FHB Mortgage Bank Plc.

Report on the results of the first quarter of 2009

Budapest, 18th May, 2009

Results of FHB Mortgage Bank for the first quarter of 2009

This report of FHB Mortgage Bank Public Company Limited by Shares for the first quarter of 2009 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 consolidation applies also to FHB Szolgáltató Zrt. (FHB Services Ltd.), FHB Kereskedelmi Bank Zrt. (FHB Commercial Bank Ltd.), FHB Ingatlan Zrt. (FHB Real Estate Ltd.) and FHB Életjáradék Ingatlanbefektető Zrt. (FHB Annuity Real Estate Investment Ltd). The narratives compare the consolidated, non-audited figures as of 31 March 2008, as of 31 March 2009 and the consolidated, audited figures as of 31 December, 2008.

I. Summary of the activities and events of the latest period

Earnings before taxation as of 31 March 2009 were close to 2.6 billion forints, 20.5% lower than the 2008 Q1 figure of 3.2 billion forints. Excluding the change in the fair value of swaps earnings before taxation was 3.6 billion forints in Q1 2009, 19.8% higher than in Q1 2008.

The **average net interest margin increased** by 3 basis points year on year, from 2.77% as of 31 March 2008 to 2.80%. Over the past quarter the increase in the margin was 27 basis points.

The Bank's **consolidated balance sheet total was up by 17.1%,** from 637.4 billion forints to **746.2 billion forints year-on-year,** the increase was 8.2% in Q1 2009.

The Group's **cost-income ratio** improved from 55.6% in the end of 2008 to **48.3%** which is better than the 49.6% level in Q1 2008.

Shareholders' equity was near to 43.8 billion forints as of 31 March 2009 as a result of a **21.4% year-on-year increase**.

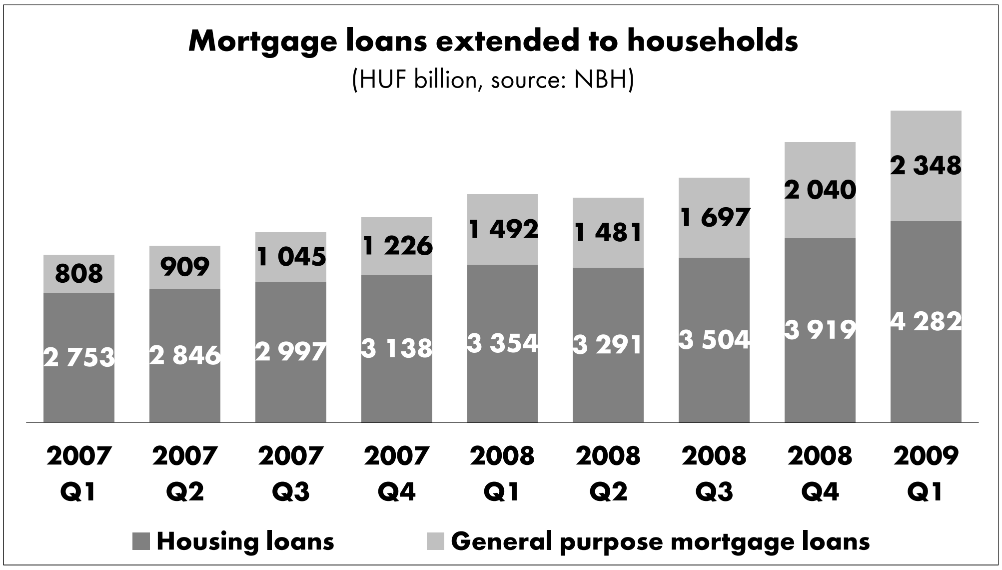
After-tax profit was 1.5 billion forints in Q1 2009, 37.6% down from the Q1 2008 figure.

Retail mortgage loan market

In the wake of the financial crisis almost all banks tightened their lending policies. At the same time, the real estate market is increasingly depressed with fewer sales concluded, which has repercussions in the lending business. Most of the commercial banks still discontinue CHF lending; new loans are denominated in HUF or EUR.

According to National Bank of Hungary statistics retail loans portfolio amounted to 6,630.3 billion forints as of 31 March 2009, achieving a 671.3 billion forints (or 11.3%) increase over the previous quarter's figure with the year-on-year figure being 1,783.7 billion forints (or 36.8%) higher as a result of exchange rate movements. In terms of volume the year-on-year growth is significantly greater than the 1.285.1 billion forints growth achieved in Q1 2008, which was 36.1% higher than the 2007 Q1 figure. Disregarding the impact of exchange rates fluctuation the year-on-year growth of the retail mortgage loans portfolio was 1,042 billion forints, or 18.6% (at 31 March 2009 rate). Growth over the previous quarter's figure was 25 billion forints (or 0.4%).

Annual growth in the portfolio continues to be generated by the increasing rate of foreign exchange-denominated loans: the annual growth of the FX loan portfolio was 1,900.9 billion forints (compared to 1,419.9 billion forints as of 31 March 2008). The increase in the FX-denominated portfolio was 691.9 billion forints over the Q4 of 2008 figure due to the impact of sharp exchange rate movements. At the same time the forint-based loan portfolio shrank by 117.2 billion forints compared to the same quarter of the previous year and 20.6 billion forints compared to the previous quarter's figure. At the end of Q1 the total amount of retail mortgage loans was 5,071.8 billion forints, 76.5% of which was disbursed in foreign exchange as opposed to 1,558.5 billion forints HUF loans, steadily shrinking. The intensity of growth is marked by the fact that in the same period of the reference year the proportion of FX loans was 65.4%.



Quarterly growth in housing loans extended to households was 9.3% or 363 billion forints up from Q4 2008 portfolio. This growth is lower than the 414.4 billion forints growth in Q4 2008. The annual growth (927.7 billion forints) was 50% higher than the 2008 figure of 600.9 billion forints. The average monthly growth in 2009 was 121 billion forints and showed a substantial volatility.

The growth in the general-purpose mortgage loans portfolio, slowing in intensity, only partially fuelled the 1,900.9 billion forints in FX lending over the period of a year. The Q1 2008 general-purpose mortgage loans portfolio amounted to 1,457 billion forints and contributed 46.0% to the retail mortgage loans. This contribution dropped to 45.6% by the end of the reported period.

General-purpose mortgage loans contributed 48.0% to the year-on-year growth of retail loans.

The increase in the portfolio of general-purpose loans to retail customers was 20.2% in the fourth quarter of 2008 followed by only 15.1% in Q1 of 2009. The year-on-year growth was 57.4%. Average monthly growth in Q4 of 2008 was 114.5 billion forints and dropped to 102.7 billion forints in Q1 2009. Growth was particularly slow the last two months of the quarter. Of the total amount of general-purpose loans 98.5% was disbursed in foreign exchange; the total portfolio value was 2,313.7 billion forints as of 31 March 2009. General-purpose mortgage loans contributed 68.0% to total consumer loans as of 31 March 2009 as opposed to 61.6% in Q4 of the reference year. This indicates a continued significant restructuring within the consumer loans product: while the growth of all type loan products is less and less dynamic, the growth curve of general-purpose loans is less flat in comparison.

Own lending

At the end of the reported period the net amount of loans sold by the Bank was 348.4 billion forints, 6.5% above the 31 December 2008 figure (327.1 billion forints). The year-on-year increase was 21.3%.

In the first quarter of 2009 the Group's loan disbursements amounted to 4.1 billion forints, 79.3% down from the 19.9 billion forints in the same period of the reference year and 62.4% below the 10.9 billion forints achieved in Q4 2008. Foreign exchange-denominated lending declined drastically: compared to 89.6% in Q1 2008 and 81.7% in Q4 2008, it only contributed 47.5% to the Q1 2009 disbursements. The fall in disbursements resulted primarily from tightening lending conditions – an impact that is also keenly felt in the first quarter of 2009.

Mortgage loan products

There has been a shift in the breakdown of the Group's products. General-purpose mortgage loans had so far been the Group's most popular loan product and contributed 54.4% to disbursements in the fourth quarter of 2008, the product's contribution in Q1 of 2009 was merely 14.4%.

