped to 44.4% as of 31 March 2012. The same ratio was 48.7% as of 31 December 2011 and 51.1% as of 31 March 2011. 303.1 billion forints book value of mortgage bonds as of 31 March 2012 was 10.3% down from the 31 December 2011 figure (338.0 billion forints), and was 17.7% down from the 368.3 billion forints achieved as of 31 March 2011. Decrease in the value of the CMB portfolio was 65.2 billion forints year-on-year.

million in HUF	31/03/2011		31/03/2012	
	Book value	Nominal value	Book value	Nominal value
<b>Non-listed mortgage bonds</b>				
Fixed	144,388	145,500	86,086	85,893
Floating	24,299	27,086	296	296
<b>Listed mortgage bonds</b>				
Fixed	112,419	111,511	160,117	162,193
Floating	74,770	74,881	44,402	44,665
<b>Total</b>	<b>355,876</b>	<b>358,978</b>	<b>290,900</b>	<b>293,046</b>
<b>Accrued interest</b>	12,379		12,200	
<b>Mortgage bonds Total</b>	<b>368,255</b>	<b>358,978</b>	<b>303,100</b>	<b>293,046</b>
<b>Non-listed bonds</b>				
Fixed	25,474	25,000	52,999	53,406
Floating	0	0	1,100	1,097
<b>Listed bonds</b>				
Fixed	71,143	70,039	55,917	58,324
Floating	5,549	5,520	4,783	4,799
<b>Total</b>	<b>102,166</b>	<b>100,559</b>	<b>114,799</b>	<b>117,625</b>
<b>Accrued interest</b>	4,071		3,902	
<b>Bonds Total</b>	<b>106,238</b>	<b>100,559</b>	<b>118,701</b>	<b>117,625</b>

### *Mortgage bonds collateral<sup>1</sup>*

The net collateral value of real estate covering mortgage bonds issued by FHB Mortgage Bank Plc. amounted to 611.1 billion forints as of 31 March 2012, 10.9% less than the 687.8 billion forints as of 31 December 2011 and 21.0% below the 31 March 2011 figure (773.2 billion forints).

#### *The value of the group of assets involved as collateral as of 31 March 2012*

Outstanding mortgage bonds in circulation	<i>million in HUF</i>
Face value	322,447
Interest	74,226
<b>Total</b>	<b>396,673</b>
Principal	388,225
Interest	222,851
<b>Total</b>	<b>611,076</b>
Balance of the separate blocked account at the NBH - principal	0
<b>Total</b>	<b>0</b>

As of 31 March 2012 the present value of ordinary collateral was 422.6 billion forints and the present value of mortgage bonds was 350.1 billion forints, thus the present value of collateral exceeded that of CMBs in circulation not yet repaid. The combined present value of collateral to the combined value of mortgage bonds in circulation was 120.7% in the same period. As of 31 March 2012 net value of ordinary and supplementary collateral principal to the unpaid face value of mortgage bonds in circulation was 120.4%, and the net ordinary and supplementary collateral principal to the unpaid interest on mortgage bonds in circulation was 300.2%.

### *Bonds issued*

The book value of bonds was 118.7 billion forints as of 31 March 2012, 18.1 billion forints, or 18.0% higher than the 31 December 2011 value (100.6 billion forints). On the other hand, the year-on-year increase of this item was 12.5 billion forints or 11.7%.

### *Deposits*

As of 31 March 2012, deposits amounted to 178.9 billion forints in contrast to 161.1 billion forints as of 31 December 2011 and 117.7 billion forints as of 31 March 2011. Year-on-year growth was largely attributed to keen activity in the corporate market. FHB Group's consolidated deposit portfolio is dominated by deposits from retail customers with a contribution of approximately 56%. Sight deposits amounted to 32.8 billion forints representing 18% of deposits.

### *State loan received*

As of 31 March 2012, 44.6 billion forints of the State loan were available for the Bank (150 million EUR plus deferred interest), 28.8% less than 31 December 2011 (62.7 million forints). According to the agreement, the Bank redeems the whole state loan quarterly in the same amounts till the end of 2012.

### *Other liabilities*

Other liabilities amounted to 5.5 billion forints, within that, liabilities generated in conjunction with settlements related to clients amounted to 1.3 billion forints. The Bank reported accounts payable (290 million forints as of 31 March 2012), accruals (194 million forints), taxes due (732 million forints) and deferred taxes (680 million forints).

<sup>1</sup> (non-consolidated data of FHB Mortgage Bank Plc. only, according to HAS)



### *Shareholders' equity*

The year-on-year decrease in shareholders' equity was 9.8% (5.9 billion forints); the item was 53.5 billion forints as of 31 March 2012. The year-on-year decrease resulted from a 5.7 billion forints decrease in retained earnings. Shareholders' equity was modified by decline of repurchased own shares amounted to 94 million forints. Balance sheet profit was -39 million forints. Shareholders' equity decreased by 80 million forints compared to Q4 2011.

### *Capital position*

Risk-weighted assets amounted to 306.8 billion forints on 31 March 2012 (according to HAS), 5.1% lower than the Q4 2011 RWA and 23.9% higher year-on-year. In Q1 2012, capital adequacy ratio by IFRS was 10.2% (respectively 10.4% and 12.6% on 31 December 2011 and 31 March 2011).

## Declaration

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

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

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

Budapest, 28<sup>th</sup> March, 2012

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

The consolidation fully applies also to FHB Szolgáltató Zrt. (FHB Services Ltd. till 30 November, 2011), FHB Kereskedelmi Bank Zrt. (FHB Commercial Bank Ltd.), Allianz Kereskedelmi Bank Zrt. (Allianz Commercial Bank Ltd. till 31 March, 2011), FHB Ingatlan Zrt. (FHB Real Estate Ltd.) and FHB Életjárdék Ingatlanbefektető Zrt. (FHB Annuity Real Estate Investment Ltd), to FHB Ingatlanlízíng Zrt. (FHB Real Estate Leasing Ltd.) and its affiliates (Central European Credit d.d.; Central European Leasing d.d.); and to WODOMUS 54 Ingatlanfejlesztő Kft. (WODOMUS 54 Property Development Ltd.); Káry-Villa Ingatlanfejlesztő Kft (Káry-Villa Property Development Ltd.); FHB DWH Ltd. (formerly known as Portfolio Money cPlc.); Hitelunió Kft. (Creditunion Ltd.); Portfolio Money FBK Kft. (Portfolio Money FBK Ltd. till 30 September, 2011)).

### Consolidated Income Statement (quarterly) "A"

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

(consolidated non-audited data as of 31 March 2011, 31 March 2012, and audited data as of 31 December 2011 according to IFRS)

in HUF million	1Q 2011	4Q 2011	1Q 2012	Q-o-Q	Y-o-Y
Interest income	18,783	20,870	20,337	-2.6%	8.3%
Interest expense	-12,677	-16,787	-14,723	-12.3%	16.1%
<b>Net interest income</b>	<b>6,105</b>	<b>4,083</b>	<b>5,614</b>	<b>37.5%</b>	<b>-8.0%</b>
Fee and commission income	1,028	985	1,162	18.0%	13.1%
Fee and commission expense	-289	-270	-258	-4.5%	-10.6%
<b>Net fee and commission income</b>	<b>739</b>	<b>714</b>	<b>904</b>	<b>26.5%</b>	<b>22.3%</b>
Profit/(Loss) from FX transactions	-130	1,679	-1,319	-178.5%	-
Change in fair value of financial instruments	1,213	3,427	-397	-111.6%	-132.7%
Gains from securities	43	1,103	1,646	49.2%	-
<b>Net trading result</b>	<b>1,126</b>	<b>6,209</b>	<b>-70</b>	<b>-101.1%</b>	<b>-106.2%</b>
Other operating income	278	241	106	-56.0%	-61.9%
Other operating expense	-1,469	446	-995	-	-32.3%
<b>Operating income</b>	<b>6,780</b>	<b>11,693</b>	<b>5,559</b>	<b>-52.5%</b>	<b>-18.0%</b>
Credit loss expense	-1,456	-13,042	-989	-92.4%	-32.1%
General and administrative expense	-4,813	-5,252	-4,173	-20.5%	-13.3%
<b>Profit/(Loss) before tax</b>	<b>511</b>	<b>-6,600</b>	<b>397</b>	<b>-106.0%</b>	<b>-22.2%</b>
Income tax benefit/(expense)	-342	2,352	-384	-116.3%	12.1%
<b>Profit/(Loss) for the period</b>	<b>169</b>	<b>-4,248</b>	<b>14</b>	<b>-100.3%</b>	<b>-91.8%</b>