There has been a steady decline in the demand for housing loans and the contribution of this product to total disbursements has been shrinking. While in the fourth quarter of 2008 housing loans contributed 33.3% with 3.6 billion forints disbursed, and its contribution in Q1 2008 was 29.7% (with 5.9 billion forints disbursed), the contribution of this product to the Group's lending performance in Q1 2009 was 27.5% with 1.1 billion forints disbursed. Housing loan disbursements are no longer dominated by loans extended for the purchase of existing homes: their contribution was 0.3 billion forints in Q1 2009 (compared to 1.9 billion forints in Q4 2008 and 3.6 billion forints in Q1 2008). The contribution of loans extended for the purchase of existing homes to overall housing loans was 7.0% in Q1 2009. Loans extended for the purchase of new homes amounted to 0.4 billion forints (as opposed to 0.6 and 00.9 billion forints in Q4 and Q1 2008 respectively). The total value of home building loans was 0.4 billion forints (compared to 1.1 billion forints in Q1 2008 and 1.0 billion forints in Q4 2008). The value of the housing loans portfolio was 191.4 billion forints as of 31 March 2009, 2.5% higher than 186.8 billion forints in the preceding quarter, and 4.7% up from the Q1 2008 figure

Interest in corporate loans has been keener: as opposed to 8.3% in Q4 2008, the contribution of corporate loans increased to reach 51.0% in Q1 2009.

Though the Q1 sales of this product was considerably above the 0.9 billion forints achieved in the fourth quarter of 2008, the 2.1 billion forints disbursed in the reported period was only 63.2% of the disbursements of the 3.3 billion forints achieved in Q1 2008. Commercial real estate financing contributed 0.2 billion forints to the Q1 2009 disbursements. Disbursements of home building project loans amounted to 1.1 billion forints, more than four and a half times the Q1 2008 figure (0.2 billion forints) and over twice the Q4 2008 achievement.

SME lending was launched in the fourth quarter of 2008. The new product achieved approximately 0.3 billion forints in Q4 2008. The 0.7 billion forints disbursed contributed 35.2% to corporate lending in Q1 2009. The value of the portfolio was 1.0 billion forints as of 31 March 2009, quadruple the year-end figure of 2008.

Land development loans achieved 0.2 billion forints in Q1 2009, similarly to Q4 and Q1 2008, when disbursements also amounted to 0.2 billion forints. The value of the land development loans portfolio was 3.2 billion forints as of 31 March 2008, which the Bank managed to increase by 24.0% by 31 March 2009.

Mortgage loans extended to senior citizens achieved 0.3 billion forints in Q1-Q3 of 2008. This was repeated in the fourth quarter of 2008. The 0.1 billion forints achieved in Q1 2009 was far below the previous periods' figures. The product is denominated predominantly in forint: in the first quarter of 2009, only five million forints (or 4.3%) were disbursed in euro.

Distribution channels

There was a rather significant change in the breakdown of the various channels of retail lending compared to 2008. While the contribution to disbursements by the network of agents was 64.7% and that of the branches was 34.5% in 2008, agents contributed 47.6% and the Bank branches contributed 52.4% to total disbursements to retail customers in Q1 of 2009.

Refinancing

As of 31 March 2009 the portfolio of refinanced loans dropped by 4.8%, or 14.9 billion forints, year-on-year and amounted to 298.6 billion forints. The value of the portfolio was 12.0 billion forints, or 4.2%, up from the 31 December 2008 figure, due mainly to exchange rate movements. Newly refinanced mortgage loans extended by partners other than FHB Commercial Bank amounted to 0.4 billion forints in the first quarter of 2009 after an also moderate 0.7 billion forints in Q4 2008. The Q1 2008 performance was 21.2 billion forints.

In accordance with the agreement with FHB Commercial Bank Ltd., the value of intra-Group refinancing amounted to 21.5 billion forints in the fourth quarter of 2008 and 5.1 billion forints in the first quarter of 2009. The quarter-on-quarter drop was 76.1%. The intra-group refinancing business had started by Q1 2008, the 15.4 billion forints transaction value was triple the performance achieved in the reported quarter.

FHB Commercial Bank Ltd.

Loans extended by FHB Commercial Bank in the first quarter of 2009 amounted to approximately 1.5 billion forints, contributing 36.2% to own lending. This amount is barely 15.0% of the 9.9 billion forints achieved in Q4 2008 and only 10.7% of the Q1 2008 figure. The amount was entirely contributed by mortgage loan sales. The contribution of Swiss franc denominated disbursements dropped to 23.7% in Q1 2009, whereas CHF had dominated disbursements in previous quarters (79.2% in Q4 2008 and 99.9% in Q1 2008). Euro and forint disbursements took an upward swing and jointly amounted to 1.1 billion forints in Q1 2009. As was the case in the preceding quarter, the loans portfolio is dominated by general-purpose mortgage loans contributing 0.6 billion forints to total disbursements in Q1 2009 (after 5.9 billion forints in the previous quarter). The main products within the housing loans portfolio were loans extended for the purchase of new and existing homes with a total contribution of 0.2 billion forints to the Commercial Bank’s achievement in the first quarter of 2009 performance as opposed to 2.0 billion forints in Q4 2008 and 3.6 billion forints in Q1 2008.

As has been the case earlier, project loans are extended primarily by the Mortgage Bank. After the larger disbursement (408.4 million forints) in Q1 2008 no project loans were disbursed in Q4 2009 and Q1 2009. SME lending was launched in the fourth quarter of 2008 and achieved 0.3 billion forints. This was two and a half times higher in Q1 2009, when the product achieved 0.7 billion forints. The expansion of SME loans with deposit cover was particularly spectacular, achieving 551 million forints in Q1.

The number of retail accounts was over 33.3 thousand as of 31 March 2009, 9.4% above the Q4 and more than two and a half times the Q1 2008 figure. There was a steady increase in funds on retail and corporate accounts compared to the previous quarter and contributed 6.9% to the Group’s balance as opposed to 4.9% as of 31 December 2008. The number of new bankcards issued in the first quarter of 2009 was 1,500. Taking into account the 2,510 new cards issued in Q4 2008, the total number of cards issued so far to FHB Commercial Bank customers was approximately 18.5 thousand.

On 27 February 2009 the shareholders of FHB Commercial Bank Ltd. (FHB Mortgage Bank Plc. and FHB Services Ltd.) passed a decision to increase the Commercial Bank's capital by 2.85 billion forints. The capital increase was registered by the Metropolitan Court of Budapest as Court of Registration on 17 March 2009.

Pursuant to a share purchase agreement dated 16 March 2009, FHB Commercial Bank Ltd.. acquired a 0.2078% holding in Garantiqa Hitelgarancia Zrt. (Garantiqa Credit Guarantee Co. Ltd.).

FHB Life Annuity Ltd.

FHB Annuity Ltd. offers two products to senior customers. FHB Annuity is sold directly by FHB Annuity Ltd. The other product, FHB Mortgage Annuity is a reverse mortgage product, which means the contracts are reported directly in the balance sheet of FHB Plc. In terms of this product, FHB Annuity Ltd. is involved in product development as well as sales, the latter on the basis of an agency agreement signed with FHB Plc.

Since its foundation to 31 March 2009 FHB Annuity signed annuity contracts amounting to 6.7 billion forints, 733 million forints in Q1 2009 and 897 million forints in Q4 2008. The reported quarter's achievement fell 30.0% short of the 1.05 billion forints achieved in Q1 2008. Annuity payments since the launch of the product have amounted to 1.669 billion forints with 0.195 billion forints disbursed in 2009.

FHB Real Estate Ltd.

The core business of FHB Real Estate Ltd. is to provide collateral valuation, real estate investment and sales, real estate management and real estate valuation services to members of the Group. In addition to the Group, FHB Real Estate Ltd. also offers valuation services to external buyers.

Mortgage bond issues and financing

The global crisis in the money and capital markets left a strong impact on the Company in the first quarter of 2009. Liquidity was very poor in the Hungarian government securities market, pricing of securities was hard in the absence of offers that reflected real market values in both the put and the call side. In January the Bank effected no issues nor repurchase. In early February FHB Mortgage Bank renewed its 2009 mortgage bond and bond 2009 Issues Programme for the domestic market, which was approved by the HFSA on 3 February 2009. The first issue took place in March according to the Programme.

In February two smaller series were launched in the context of private offering. In addition, a smaller, 100 million forints repurchase also took place, in keeping with the Bank's active assets and liabilities management policy. In March the floating interest five-year series FJ14NV01 was issued in two instalments, with a total nominal value of 5.1 billion forints, in accordance with the Domestic Issues Programme. At the same time a total nominal value of 11 billion forints of the

FJ10NF04 series was repurchased and cancelled. In this way the Bank managed to significantly reduce the aggregate nominal value of series maturing within a year.