Basic EPS (yearly)	5.12 Ft	-212.34 Ft	-2.39 Ft	-98.9%	-
Diluted EPS (yearly)	5.12 Ft	-212.34 Ft	-2.39 Ft	-98.9%	-
<b>Comprehensive income statement</b>	<b>2011 Q1</b>	<b>2011 Q4</b>	<b>2012 Q1</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>
Profit/(Loss) for the period	169	-4,248	14	-0.3%	-91.7%
Revaluation reserve	0	0	0		
Change in cash-flow hedge reserve	-249	122	-149	-122.1%	-40.2%
Change in fair value of financial assets available for sale	400	-218	187	-85.8%	-53.3%
FX reserve	5	8	9	112.5%	80.0%
Deferred tax effect for other comprehensive income	-6	19	-7	-36.8%	16.7%
Other comprehensive income/(loss) for the period net of taxes	150	-69	40	-58.0%	-73.3%
<b>Total comprehensive income/(loss) for the period, net of taxes</b>	<b>319</b>	<b>-4,317</b>	<b>54</b>	<b>-1.3%</b>	<b>-83.1%</b>

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## Consolidated Income Statement (quarterly) "B"

Table includes the special banking tax for the entire business year

(consolidated non-audited data as of 31 March 2011, 31 March 2012, and audited data as of 31 December 2011 according to IFRS)

in HUF million	1Q 2011	4Q 2011	1Q 2012	Q-o-Q	Y-o-Y
Interest income	18,783	20,870	20,337	-2.6%	8.3%
Interest expense	-12,677	-16,787	-14,723	-12.3%	16.1%
<b>Net interest income</b>	<b>6,105</b>	<b>4,083</b>	<b>5,614</b>	<b>37.5%</b>	<b>-8.0%</b>
Fee and commission income	1,028	985	1,162	18.0%	13.1%
Fee and commission expense	-289	-270	-258	-4.5%	-10.6%
<b>Net fee and commission income</b>	<b>739</b>	<b>714</b>	<b>904</b>	<b>26.5%</b>	<b>22.3%</b>
Profit/(Loss) from FX transactions	-130	1,679	-1,319	-178.5%	-
Change in fair value of financial instruments	1,213	3,427	-397	-111.6%	-132.7%
Gains from securities	43	1,103	1,646	49.2%	-
<b>Net trading result</b>	<b>1,126</b>	<b>6,209</b>	<b>-70</b>	<b>-101.1%</b>	<b>-106.2%</b>
Other operating income	278	241	106	-56.0%	-61.9%
Other operating expense	-3,284	1,051	-3,114	-	-5.2%
<b>Operating income</b>	<b>4,965</b>	<b>12,298</b>	<b>3,440</b>	<b>-72.0%</b>	<b>-30.7%</b>
Credit loss expense	-1,456	-13,042	-989	-92.4%	-32.1%
General and administrative expense	-4,813	-5,252	-4,173	-20.5%	-13.3%
<b>Profit/(Loss) before tax</b>	<b>-1,304</b>	<b>-5,995</b>	<b>-1,722</b>	<b>-71.3%</b>	<b>32.0%</b>
Income tax benefit/(expense)	-101	2,272	19	-99.2%	-118.9%
<b>Profit/(Loss) for the period</b>	<b>-1,405</b>	<b>-3,723</b>	<b>-1,703</b>	<b>-54.3%</b>	<b>21.2%</b>

Basic EPS (yearly)	-91.77 Ft	-180.78 Ft	-107.97 Ft	-40.3%	-
Diluted EPS (yearly)	-91.77 Ft	-180.78 Ft	-107.97 Ft	-40.3%	-

Comprehensive income statement	2011 Q1	2011 Q4	2012 Q1	Q-o-Q	Y-o-Y
Profit/(Loss) for the period	-1,405	-3,723	-1,702	45.7%	21.1%
Revaluation reserve	0	0	0		
Change in cash-flow hedge reserve	-249	122	-149	-122.1%	-40.2%
Change in fair value of financial assets available for sale	400	-218	187	-85.8%	-53.3%
FX reserve	5	8	9	112.5%	80.0%
Deferred tax effect for other comprehensive income	-6	19	-7	-36.8%	16.7%
Other comprehensive income/(loss) for the period net of taxes	150	-69	40	-58.0%	-73.3%
<b>Total comprehensive income/(loss) for the period, net of taxes</b>	<b>-1,255</b>	<b>-3,792</b>	<b>-1,662</b>	<b>43.8%</b>	<b>32.4%</b>

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Investor relations: Beáta Lendvai

## Consolidated Financial Position “A”

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

(consolidated non-audited data as at 31 March 2011, 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF million	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
Cash	2,895	2,554	2,432	-4.8%	-16.0%
Due from banks & NBH	55,017	65,046	53,585	-17.6%	-2.6%
Financial assets held for trading at fair value	644	1,832	6,732	267.5%	945.6%
Financial assets available for sale at fair value	114,535	85,891	123,859	44.2%	8.1%
Fair value of derivative financial assets	2,360	2,695	2,197	-18.5%	-6.9%
Refinanced mortgage loans	242,117	226,890	187,479	-17.4%	-22.6%
Loans and advances to consumers	387,247	420,260	388,001	-7.7%	0.2%
Impairment and provision	-23,169	-39,033	-31,628	-19.0%	36.5%
Investment property	11,354	11,311	11,315	0.0%	-0.3%
Tangible assets	6,448	6,299	6,161	-2.2%	-4.5%
Goodwill and other intangible assets	13,775	14,174	13,747	-3.0%	-0.2%
Deferred tax asset	3,170	6,345	6,270	-1.2%	97.8%
Other assets	10,497	11,849	8,727	-26.3%	-16.9%
<b>Total assets</b>	<b>826,891</b>	<b>816,114</b>	<b>778,877</b>	<b>-4.6%</b>	<b>-5.8%</b>
Due to banks	35,617	20,992	27,235	29.7%	-23.5%
Issued securities	335,862	341,181	320,816	-6.0%	-4.5%
Mortgage bonds	290,944	290,423	252,994	-12.9%	-13.0%
Bonds	44,918	50,758	67,821	33.6%	51.0%
Deposits	117,696	161,105	178,895	11.0%	52.0%
State loans	93,518	62,694	44,631	-28.8%	-52.3%
Derivative financial liabilities at fair value	34,942	60,511	34,573	-42.9%	-1.1%
Financial liabilities at fair value through profit and loss	138,631	97,342	100,985	3.7%	-27.2%
Leasing liability	-	10,060	10,509	4.5%	-
Reserve for annuity payments	2,434	2,265	2,247	-0.8%	-7.7%
Current tax liability	37	6	22	294.2%	-40.9%
Deferred tax liability	483	710	680	-4.2%	41.0%
Provisions	927	267	209	-21.9%	-77.5%
Other liabilities	7,462	5,600	4,615	-17.6%	-38.2%
<b>Total liabilities</b>	<b>767,608</b>	<b>762,733</b>	<b>725,415</b>	<b>-4.9%</b>	<b>-5.5%</b>
Share capital	6,600	6,600	6,600	0.0%	0.0%
Share premium	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-123	-29	-29	0.0%	-76.8%
Cash-flow hedge reserve	-113	201	81	-60.0%	-171.1%
Other reserves	523	-86	154	-278.6%	-70.6%
Retained earnings	50,604	50,604	44,986	-11.1%	-11.1%
Balance sheet profit	84	-5,618	-39	-99.3%	-146.9%
<b>Total shareholders' equity</b>	<b>59,283</b>	<b>53,382</b>	<b>53,461</b>	<b>0.1%</b>	<b>-9.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>826,891</b>	<b>816,114</b>	<b>778,877</b>	<b>-4.6%</b>	<b>-5.8%</b>

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Investor relations: Beáta Lendvai