Net funds involved in Q1 2009 amounted to nearly 5.353 billion forints. Three series matured in the first quarter with a total nominal value of 15 billion forints. Total redemption value was 11.1 billion forints.

Changes in the legislative environment

The most important legislative changes in Q1 of 2009 that affect the Group's business were as follows:

Act IV of 2009 on State Guarantee Extended to Housing Loans
Enacted as a tool to ease the negative impact of the economic crisis on the population, the Act provides immediate assistance in the form of State guarantee to debtors who have taken out housing loans. Customers who are eligible under the criteria set forth in the Act may sign an agreement with the lending financial institution to reschedule repayment. (Effective as of 11.03.2009, 15 days from the approval of the European Commission.)

Section 8/B encoded with the last amendment of Act XXXVIII of 1992 on the State Budget (the Budget Act)
Pursuant to the new Section 8/B of the Budget Act effective as of 11 March 2009, in a situation that constitutes a potential threat to the stability of the financial transfer system the Hungarian State may extend loans to credit institutions with registered office in the Republic of Hungary, or may use its unengaged funds to acquire bonds issued by the National Bank of Hungary. In respect of loans, the minister responsible for public finance determines terms and conditions to be met by the debtor that will ensure that the loan will be used for expanding the funds available for financing undertakings with registered office in the Republic of Hungary.

Restructuring and staff figures

Staff figures

The consolidated full-time headcount was 507.2 as of 31 March 2009, 74 less than the 581.2 staff as of 31 December 2008 and 9.6% down from the Q1 2008 figure of 561. As of 31 March 2009, branch staff was 143.7 (168.5 in Q4 2008) and that of headquarters was 363.5 (413 in Q4). All of the branch staff are employed by FHB Commercial Bank. Group companies had the following staff figures as of 31 March 2008: FHB Mortgage Bank Plc. 66.2, FHB Commercial Bank Ltd. 264.2, FHB Services Ltd. 152.9, FHB Annuity Ltd. 12.7, and FHB Real Estate Ltd. 11.3.

Officers and executives

With its resolution number 15/2009 (28.04.) the Annual General Meeting elected Csaba Lantos to serve on the Supervisory Board of the Company with a mandate of five years starting from 28 April 2009 until 28 April 2014.

II. Summary figures of the latest period (IFRS)[1]

The Bank's **consolidated** balance sheet total according to International Financial Reporting Standards was **up** year-on-year **by 17.1%**, from 637.4 billion forints to **746.2 billion forints**. The increase was predominantly generated by the growth in the mortgage loan portfolio.

Shareholders' equity grew by 21.4% year-on-year to reach **43.8 billion forints**, due primarily to an increase in retained earnings.

Earnings before taxation were **2.6 billion forints** (swap effect: -1.0 billion forints), 20.5% down from the reference period figure. **After-tax profit** was **1.5 billion forints**.

Excluding the change in the fair value of swaps **earnings before taxation was 3.6 billion forints in Q1 2009,** 19.8% higher than in Q1 2008. **After-tax profit** excluding swap earnings **was 2.3 billion forints.**

Key financial indicators	Consolidated figures by IFRS		
	31 Mar 2008	31 Mar 2009	31 Mar 2009 / 31 Mar 2008
Balance sheet total (HUF million)	637,411	746,238	17.1%
Book value of loans (HUF million)	600,864	647,021	7.7%
Book value of mortgage bonds (HUF million)	512,656	526,589	2.7%
Bonds issued (HUF million)	47,064	62,219	32.2%
Shareholders' equity (HUF million)	36,061	43,779	21.4%
Earnings before taxation (HUF million)	3,232	2,569	-20.5%
After tax profit (HUF million)	2,326	1,452	-37.6%
Net interest margin (NIM)	2.77%	2.80%	3 bp.
EPS (HUF)	143	89	-37.6%
P/E (share price/EPS)	9.2	6.1	-34.0%
P/BV (share price/equity/number of shares)	2.4	0.8	-65.1%
ROAA (return on average assets)	1.6%	0.9%	-44.9%
ROAE (return on average equity)	28.3%	15.2%	-46.1%

[1] IFRS, consolidated figures

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

P/L structure[2]

Data in HUF million

DESCRIPTION	2008 Q1 (Jan-Mar)	2008 Q4 (Oct-Dec)	2009 Q1 (Jan-Mar)	2009 Q1/ 2008 Q1	2009 Q1/ 2008 Q4
Net interest income	4,137	4,200	4,741	14.6%	12.9%
Net fees and commissions income	469	686	420	-10.3%	-38.7%
Net profit from financial transactions	938	2,051	1,229	31.0%	-40.1%
Other income and expenditure	468	533	507	8.3%	-4.8%
Gross operating income	6,011	7,470	6,897	14.7%	-7.7%
Operating expenses	-2,984	-4,513	-3,334	11.7%	-26.1%
Net operating income	3,027	2,957	3,563	17.7%	20.5%
Losses from lending and impairment	205	-324	-995	-585.5%	206.7%
Profit before taxation	3,232	2,633	2,568	-20.5%	-2.4%
Taxes	-906	-1,011	-1,116	23.2%	10.5%
After tax profit	**2,326**	**1,622**	**1,452**	**-37.6%**	**-10.5%**
Profit before tax without changes in fair value of swap transactions	**2,980**	**1,638**	**3,571**	**19.8%**	**118.0%**
Profit after tax without changes in fair value of swap transactions	**2,124**	**827**	**2,254**	**6.1%**	**172.7%**

In the first quarter of 2009 the Bank realised **1.5 billion forints consolidated after-tax profit by IFRS**, 10.5% less than in Q4 of 2008 and 37.6% lower year-on-year. **Profit before tax was 2.6 billion forints** in Q1 2009.

After-tax profit excluding swap amounted to 2.3 billion forints in the first quarter of 2009, 6.1% above the figure for the reference quarter of 2008 and 172.7% higher than the Q4 of 2008 figure.

[2] IFRS, consolidated, non-audited figures

Net interest income

Net interest income was 4.7 billion forints in the first quarter of 2009, 14.6% up from the performance achieved in the same period of last year (4.1 billion forints) and 12.9% above the Q4 of 2008 figure. The net figure emerged as a balance of 20.2 billion forints interest income (17.0% above the Q1 2008 figure and 0.7% less than the Q4 2008) and 15.4 billion forints interest expense (17.7% higher than the Q1 2008 figure and 4.2% above the Q4 2008 figure).

In the first quarter of 2009, 41.6% of interest income was contributed by interest on own lending (compared to 40.1% in Q4 of 2008 and 42.4% in reference quarter of 2008). The contribution of refinanced mortgage loans was 28.6% (compared to 28.3% in Q4 2008 and 34.1% in Q1 2008). The aggregate interest on interbank deposits and securities contributed 3.1% (as opposed to 5.5% in Q4 2008 and 1.8% in the reference period of 2008), while the contribution of interest income on derivatives was 26.7% (26.1% in Q4 2008 and 21.7% in Q1 2008).

The breakdown of interest income no longer followed the earlier trend of dropping contribution of interest income on refinanced loans. Conversely, the expansion of interest income on derivatives seems to be a lasting trend. The contribution of interest income on interbank deposits and securities steadily appears low.

Within the line item of interest income, the contribution of interest subsidy (subsidy of interest on mortgage bonds and supplementary interest subsidy combined) was 35.0% in Q1 2008 and 24.1% in Q4 2008, and slid further to 23.2% in Q1 2009. In keeping with the trend in earlier years, income from subsidized interest has been dropping while income from customers has increased.

As regards interest expense in Q1 2009, 55.6% was incurred in conjunction with mortgage bonds, and 8.1% was contributed by expenditure on interest on bonds. The contribution of interest paid on interbank loans received was 1.2%, but interest paid on deposits contributed as much as 7.6%. The contribution of derivative transactions was 27.4% in the reported period. The contribution of interest paid on mortgage bonds was 57.1% in Q4 2008 as opposed to 65.0% in Q1 2008. Interest on derivatives contributed 26.7% to expenditure on interest in Q4 2008 and 21.7% in the reference quarter.

The average net interest margin (NIM) was 2.8% as of 31 March 2009 compared to 2.53% as of 31 December 2008 and 2.77% in Q1 2008. The increase in the NIM is propelled primarily by the easing costs of existing funds, which result from dropping EUR and CHF interest rates.

Net fees and commission income

In the fourth quarter of 2008, the Bank achieved a positive balance of 686 million forints of income from, and expenditures on, commissions and fees. In Q1 2009 the balance was modest by comparison, 420 million forints, which is 10.3% below the 469 million forints achieved in Q1 2008. In the reported period net income from fees contributed 6.1% to gross operating profit. Shrinking net income from fees was due primarily to lower early repayment rates and the consequent drop in income from early repayment charges.

Net income from fees and commissions in the first quarter of 2009 was 245 million forints, 55.8% of which was contributed by early repayment charges, 17.0% by handling fees, and 10.3% by accounts and card related banking charges. Other line items include other service, insurance and contracting fees charged to customers. The biggest item on the expenditure side is card related fees contributing 40.2%. Commissions paid to acquisition agents contributed 13.8% and fees paid in conjunction with mortgage bond issues contributed 0.1% to expenditure on fees and commissions. Interest premium paid to consortial partners contributed 6.8%.

Net profit from securities and currency transactions

As a result of exchange rate movements over the reported quarter profit from foreign exchange transactions in Q1 2009 contributed 2.4 billion forints to earnings, 1.7 billion forints more than the +0.7 billion forints contributed in Q1 2008.

After the 995 million forints positive balance of derivatives achieved in Q4 2008, the balance deteriorated to –1,003 million forints in Q1 2009.

In Q1 2009 profit/loss from securities transactions amounted to –179 million forints, 274 million forints worse than the 95 million forints achieved in Q4 2008. The same item was seven million forints profit in Q1 2008. The figure emerged as a balance of exchange gains and losses on securities issued and repurchased during the year.

Other income

As of 31 March 2009 the balance of other income and expenditure was 507 million forints, arising from 517 million forints income net of 10 million forints expenditure. As of 31 March 2008 the balance of other income and expenditure was 468 million forints and included 526 million forints income net of 58 million forints expenditure. The item of other income and expenditure contains 482 million forints related to the business of FHB Annuity Ltd., which includes income from the valuation of receivables from annuities. On the other expenditures side, the line item also includes donations, late charges and settlement with the tax authorities.

Operating expenses

Data in million HUF

DESCRIPTION	2008 Q1 (Jan-Mar)	2008 Q4 (Oct-Dec)	2009 Q1 (Jan-Mar)	2009 Q1/ 2008 Q1	2009 Q1/ 2008 Q4
General administrative costs	2,289	3,632	2,692	17.6%	-25.9%
Personnel expenses	1,104	1,844	1,415	28.2%	-23.2%
- wages	676	1,175	949	40.4%	-19.2%
- other personnel expenses	181	268	137	-24.7%	-49.0%
- social security expenses	247	401	329	33.5%	-17.7%
Other administrative costs	1,185	1,788	1,277	7.7%	-28.6%
Other taxes paid	317	355	217	-31.7%	-38.9%
Depreciation	378	526	425	12.5%	-19.2%
TOTAL OPERATING EXPENSES	**2,984**	**4,513**	**3,334**	**11.7%**	**-26.1%**

Operating costs amounted to 3.3 billion forints in the first quarter of 2009, 26.1% down from the Q4 2008 figure (4.5 billion forints). Operating costs in the reported quarter were 11.7% more than the 3.0 billion forints achieved in the reference quarter of 2008. The cost/income ratio (CIR) was 44.4% as of 31 March 2008 and 51.7% as of 31 December 2008. CIR was 43.8% as of 31 March 2009.

There was a minor change in the breakdown of operating costs. The contribution of personnel expenses in the first quarter of 2009 was 42.5% compared to 40.9% in Q4 2008. The decrease in personnel expenses compared to the Q4 figure was 23.2%. Other administrative costs were 28.6% down from the Q4 2008 figure and were 7.7% higher than the Q1 of 2008 figure. There is a slight downward change in the contribution of this item to operating costs, from 39.8% in Q4 of 2008 to 38.3% by the end of the reported quarter.

Over the past period there has been a considerable change in terms of some of the items contributing to other administrative costs. As a result of the expansion of the network of branches rents amounted to 285 million forints in Q4 2008 and were similar in magnitude, 290 million forints, in Q1 2009. As of 31 March 2009 the contribution of rents to other administrative costs was 22.7% as opposed to 17.9% in the reference year.

Marketing and advertising costs amounted to 235 million forints as of 31 March 2009, with 10.9% year-on-year decrease. Costs were approximately 513 million forints in Q4 2008, approximately half of the annual marketing and advertising costs item.

Consultants' and experts' fees were far less than in Q4 2008, 184 million forints, but still significantly above the 143 million forints in Q1 2008. The contribution of consultants' fees to other administrative costs as of 31 March 2009 was 14.4% after 17.9% in Q4 2008 and 12.1% in Q1 2008.

Within the line item of other administrative costs general and administrative costs amounted to 430 million forints in the fourth quarter of 2008. The item in the reported quarter was 5.6% less, 406 million forints, 181.7% of the 223 million forints achieved in Q1 2008.

Banking activity costs contribute 13.7% to other administrative costs as of 31 March 2009 (6.2% in Q4 2008 and 22.3% in Q1 2008). In previous periods, the main component of special mortgage banking costs was life insurance costs related to loan cover, but as of 31 March 2009 this item contributed only 31.9% to special mortgage banking costs.

Depreciation amounted to 526 million forints in Q4 2008 and 378 million forints in Q1 of the reference year. The 425 million forints achieved in the first quarter of 2009 fell 19.2% short of the Q1 figure of the reference year, considering that the accounting policy was modified since 1 January, 2009. The modification resulted the specific extension of the depreciation period. Impairment on intangibles contributed 64.8% and depreciation of tangible assets contributed 35.2% in the first quarter of 2009.

Other taxes paid dropped in the period of reporting: as opposed to 355 million forints in Q4 2008 and 317 million forints in Q1 2008, taxes paid by the Bank in the first quarter of 2009 amounted to 217 million forints. Almost all of the taxes paid was contributed by the statutory banking contribution.

Portfolio quality, loss in value and provisions

Portfolio quality continues to be good. There was a slight drop in the proportion of problem-free loans compared both to the first quarter of 2008 and to the end of the prior year. The portfolio value determined according to IFRS amounted to 693.8 billion forints as of 31 March 2009 as opposed to 650.2 billion forints as of 31 December 2008 and 649.3 billion forints as of 31 March 2008.

The portion of the non-performing loan portfolio constituting the basis for impairment reported according to IFRS rules was 1.82% as of 31 March 2009, 1.46% as of 31 December 2008, and 0.96% as of 31 March 2008. Impairment to the entire portfolio was 0.46% as of 31 March 2009, 0.29% as of 31 December 2008, and 0.14% as of 31 March 2008.

At the end of the period the impairment portfolio was 3.1 billion forints, 2.180 million forints over the 31 March 2008 figure. The portfolio and its breakdown is shown in the table below.

Data in thousand HUF

Description	31 March, 2008	31 December, 2008	31 March, 2009
Impairment as at 1st January	**999,701**	**999,701**	**1,848,262**
Charge for the period	953,333	4,566,372	2,685,863
FX change of impairment	0	221,067	285,513
Release during the period	-1,078,945	-3,938,878	-1,765,821
Impairment at period end	**874,089**	**1,848,262**	**3,053,817**
Net effect of charge and release	**-205,427**	**628,462**	**920,084**
Loans written off	0	0	0
Loss on loans sold	147	115,201	-688
Loss on terminated loans	4,830	31,072	20,573
Charge/(release) for commitments	-4,538	30,308	55,209
Losses on loan and advances	**-204,988**	**805,043**	**995,177**