## Consolidated Financial Position “B”

**Table includes the special banking tax for the entire business year**

(consolidated non-audited data as at 31 March 2011, 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF million	31/03/2011	31/12/2011	31/03/2012	Q-o-Q	Y-o-Y
Cash	2,895	2,554	2,432	-4.8%	-16.0%
Due from banks & NBH	55,017	65,046	53,585	-17.6%	-2.6%
Financial assets held for trading at fair value	644	1,832	6,732	267.5%	945.6%
Financial assets available for sale at fair value	114,535	85,891	123,859	44.2%	8.1%
Fair value of derivative financial assets	2,360	2,695	2,197	-18.5%	-6.9%
Refinanced mortgage loans	242,117	226,890	187,479	-17.4%	-22.6%
Loans and advances to consumers	387,247	420,260	388,001	-7.7%	0.2%
Impairment and provision	-23,169	-39,033	-31,628	-19.0%	36.5%
Investment property	11,354	11,311	11,315	0.0%	-0.3%
Tangible assets	6,448	6,299	6,161	-2.2%	-4.5%
Goodwill and other intangible assets	13,775	14,174	13,747	-3.0%	-0.2%
Deferred tax asset	3,366	6,345	6,673	5.2%	98.2%
Other assets	8,683	11,849	6,608	-44.2%	-23.9%
<b>Total assets</b>	<b>825,271</b>	<b>816,114</b>	<b>777,160</b>	<b>-4.8%</b>	<b>-5.8%</b>
Due to banks	35,617	20,992	27,235	29.7%	-23.5%
Issued securities	335,862	341,181	320,816	-6.0%	-4.5%
Mortgage bonds	290,944	290,423	252,994	-12.9%	-13.0%
Bonds	44,918	50,758	67,821	33.6%	51.0%
Deposits	117,696	161,105	178,895	11.0%	52.0%
State loans	93,518	62,694	44,631	-28.8%	-52.3%
Derivative financial liabilities at fair value	34,942	60,511	34,573	-42.9%	-1.1%
Financial liabilities at fair value through profit and loss	138,631	97,342	100,985	3.7%	-27.2%
Leasing liability	-	10,060	10,509	4.5%	-
Reserve for annuity payments	2,434	2,265	2,247	-0.8%	-7.7%
Current tax liability	37	6	22	294.2%	-40.9%
Deferred tax liability	437	710	680	-4.2%	55.6%
Provisions	927	267	209	-21.9%	-77.5%
Other liabilities	7,462	5,600	4,615	-17.6%	-38.2%
<b>Total liabilities</b>	<b>767,562</b>	<b>762,733</b>	<b>725,415</b>	<b>-4.9%</b>	<b>-5.5%</b>
Share capital	6,600	6,600	6,600	0.0%	0.0%
Share premium	1,709	1,709	1,709	0.0%	0.0%
Treasury shares	-123	-29	-29	0.0%	-76.8%
Cash-flow hedge reserve	-113	201	81	-60.0%	-171.1%
Other reserves	523	-86	154	-278.6%	-70.6%
Retained earnings	50,604	50,604	44,986	-11.1%	-11.1%
Balance sheet profit	-1,490	-5,618	-1,756	-68.8%	17.8%
<b>Total shareholders' equity</b>	<b>57,709</b>	<b>53,382</b>	<b>51,745</b>	<b>-3.1%</b>	<b>-10.3%</b>
<b>Total liabilities and shareholders' equity</b>	<b>825,271</b>	<b>816,114</b>	<b>777,160</b>	<b>-4.8%</b>	<b>-5.8%</b>

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## Cash Flow Statement “A”

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

(consolidated non-audited data as at 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF million	31-Dec-2011	31-Mar-2012
<b>Cash flow from operating activities</b>		
<b>Profit/(loss) for the year</b>	<b>-5,618</b>	<b>14</b>
<i>Non cash adjustments to net profit from:</i>	0	
Depreciation and amortization	2,454	631
(Increase)/Decrease in fair value of Investment property	106	5
Recognition of investment property through income statement	-46	-16
Provision for losses	15,204	-7,463
(Gain)/Loss on tangible assets derecognized	1,410	2
(Gain)/Loss on intangible assets derecognized	-2,332	0
Share option reserve	-135	26
Share option	163	0
Derecognition of treasury shares	-1,672	-374
Capitalized interest	-831	-25,560
Fair value of derivatives	9,433	5,423
Fair value adjustment on financial liabilities through profit and loss	263	78
Change in fair value of annuity reserve	1	9
Change in foreign currency translation reserve	1,126	0
Impairment of goodwill and intangible assets	0	0
<b>Operating profit before change in operating assets</b>	<b>19,526</b>	<b>-27,225</b>
<i>Decrease/(Increase) in operating assets:</i>		
Financial assets held for trading	2,926	-4,900
Financial assets available for sale	17,362	-37,817
Refinanced mortgage loans	33,430	39,411
Loans and advances to customers	1,552	32,633
Other assets	-6,999	3,198
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits	48,365	17,790
Due to banks	-1,149	6,946
Other liabilities	868	-1,000
<b>Net cash flow from operating activities</b>	<b>115,881</b>	<b>29,036</b>
<b>Cash flow from investing activities</b>		
Proceeds from sales of tangible assets	60	0
Purchase of tangible and intangible assets	-1,260	-67
Purchase of investment property	-10	-3
Sale of investment property	65	10
Paid from reserves on annuity business	-377	-96
Net cash flow from acquisition of subsidiary (Note 17)	0	0
Net cash flow from disposal of subsidiaries (Note 17)	-6	0
<b>Net cash flow from investing activities</b>	<b>-1,528</b>	<b>-156</b>
<b>Cash flow from financing activities</b>		
Proceed from issued securities	26,201	7,612
Principal repayment on issued securities	-94,919	-29,757
Treasury shares purchased	-69	0
Long term loans repayment	-50,168	-18,778
Long term loan borrowings	233	12
Finance lease liabilities repayment	-4,140	449
<b>Net cash flow from financing activity</b>	<b>-122,862</b>	<b>-40,462</b>
Net increase in cash and cash equivalents	-8,508	-11,582
Opening balance of cash and cash equivalents	76,107	67,599
<b>Closing balance of cash and cash equivalents</b>	<b>67,599</b>	<b>56,017</b>
<b>Breakdown of cash and cash equivalents:</b>		
Cash	2,554	2,432
Balances with National Bank of Hungary	8,707	6,148
Dues from banks with a maturity of less than 90 days	56,338	47,437
<b>Closing balance of cash and cash equivalents</b>	<b>67,599</b>	<b>56,017</b>
<i>Supplementary data</i>		
Tax paid	-1,245	-360
Interest received	76,322	74,217
Interest paid	-55,911	-51,949