Balance sheet

Data in HUF million

DESCRIPTION	31.03.2008.	31.12.2008	31.03.2009.	31.03.2009. / 31.03.2008.	31.03.2009./ 31.12.2008.
Cash	516	555	938	81.8%	69.1%
Receivables from NBH	460	4,794	744	61.8%	-84.5%
Interbank deposits	10,150	26,348	39,985	294.0%	51.8%
Available for sale securities	4,451	18,393	17,373	290.3%	-5.6%
Refinanced mortgage loans	313,515	286,613	298,592	-4.8%	4.2%
Loans	287,349	327,134	348,429	21.3%	6.5%
Fair value of derivatives	1,809	3,954	18,394	916.9%	365.2%
Property for investment	2,554	5,980	6,704	162.5%	12.1%
Tangible and intangible assets	9,582	10,837	10,862	13.4%	0.2%
Other assets	7,025	4,904	4,217	-40.0%	-14.4%
Assets total	***637,411***	***689,512***	***746,238***	***17.1%***	***8.2%***
Payables total	601,351	649,325	702,459	16.8%	8.2%
- Interbank borrowings	21,645	14,233	9,385	-56.6%	-34.1%
- Mortgage bonds	512,655	506,022	526,589	2.7%	4.1%
- Bonds issued	47,064	62,429	62,219	32.2%	-0.3%
- Deposits	4,442	33,766	51,114	1,050.7%	51.4%
- Fair value of derivatives	10,309	27,134	45,634	342.7%	68.2%
- Reserves for annuity	626	1,106	1,133	81.1%	2.5%
- Other liabilities	4,610	4,635	6,385	38.5%	37.8%
Shareholders' equity	36,061	40,187	43,779	21.4%	8.9%
- Subscribed capital	6,600	6,600	6,600	0.0%	0.0%
- Repurchased own shares	-166	-1,155	-1,199	622.5%	3.9%
- Share premium	1,709	1,709	1,709	0.0%	0.0%
- General reserve	3,285	3,815	3,910	19.0%	2.5%
- Cash-flow hedge reserve	-158	1,115	3,380	-	203.3%
- Stock option reserve	209	86	117	-43.9%	36.6%
- Changes in fair value of avail. for sale fin. assets	-25	-23	-135	443.5%	494.4%
- Accumulated assets	24,607	28,040	29,397	19.5%	4.8%
Liabilities total	***637,411***	***689,512***	***746,238***	***17.1%***	***8.2%***

As of 31 March 2009 the Bank's consolidated balance sheet total by IFRS amounted to 746.2 billion forints, which is 56.7 billion forints, or approximately 8.2% up from 31 December 2008 and 108.8 billion forints, or 17.1%, higher than the balance sheet total as of 31 March 2008. Compared to the 31 March 2008 reference period, the increase in assets was the joint impact of different factors including a 61.1 billion forints expansion of the loan portfolio and a 4.1 increase in real estate held for investment purposes reduced by 14.9 billion forints refinancing. Interbank lending grew by 29.8 billion forints, added to a 0.3 billion forints increase in receivables from the NBH. Securities held for sale were 12.9 billion forints higher year-on-year.

On the liabilities side, 15.2 billion forints of the increase were contributed by the expansion of bonds and 46.7 billion forints by mounting deposits. This, however, was reduced by 12.3 billion forints of interbank borrowings. There was a slight, 13.9 billion forints, increase in the mortgage bonds portfolio. Shareholders' equity increased by approximately 7.7 billion forints year-on-year, primarily as a result of an increase in accumulated assets. Cash-flow hedge reserve also increased by 3.5 billion forints.

The increase in assets compared to the balance sheet as of 31 December 2008 was caused predominantly by a 21.3 billion forints expansion of own loans and a 12.0 billion forints increase in refinances loans. A 13.6 billion forints expansion was achieved in interbank lending and the change in the fair value of derivatives added 14.4 billion forints to the balance sheet total. Conversely, the balance sheet total was net of a 1.0 billion forints reduction in securities, and a 4.0 billion forints decrease in receivables from the NBH. On the liabilities side, the mortgage bonds portfolio expanded by 20.6 billion forints but bonds issued dropped by 0.2 billion forints. Deposits increased by 17.3 billion forints. Shareholders' equity increased by 3.6 billion forints in the first quarter of 2009 due to a greater extent to a 2.2 billion forints increase in cash-flow hedge reserve and to a lesser extent to an increase in accumulated assets.

Interest earning assets

The Group's interest earning assets were up from 663.3 billion forints as of 31 December 2008 to 705.1 billion forints as of 31 March 2009. Increase over the Q1 of 2008 figure was 14.4%. Loans to retail customers disbursed by the Bank were 21.2% higher as of 31 March 2009 than in the reference year and 6.5% up from the Q4 2008 figure. Impairment to cover for losses from lending was up from 874 million forints as of 31 March 2008 to 3,054 million forints. The year-on-year decline in refinanced loans was 4.8%, however, there was a 4.2% increase in this item in the last quarter as a result of exchange rate movements. As of 31 March 2008 refinancing and the Bank's own loans contributed 97.6% to interest earning assets. This contribution dropped to 91.8% by 31 March 2009.

The collateral value of real estate covering ordinary collateral amounted to 1,399.2 billion forints as of 31 March 2009, 0.65% lower than the figure (1,408.3 billion forints) as of 31 December 2008 and 0.9% up from the figure in Q1 2008 (1,386.5 billion forints). The LTV ratio applicable for ordinary collateral (loan principal receivable to collateral value) was 41.1% as of 31 March 2009, somewhat higher than the 40.1% LTV ratio in the reference period of the previous year and the 39.9% LTV as of 31 December 2008.

The portfolio of NBH and other interbank loans was up from 31.1 billion forint as of 31 December 2008 to 40.7 billion forints as of 31 March 2009. The contribution of this item to interest earning assets was 5.8%.

The value of the securities portfolio of the Bank increased from 4.5 billion forints as of 31 March 2008 to 18.4 billion forints as of 31 December 2008 and slightly dropped to achieve 17.4 billion forints as of 31 March 2009. The contribution of securities to interest earning assets thus dropped to 2.5%. Securities include NBH bonds amounting to 9.0 billion forints, discount treasury amounting to 4.9 billion forints and government bonds amounting to 3.5 billion forints. The Bank's securities portfolio continues to serve exclusively as a liquidity reserve.

Property for investment, own and other assets

The value of real estate transferred into the Bank's possession as a result of annuity sales over the year was 6.7 billion forints as of 31 March 2009, 12.1% up from the 6.0 billion forints achieved in the previous quarter.

The net value of tangible and intangible assets amounted to 9.6 billion forints as of 31 March 2008. This high amount was due primarily to new IT and other hardware and other tangible assets as well as software. In the wake of purchases in 2009 the closing amount of tangible and intangible assets reached 10.9 billion forints by the end of the period.

Other assets amounted to 4.2 billion forints as of 31 March 2009 as opposed to 4.9 billion forints in Q1 2008. The change is due primarily to the low balance of settlements (of interest subsidies) with the Hungarian State in the reference period.

Interest bearing liabilities

The contribution of mortgage bonds to the Bank's interest bearing liabilities was 81.1% as of 31 March 2009. The same item was 82.1% as of 31 December 2008 and 87.5% as of 31 March 2008. The 526.6 billion forints book value of mortgage bonds as of 31 March 2009 was 4.1% up from the Q4 figure (506.0 billion forints), the year-on-year increase amounting to 13.9 billion forints was contributed by 115.8 billion forints new issues, 55.7 billion forints repayments and 57.6 billion forints repurchase including related exchange rate adjustments.

Mortgage bond collateral

The value of assets used as ordinary collateral for the mortgage bonds issued by the Bank was 997.1 billion forints as of 31 March 2009, 2.4% up from the figure as of 31 December 2008 (973.6 billion forints) and 3.6% up from the figure as of 31 March 2008 (962.3 billion forints).

The value of the group of assets involved as collateral as of 31 March 2009 (HUF million)

Outstanding mortgage bonds in circulation	
face value:	526,567
interest:	122,668
total:	**649,235**

Value of the regular collateral	
principal:	580,835
interest:	416,237
total:	**997,072**

Value of assets involved as supplementary collateral (state bonds)	
principal:	14,811
interest:	117
total:	**14,928**

The present value of mortgage bonds amounted to 537.1 billion forints, and the present value of collateral was 634.0 billion forints as of 31 December 2008, thus the rate of coverage was 118.03%. As of 31 March 2009 the present value of mortgage bonds increased to reach 539.3 billion forints, and that of collateral to 625.6 billion forints. The rate of coverage was 116%.

As of 31 March 2009 net ordinary and supplementary collateral principle to the face value of mortgage bonds in circulation not yet repaid was 113.1%. Net interest on ordinary and supplementary collateral to interest on mortgage bonds in circulation not yet repaid was 339.4%.

Bonds issued

Launched first in September 2007, bond issues constitute a new fund raising non-covered securities type instrument. The issues resulted in bonds with a book value of 62.4 billion forints as of the 31 December 2008 balance sheet date. Interest accrual and fair value adjustment in the first quarter of 2009 resulted in a 0.2 billion forints net decrease, consequently the value of the bonds portfolio was 62.2 billion forints as the end of the reported period.

Interbank funds

As of 31 March 2009 the 9.4 billion forints interbank portfolio contained interbank drawdown amounting to 0.1 billion forints, and a Schuldschein loan equivalent to 9.3 billion forints denominated in EUR. The Bank has used the interbank facilities as supplementary funds.

Customer deposits

As of 31 March 2009 deposits amounted to 51.1 billion forints including approximately 1.1 billion forints surety deposits covering corporate loans as well as 44.1 billion forints deposits from retail customers and approximately 5.7 billion forints deposits from corporate costumers of FHB Commercial Bank. As of 31 December 2008 deposits amounted to 33.7 billion forints compared to only 4.4 million forints as of 31 March 2008.

Other liabilities

The Bank's other liabilities amounting to 4.1 billion forints include, among others, debts to suppliers (contributing 7.8% as of 31 March 2009 compared to 6.5% as of 31 December 2008), passive accruals (8.2% as of 31 March 2009 compared to 12.6% as of 31 December 2008), and taxes (13.0% as of 31 March 2009 compared to 17.2% as of 31 December 2008). Liabilities from settlement with customers were also substantial, 1.1 billion forints contributing 26.1% to other liabilities.

Shareholders' equity

The year-on-year increase in shareholders' equity was 21.4% (7.7 billion forints), reaching 43.8 billion forints as of 31 March 2009. The Q1 increase was 3.6 billion forints, or 8.9%.

The bulk of the year-on-year increase resulted from a 4.8 million forints increase in retained earnings. Cash-flow hedge reserves were up by 3.5 billion forints year-on-year due to the change in fair value in the wake of yield and exchange rate changes and the 0.6 billion forints increase in general reserve had a positive impact on the increase in shareholders' equity. On the other hand, shareholders' equity was reduced by a 1.0 billion increase in repurchased treasury shares.

Overall, shareholders' equity increased by 3.6 billion forints in the reported quarter. The main contributing factors included a 1.4 billion forints increase in retained earnings boosted by a 95 million forints increase in general reserve and a 2.3 billion forints increase in cash flow hedge reserve. Conversely, a 45 million forints increase in repurchased treasury shares reduced shareholders' equity.

Off balance sheet items

The Bank's pending liabilities towards customers among the off-balance sheet items were 7.7 billion forints. Contracted but not yet disbursed loans amounted to 2.6 billion forints. Future liabilities amounted to 402.2 billion forints and mainly include swap transactions relating to mortgage bonds. Liabilities from other currency swaps amounted to 40.7 billion forints.

The Bank only undertakes hedge transactions to close currency positions and managing risks, and does not engage in derivative transactions for speculative purposes.

IV. Summary of the major events that occurred between Balance Sheet date and the publication of this report

IV.1. Agreements concluded between FHB Mortgage Bank Plc. and the Hungarian State

1. Capital increase

The Ministry of Finance (MoF) acting on behalf of the Hungarian State and FHB Mortgage Bank Plc. signed an agreement on 31 March 2009 pursuant to Act CIV of 2008 on the Stabilization of the Financial Transfer System (the Stabilization Act). Under the agreement, the Hungarian State increased FHB Plc.'s capital by 30 billion forints. The capital increase was conditional to approval by the General Meeting held on 28 April 2009. The transaction was effected after the GM.

The capital increase will be executed by the issuance of one special voting preference share assuring veto rights, with the face value of 100 forints, and 46.153.999 pcs of special – with no voting rights – dividend preference shares with the face value of 100 forints. The shares will be denoted by the MoF on behalf of the Hungarian state, and will provide financial consent to the Mortgage Bank, in HUF. The shares will be issued at a price of 650 forints, so the issued capital will be increased by 4,615.4 million forints, 25,384.7 million forints increases the capital surplus.

With the capital increase, the State's holding in the bank increase from 4.11% as of 31 December 2008 to 43.57%. The dividend priority shares issued to the State have no voting rights attached, so there will be no change in the breakdown of voting shares.

With the capital increase, the Mortgage Bank will:

- take part in the stabilization of the mortgage loan and mortgage bond market, and in the development of SME lending;
- assist in the development of FHB Commercial Bank Ltd. by capital increase with maximum 25 billion forints either in one or more parts;
- allocate one seat to the Hungarian State delegates on the Board of Directors and the Supervisory Board of the Mortgage Bank;
- not change its share option programme accepted by the AGM, and limit the compensation and benefits of officers in executive positions;
- comply with its periodic reporting duties to the Hungarian State; according to the agreement.

Data in HUF million

DESCRIPTION	31 March, 2009	31 December, 2008	31 March, 2008
Risk weighted assets (RWA)	307,944	246,380	261,155
Regulatory capital (IFRS)*	32,405	30,654	29,158
Capital adequacy ratio (IFRS)	10.5%	12.4%	11.7%

* Without cash flow hedge reserve.

2. Loan agreement

Prior to the decision on capital increase and as a result of coordination between the MoF, the HFSA and FHB started in January 2009, the MoF and FHB Plc. signed a loan agreement to the amount of 400 million euros.

The facility is a market based long-term loan with maturity of four years (with a grace period). As part of the terms and conditions, the Bank undertook the following commitments:

- It will keep the loan portfolio at its current level, and will extend retail housing loans and SME loans from the loan received as per the agreement to replace the matured and repaid portion of the portfolio;
- It will continue to allocate one seat to State delegates on the Board of Directors and the Supervisory Board of the Mortgage Bank, and will comply with its quarterly reporting duties to the Hungarian State;
- It will issue at least 10 billion forints mortgage bonds within a year.

IV.2. Changes in the breakdown of equity by share classes and share types

In accordance with the resolution of the Annual General Meeting held on 28 April 2009, FHB Mortgage Bank Plc.'s 8,000,000 voting preference shares of Series B will be one-to-one converted to Series A ordinary shares. As a result, the Bank will have a total of 66,000,010 Series A ordinary shares. The converted shares will be launched on the stock exchange.

IV.3. Ceasing the 10% voting limit

The AGM held at 28 April, 2009 decided to abolish the paragraph of the Statutes, which limits the maximum level of voting rights of one shareholder or a group of shareholders in 10% of the total voting shares issued by the Company.

IV.4. Strategic agreement concluded between FHB and Allianz

On 8 April 2009 FHB Mortgage Bank Plc. signed a memorandum of understanding on strategic cooperation with Allianz Hungária Insurance Company Ltd. and Allianz Bank Ltd.

By executing the memorandum of understanding the parties aim to renew their cooperation on the basis of mutually beneficial business interests, and to review the cooperation in the current economic and market environment in the context of the global economic crisis, and to plot new areas of effective cooperation accordingly. Cooperation between FHB Group and Allianz Hungária Insurance Company Ltd. and Allianz Bank Ltd. will be expanded to banking, insurance, and sales of jointly developed products.

IV.5. Group level changes

By virtue of its Decision No. 6/2009 (02.04.) dated 4 February 2009, FHB Mortgage Bank Plc.'s Board of Directors consented to the transformation of some of the multi-member companies belonging to FHB Group into single-member private companies held by FHB Mortgage Bank Plc.

By its decision dated 3 March 2009 the Board of Directors of FHB Mortgage Bank Plc. resolved to transform FHB Annuity Ltd. and FHB Real Estate Ltd. into single-member companies by FHB Mortgage Bank Plc. buying out the shares owned by FHB Services Ltd. in FHB Annuity Ltd.'s and FHB Real Estate Ltd.'s registered capital. The share transfer took place on 4 March 2009 pursuant to the share transfer agreement concluded between FHB Mortgage Bank Plc. and FHB Services Ltd. on the same day.

According to the resolutions by the Company's Board of Directors dated 3 March 2009, the collective management (board of directors) of FHB Services Ltd., FHB Annuity Ltd. and FHB Real Estate Ltd. will be replaced by single-person management (Managing Director). Accordingly, the Board of Directors removed the members of the management (board of directors) of each company and elected managing directors instead to head the companies.

The Board of Directors of FHB Mortgage Bank Plc. resolved to set up peremptory Supervisory Boards for the thus transformed companies. The peremptory Supervisory Boards are responsible for the appointment, removal and remuneration of the managing director. Legal transactions to be concluded by the managing director amounting to a set limit of value, as well as commitments to be undertaken are subject to prior approval by the Supervisory Board. The FHB Mortgage Bank Plc. removed the members of the Supervisory Boards of the above mentioned companies and elected new members to serve on the Supervisory Boards.