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## Cash Flow Statement “B”

**Table includes the special banking tax for the entire business year**

(consolidated non-audited data as at 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF million	31-Dec-2011	31-Mar-2012
<b>Cash flow from operating activities</b>		
<b>Profit/(loss) for the year</b>	<b>-5,618</b>	<b>-1,703</b>
<i>Non cash adjustments to net profit from:</i>		
Depreciation and amortization	2,454	631
(Increase)/Decrease in fair value of Investment property	106	5
Recognition of investment property through income statement	-46	-16
Provision for losses	15,204	-7,463
(Gain)/Loss on tangible assets derecognized	1,410	2
(Gain)/Loss on intangible assets derecognized	-2,332	0
Share option reserve	-135	26
Share option	163	0
Derecognition of treasury shares	-1,672	-374
Capitalized interest	-831	-25,560
Fair value of derivatives	9,433	5,423
Fair value adjustment on financial liabilities through profit and loss	263	78
Change in fair value of annuity reserve	1	9
Change in foreign currency translation reserve	1,126	0
Impairment of goodwill and intangible assets	0	0
<b>Operating profit before change in operating assets</b>	<b>19,526</b>	<b>-28,942</b>
<i>Decrease/(Increase) in operating assets:</i>		
Financial assets held for trading	2,926	-4,900
Financial assets available for sale	17,362	-37,817
Refinanced mortgage loans	33,430	39,411
Loans and advances to customers	1,552	32,633
Other assets	-6,999	4,914
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits	48,365	17,790
Due to banks	-1,149	6,946
Other liabilities	868	-1,000
<b>Net cash flow from operating activities</b>	<b>115,881</b>	<b>29,035</b>
<b>Cash flow from investing activities</b>		
Proceeds from sales of tangible assets	60	0
Purchase of tangible and intangible assets	-1,260	-67
Purchase of investment property	-10	-3
Sale of investment property	65	10
Paid from reserves on annuity business	-377	-96
Net cash flow from acquisition of subsidiary (Note 17)	0	0
Net cash flow from disposal of subsidiaries (Note 17)	-6	0
<b>Net cash flow from investing activities</b>	<b>-1,528</b>	<b>-156</b>
<b>Cash flow from financing activities</b>		
Proceed from issued securities	26,201	7,612
Principal repayment on issued securities	-94,919	-29,757
Treasury shares purchased	-69	0
Long term loans repayment	-50,168	-18,778
Long term loan borrowings	233	12
Finance lease liabilities repayment	-4,140	449
<b>Net cash flow from financing activity</b>	<b>-122,862</b>	<b>-40,462</b>
Net increase in cash and cash equivalents	-8,508	-11,582
Opening balance of cash and cash equivalents	76,107	67,599
<b>Closing balance of cash and cash equivalents</b>	<b>67,599</b>	<b>56,017</b>
<b>Breakdown of cash and cash equivalents:</b>		
Cash	2,554	2,432
Balances with National Bank of Hungary	8,707	6,148
Dues from banks with a maturity of less than 90 days	56,338	47,437
<b>Closing balance of cash and cash equivalents</b>	<b>67,599</b>	<b>56,017</b>
<i>Supplementary data</i>		
Tax paid	-1,245	-360
Interest received	76,322	74,217
Interest paid	-55,911	-51,949



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## Statement of Shareholders' Equity "A"

Table includes the special banking tax for the period of reporting pro rata  
(consolidated non-audited data as at 31 March 2012, according to IFRS)

in HUF million	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Share option reserve	Change in fair value (financial assets AFS)	Foreign currency transaction reserve	Retained earnings (deficit)	Shareholders' Equity
<b>1 January 2011</b>	<b>6,600</b>	<b>-123</b>	<b>1,709</b>	<b>0</b>	<b>101</b>	<b>241</b>	<b>-187</b>	<b>19</b>	<b>50,604</b>	<b>58,964</b>
Transfer to general reserve										0
Profit/(Loss)									-5,618	-5,618
Other comprehensive income					100		-25	1		76
Purchase/(Sale) of treasury shares		94								94
Share based payment		0	0			-161			0	-161
Change in share option reserve						26				26
<b>1 January 2012</b>	<b>6,600</b>	<b>-29</b>	<b>1,709</b>	<b>0</b>	<b>201</b>	<b>106</b>	<b>-212</b>	<b>20</b>	<b>44,986</b>	<b>53,381</b>
Transfer to general reserve				53					-53	0
Profit/(Loss)									14	14
Other comprehensive income					-120		151	9		40
Purchase/(Sale) of treasury shares										0
Share based payment										0
Change in share option reserve						26				26
<b>31 March 2012</b>	<b>6,600</b>	<b>-29</b>	<b>1,709</b>	<b>53</b>	<b>81</b>	<b>132</b>	<b>-61</b>	<b>29</b>	<b>44,947</b>	<b>53,461</b>

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## Statement of Shareholders' Equity "B"

Table includes the special banking tax for the entire business year  
(consolidated non-audited data as at 31 March 2012, according to IFRS)

in HUF million	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Share option reserve	Change in fair value (financial assets AFS)	Foreign currency transaction reserve	Retained earnings (deficit)	Shareholders' Equity
<b>1 January 2011</b>	<b>6,600</b>	<b>-123</b>	<b>1,709</b>	<b>0</b>	<b>101</b>	<b>241</b>	<b>-187</b>	<b>19</b>	<b>50,604</b>	<b>58,964</b>
Transfer to general reserve										0
Profit/(Loss)									-5,618	-5,618
Other comprehensive income					100		-25	1		76
Purchase/(Sale) of treasury shares		94								94
Share based payment		0	0			-161			0	-161
Change in share option reserve						26				26
<b>1 January 2012</b>	<b>6,600</b>	<b>-29</b>	<b>1,709</b>	<b>0</b>	<b>201</b>	<b>106</b>	<b>-212</b>	<b>20</b>	<b>44,986</b>	<b>53,381</b>
Transfer to general reserve				53					-53	0
Profit/(Loss)									-1,702	-1,702
Other comprehensive income					-120		151	9		40
Purchase/(Sale) of treasury shares										0
Share based payment										0
Change in share option reserve						26				26
<b>31 March 2012</b>	<b>6,600</b>	<b>-29</b>	<b>1,709</b>	<b>53</b>	<b>81</b>	<b>132</b>	<b>-61</b>	<b>29</b>	<b>43,231</b>	<b>51,745</b>

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## Off-balance Sheet items – Commitments

(consolidated non-audited data as at 31 March 2011, 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF million	31/03/2011	31/12/2011	31/03/2012
<b>Commitments</b>			
Guarantee	738	1,930	2,321
Undrawn commitments	17,452	17,625	16,414
<b>Total</b>	<b>18,190</b>	<b>19,555</b>	<b>18,735</b>

## Transactions with related parties

(consolidated non-audited data as at 31 March 2011, 31 March 2012 and audited data as at 31 December 2011, according to IFRS)

in HUF millions	Transactions between Mortgage Bank and owners with influential share		
	31/03/2011	31/12/2011	31/03/2012
Due from banks	0	0	0
Refinanced mortgage loans	0	0	0
Fair value of derivatives	0	0	0
Other assets	0	1	0
<b>Total assets</b>	<b>0</b>	<b>1</b>	<b>0</b>
Due to banks	0	0	0
Issued securities	0	0	0
Financial liabilities at fair value through profit and loss	0	0	0
Other liabilities	0	4	4
<b>Total liabilities</b>	<b>0</b>	<b>4</b>	<b>4</b>
	<b>1Q 2011</b>	<b>4Q 2011</b>	<b>1Q 2012</b>
Interest income	0	0	0
Interest expense	0	0	0
<b>Net interest income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fees and commission income	0	0	0
Fees and commission expense	0	0	0
<b>Net fees and commissions</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gains from securities	0	0	0
<b>Net trading result</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other operating income	0	0	0
Other operating expense	0	0	0
<b>Operating profit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Credit loss expense	0	0	0
General and administrative expense	-58	-200	-65
<b>Profit for the year</b>	<b>-58</b>	<b>-200</b>	<b>-65</b>