In its capacity as the body exercising shareholder's rights vis-a-vis the above mentioned companies, and in consideration of the fact that FHB Services Ltd. had formerly been a singe-member company owned by FHB Mortgage Bank Plc., and also in consideration of the transformation of FHB Annuity Ltd. and FHB Real Estate Ltd. into single-member companies, with its respective resolutions dated 3 March 2009 the Board of Directors of FHB Mortgage Bank Plc. abrogated the above mentioned companies' effective deeds of establishment and approved the companies' new deeds of establishment, pursuant to the provisions of Section 11(1) of Act IV of 2006 on Business Associations (the Companies Act).

Declaration

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

As issuer, FHB Jelzálogbank Nyrt. assumes exclusive liability for the contents of the 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, 18th May, 2009

Dániel Gyuris CEO	Gyula Köbli Deputy CEO

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Address:	1132 Budapest, Váci út 20.	Fax:	(1) 452 - 9200
Sector code:	6522	E-mail:	bardosp@fhb.hu
Reporting period:	01.01.2009 – 31.03.2009	Investor relations:	Péter Bárdos

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

Profit and Loss Statement

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2009	31 March, 2008	Change (%)
Interest income	20,182,520	17,252,500	17.0%
Interest expense	-15,441,373	-13,115,437	17.7%
Net interest income	**4,741,146**	**4,137,063**	**14.6%**
Fee and commission income	438,259	503,003	-12.9%
Fee and commission expense	-17,892	-34,410	-48.0%
Profit from FX transactions	2,410,405	678,286	255.4%
Profit from changes of fair value of derivatives	-1,002,554	252,372	-497.3%
Gain less losses from securities	-178,753	7,236	-
Other operating income	516,567	526,055	-1.8%
Other operating expense	-9,563	-58,108	-83.5%
Operating income	**6,897,614**	**6,011,497**	**14.8%**
Losses/provisions on loans and impairment	-995,177	204,989	-585.5%
Operating expenses	-3,333,753	-2,984,344	11.7%
Profit before tax	**2,568,683**	**3,232,142**	**-20.5%**
Taxation expense	-1,116,320	-906,333	23.2%
Profit for the period	**1,452,363**	**2,325,809**	**-37.6%**

Name:	FHB Mortgage Bank Plc.	Telephone:	(1) 452 - 9100
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Reporting period:	01.01.2009 – 31.03.2009	Investor relations:	Péter Bárdos

Balance Sheet

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2009	31 March, 2008	Change (%)
Assets			
Cash	938,049	515,935	81.8%
Due from National Bank of Hungary	743,738	459,540	61.8%
Placements with other banks	39,985,472	10,149,631	294.0%
Available for sale securities	17,372,626	4,451,046	290.3%
Refinancing of mortgage loans	298,591,859	313,514,942	-4.8%
Loans	348,429,271	287,349,301	21.3%
Fair value of derivatives	18,394,329	1,808,820	916.9%
Property for investment	6,704,288	2,554,422	162.5%
Tangible and intangible assets	10,862,841	9,582,379	13.4%
Other assets	4,215,618	7,025,376	-40.0%
Total Assets	**746,238,091**	**637,411,392**	**17.1%**
Liabilities			
Deposits from banks	9,384,806	21,644,994	-56.6%
Mortgage bond liabilities	526,588,753	512,655,538	2.7%
Bonds issued	62,219,490	47,063,877	32.2%
Deposits	51,113,891	4,441,855	1,050.7%
Fair value of derivatives	45,633,725	10,309,159	342.7%
Reserve for annuity payment	1,132,917	625,660	81.1%
Other liabilities	6,385,612	4,609,679	38.5%
Total Liabilities	**702,459,194**	**601,350,762**	**16.8%**
Shareholders' Equity			
Share capital	6,600,001	6,600,001	0.0%
Repurchased own shares	-1,199,272	-166,001	622.5%
Share premium	1,709,014	1,709,014	0.0%
General reserve	3,910,150	3,285,014	19.0%
Cash-flow hedge reserve	3,379,854	-158,245	-
Stock option reserve	117,177	208,882	-43.9%
Variation in fair value of tradable financial assets	-135,495	-24,929	443.5%
Retained earnings/(deficit)	29,397,469	24,606,895	19.5%
Total Shareholders' Equity	**43,778,897**	**36,060,631**	**21.4%**
Total Liabilities and Shareholders' Equity	**746,238,091**	**637,411,392**	**17.1%**

Cash Flow

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2009	31 March, 2008
Cash flows from operating activities		
Net profit	**1,452,363**	**2,325,809**
Non cash adjustments to net income to net cash from operating activities:		
Depreciation	425,146	377,792
Change of fair value of property for investment	-418,765	-429,566
Provision for losses	1,266,415	-129,817
Loss/(profit) on sale of fixed assets	15,765	19,002
Stock option reserve	31,387	26,772
Share granted	0	0
Derivatives	6,324,696	12,723,421
Real value of annuity	27,204	240,485
Cash flow hedge reserve	0	0
Operating profit / (loss) before changes in operating assets	**9,124,211**	**15,153,899**
Increase (decrease) in operating assets:		
Refinancing of mortgage loans	-11,979,347	-18,794,964
Loans	-22,500,692	-22,121,612
Accrued interest receivable	0	0
Other assets	707,838	-1,615,639
Increase (decrease) in operating liabilities:		
Deposits	17,347,426	842,766
Due to other banks	-6,181,101	-4,814,284
Accrued interest payable	0	0
Other liabilities	1,689,633	-228,103
Net cash used in operating activities	**-11,792,032**	**-31,577,937**
Cash flows from investing activities		
Increase in available for sale securities	907,877	17,244,551
Proceeds from sale of property and equipment	0	2,019
Purchase of property and equipment	-466,311	-335,823
Purchase of property for investment	-305,457	-617,569
Investment service	-20,112	-15
Net cash used in investing activities	**115,997**	**16,293,163**
Cash flows from financing activities		
Sale/(purchase) of own shares	-44,553	-147,130
own shares of prior year		
Long term loans	1,333,200	-4,886,700
Paid dividend		
Cash flow hedge reserve		
Instalment from mortgage bonds	-26,283,780	-7,516,115
Proceeds from issue of mortgage bonds	46,641,050	26,388,513
Net cash from financing activities	**21,645,917**	**13,838,568**
Net increase in cash and cash equivalents	9,969,882	-1,446,206
Cash and cash equivalents at beginning of year	31,697,377	12,571,312
Cash and cash equivalents at end of period	**41,667,259**	**11,125,106**
Cash and cash equivalents comprises of:		
Cash	938,049	515,935
Due from Central Bank	743,738	459,540
Placements with other banks, with a maturity of less than 90 days	39,985,472	10,149,631
Cash and cash equivalents at end of period	**41,667,259**	**11,125,106**
Supplemental information		
Interest received	*19,643,729*	*15,448,294*
Interest paid	*-16,241,228*	*-14,060,196*
Tax paid	*-209,727*	*-355,986*

Name:	FHB Mortgage Bank Plc.	Telephone:	(1) 452 - 9100
Address:	1132 Budapest, Váci út 20.	Fax:	(1) 452 - 9200
Sector code:	6522	E-mail:	bardosp@fhb.hu
Reporting period:	01.01.2009 – 31.03.2009	Investor relations:	Péter Bárdos

Statement of Shareholders' Equity

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Stock option reserve	Variation in fair value (financial assets)	Retained earnings (deficit)	Shareholders' Equity
31 March, 2008	**6,600,001**	**-166,001**	**1,709,014**	**3,285,014**	**-158,245**	**208,882**	**-24,929**	**24,606,895**	**36,060,631**
Transfer to general reserve				530,064				-530,064	0
Change of fair values cash flow hedge					1,272,600				1,272,600
Own shares purchase		-1,256,294							-1,256,294
Shares granted		267,577				-182,110		-231,398	-145,931
Creation of stock option reserve						59,018			59,018
Changes in fair value of available for sale financial assets							2,135		2,135
Profit for the period								4,194,744	4,194,744
31 December, 2008	**6,600,001**	**-1,154,718**	**1,709,014**	**3,815,078**	**1,114,355**	**85,790**	**-22,794**	**28,040,177**	**40,186,903**
Transfer to general reserve				95,072				-95,072	0
Change of fair values cash flow hedge					2,265,499				2,265,499
Own shares purchase		-44,553							-44,553
Shares granted									0
Creation of stock option reserve						31,387			31,387
Changes in fair value of available for sale financial assets							-112,701		-112,701
Profit for the period								1,452,363	1,452,363
31 March, 2009	**6,600,001**	**-1,199,271**	**1,709,014**	**3,910,150**	**3,379,854**	**117,177**	**-135,495**	**29,397,468**	**43,778,898**