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

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

Description of owner	Total equity					
	January 1, 2011		March 31, 2011			
	% <sup>2</sup>	% <sup>3</sup>	Qty	%	%	Qty
Domestic institution/company	73.6%	73.6%	48,585,278	73.6%	73.6%	48,585,278
Foreign institution/company	18.5%	18.5%	12,216,058	18.5%	18.5%	12,216,058
Domestic individual	3.3%	3.4%	2,170,577	3.3%	3.4%	2,170,577
Foreign individual	0.0%	0.0%	19,884	0.0%	0.0%	19,884
Employees, senior officers	0.4%	0.4%	240,312	0.4%	0.4%	240,312
Treasury shares	0.1%	0.0%	53,601	0.1%	0.0%	53,601
Government held owner <sup>4</sup>	4.1%	4.1%	2,714,300	4.1%	4.1%	2,714,300
International Development Institutions <sup>5</sup>	0.0%	0.0%	0	0.0%	0.0%	0
Other	0.0%	0.0%	0	0.0%	0.0%	0
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>66,000,010</b>	<b>100.0%</b>	<b>100.0%</b>	<b>66,000,010</b>

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

<sup>2</sup> Ownership share

<sup>3</sup> 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!

<sup>4</sup> E.g.: MNV Zrt, TB, local authorities, companies with 100% state ownership, etc.

<sup>5</sup> E.g.: EBRD, EIB, etc.

### Number of treasury shares held in the year under review

	1 January 2012	31 March 2012
FHB Mortgage Bank Plc.	53,601	53,601
<b>Total</b>	<b>53,601</b>	<b>53,601</b>

### Owners with more than 5% ownership (as at 31 March 2012)

Name	Custodian Bank (yes/no)	Number of shares	Stake (%)	Voting rights (%) <sup>1</sup>
VCP Finanz Holding Ltd.	no	15,970,000	24.20%	24.20%
A64 Vagyonkezelő Ltd.	no	10,746,468	16.28%	16.28%
Allianz Hungária Biztosító Ltd.	no	8,176,798	12.39%	12.39%
Silvermist Estate SA	no	6,303,545	9.55%	9.55%
<b>Total</b>		<b>41,196,811</b>	<b>62.42%</b>	<b>62.42%</b>

<sup>1</sup> Voting rights calculated according to Tpt. 61. §.

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## 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 March 2011	Current period opening 31 December 2011	Current period closing 31 March 2012
Bank	62	178	179
Consolidated	927	836	812

### Persons in senior positions and (strategic) employees having an influence on the operations of the Issuer (as at 31 March 2012)

Type <sup>1</sup>	Name	Position	Beginning of mandate	End/ termination of mandate	No. of shares held
BoD	Dr. Zoltán Spéder	Chairman	2008.04.29	2013.04.29	16,000
BoD	István Somkuti	Member	2008.04.29	2013.04.29	8,000
BoD	László Harmati	Member, CEO	2008.04.29	2013.04.29	32,192
BoD	Dr. Christian Riener	Member	2008.04.29	2013.04.29	8,000
BoD	Gyula Köbli	Member, CEO	2010.04.21	2013.04.29	16,000
BoD	Tamás Foltányi	Member, Deputy CEO	2010.04.21	2013.04.29	28,000
BoD	Tamás Vojnits	Member	2010.04.21	2013.04.29	8,675
SB	Csaba Lantos	Chairman	2009.04.29	2014.04.29	0
SB	Róbert Somfai	Member	2008.04.29	2013.04.29	5,000
SB	Enikő Mártonné Uhrin	Member	2010.04.21	2015.04.21	0
SB	Ákos Starcz	Member	2011.04.20	2016.04.20	0
SB	Miklós Szabó	Member	2011.04.20	2016.04.20	2,200
<b>TOTAL No. of shares held by management:</b>					<b>124,067</b>

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

## Information and disclosures in 2012

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

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

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

[www.bet.hu](http://www.bet.hu)  
[www.kozzetetelek.hu](http://www.kozzetetelek.hu)  
[www.fhb.hu](http://www.fhb.hu)