Loans

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2009	31 March, 2008
Real estate purchase	124,663,872	115,570,450
Real estate construction	51,601,441	51,598,610
Real estate reconstruction	5,100,181	4,864,144
Real estate extension	11,044,883	11,890,023
Other loans secured by real estate	151,732,846	100,963,386
Loans secured by non real estate	1,156,344	2,980
Employee loans	2,214,044	1,795,891
Loans, gross	**347,513,611**	**286,685,484**
from this: retail loans	323,913,289	268,551,999
other	23,600,322	18,133,485
Loan loss provision	-3,053,817	-874,089
Accrued interest	1,772,338	1,079,657
Amortised cost	2,197,139	458,249
Loans, net	**348,429,271**	**287,349,301**

Mortgage bonds

(consolidated, non- audited data as at 31 March, 2009 and 31 March, 2008, according to IFRS, data in thousand HUF)

DESCRIPTION	Carrying amount	Nominal value	Carrying amount	Nominal value
	31 March, 2009		31 March, 2008	
Non-listed mortgage bonds				
Fixed	167,866,022	167,506,790	176,606,060	176,331,750
Floating	79,332,816	58,231,090	81,453,037	80,696,500
Fixed	133,024,144	141,322,480	164,565,264	146,127,290
Floating	134,571,704	136,933,655	75,719,025	74,619,680
Accrued interest	11,794,065		14,312,152	
Total	**526,588,752**	**503,994,015**	**512,655,538**	**477,775,220**

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Sector code:	6522	E-mail:	bardosp@fhb.hu
Reporting period:	01.01.2009 – 31.03.2009	Investor relations:	Péter Bárdos

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

RS1. Ownership structure, participation and voting rates

Description of group of owners	Entire share capital						Listed series[1]					
	Beginning of target year (01.01.2009)			End of period (31.03.2009)			Beginning of target year (01.01.2009)			End of period (31.03.2009)		
	%[2]	%[3]	Db	%[2]	%[3]	Db	%[2]	%[3]	Db	%[2]	%[3]	Db
Domestic institutional / company	51.18	52.18	33,778,013	41.90	42.78	27,659,989	49.12	44.26	28,492,313	38.58	34.69	22,374,289
Foreign institutional / company	41.19	42.00	27,184,214	49.39	50.42	32,599,721	46.87	42.00	27,184,214	56.21	50.54	32,599,721
Domestic private individuals	1.44	1.47	948,957	2.33	2.38	1,535,541	1.64	1.47	948,957	2.65	2.41	1,535,541
Foreign private individuals	0.00	0.00	2,000	0.02	0.02	13,115	0.00	0.00	2,000	0.02	0.03	13,115
Employees, executives	0.15	0.16	101,055	0.19	0.20	127,263	0.17	0.16	101,055	0.22	0.21	127,263
Treasury shares	1.93	0.00	1,270,511	2.05	0.00	1,350,081	2.19	0.00	1,270,511	2.33	0.00	1,350,081
State[4]	4.11	4.19	2,715,260	4.11	4.20	2,714,300	0.00	0.00	960	0.00	0.00	0
International Development Institutes[5]	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
Other	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
TOTAL	100.00	100.00	66,000,010	100.00	100.00	66,000,010	100.00	87.88	58,000,010	100.00	87.88	58,000,010

[1] 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.
[2] Ownership share
[3] The voting rights ensuring participation in decision making at the General Shareholder's Meeting of Issuer. If the ownership share and the voting rights are identical, only the ownership share column must be completed and submitted / disclosed, while the fact must be indicated.
[4] E.g.: MNV Zrt., TB, local authorities, companies with 100% state ownership, etc.
[5] E.g.: EBRD, EIB, etc.

The ownership share is equal to the voting rates for entire share capital.

RS2. Changes in the number of treasury shares (pcs) in the year concerned

	1 January 2009		23 April 2009	
	Number of shares (pcs)	%	Number of shares (pcs)	%
Company	1.270.511	2,19	1,350,081	2.04
Subsidiaries[1]	0	0,00	0	0,00
TOTAL	1. 270.511	2,19	1,350,081	2.04

RS3/1. List and presentation of Owners holding a share exceeding 5% (at the end of the period) regarding the listed series

Name	Depository	Number of shares	Interest (%) (up to 2 decimal places)	Voting right (%) (up to 2 decimal places)
VCP Finanz Holding Kft.	No	6,500,000	11.21	9.85
A64 Vagyonkezelő Kft.	No	6,437,598	11.10	9.75
Silvermist Estate SA	No	6,303,545	10.87	9.55
HSBC BANK PLC	Yes	6,270,635	10.81	9.50
Citibank Letétkezelő	Yes	4,531,198	7.81	6.87
Clearstream Letétkezelő	Yes	4,218,004	7.27	6.39
RZB Austria	yes	4,049,790	6.98	6.14
TOTAL		**38,310,770**	**66.05**	**58.05**

RS3/2. List and presentation of Owners holding a share exceeding 5% (at the end of the period) regarding the entire share capital

Name	Depository	Number of shares	Interest (%) (up to 2 decimal places)	Voting right (%) (up to 2 decimal places)
VCP Finanz Holding Kft.	No	6,500,000	9.85	9.85
Allianz Hungária Biztosító ZRt.	No	6,438,105	9.75	9.75
A64 Vagyonklezelő Kft.	No	6,437,598	9.75	9.75
Silvermist Estate SA	No	6,303,545	9.55	9.55
HSBC BANK PLC	No	6,270,635	9.50	9.50
Citibank Letétkezelő	Yes	4,531,198	6.87	6.87
Clearstream Letétkezelő	Yes	4,218,004	6.39	6.39
RZB Austria	Yes	4,049,790	6.14	6.14
Összesen		**44,748,875**	**67.80**	**67.80**

Data forms related to the organisation and operation of the issuer

TSZ2. Changes in the headcount of full-time staff (persons)

	Beginning of target year (1 January 2009.)	End of target period (31 March 2009.)
Bank	81	66
Consolidated	582	507

TSZ3. Persons in senior positions and (strategic) employees having an influence on the operations of the Issuer

Type [1]	Name	Position	Beginning of mandate	End / termination of mandate	Shares held (pcs)
IT	Dr. Zoltán Spéder	Chairman	29.04.2008.	29.04.2013.	0
IT	István Somkúti	Member	29.04.2008.	29.04.2013.	0
IT	Dr. Gábor Borsányi	Member	29.04.2008.	29.04.2013.	14,000
IT	Dr. Károly Salamon	Member	29.04.2008.	29.04.2013.	6,000
IT	Dániel Gyuris	Member, CEO	29.04.2008.	29.04.2013.	16,000
IT	László Harmati	Member, Deputy CEO	29.04.2008.	29.04.2013.	16,192
IT	Dr. Márton Vági	Member	29.04.2008.	29.04.2013.	0
IT	Dr. Christian Riener	Member	29.04.2008.	29.04.2013.	0
FB	Róbert Somfai	Chairman	29.04.2008.	29.04.2013.	5,000
FB	Winkler Ágnes	Member	26.07.2002.	27.04.2012.	0
FB	Mónika Kék (*)	Member	05.05.2005.	05.05.2010.	0
FB	Kata Orsolya Molnár	Member	05.05.2005.	05.05.2010.	0
FB	Dr. Erik Landgraf	Member	02.05.2006.	02.05.2011.	6,609
FB	Csaba Lantos	Member	28.04.2009.	28.04.2014.	0
FB	Nguyen Hoang Viet	Member	02.05.2006.	02.05.2011.	5,245
SP	Gyula Köbli	Deputy CEO	01.11.2008	Indefinite	0
SP	Tamás Foltányi	Deputy CEO	07.11.2005	Indefinite	12,000
Shares held (pcs) TOTAL:					81,046

[1] Employee in a strategic position (SP), Member of the Board of Directors (IT), member of the Supervisory Board (FB)

(*) Resigned at General Meeting held at 28, April, 2009

INFORMATION AND DISCLOSURES

The more important information and disclosures issued by FHB Group fall into the following categories:

- Events relating to Group operation (banking announcements, changes in the Rules of Operation);
- Disclosure of flash reports and annual reports;
- Information in relation to mortgage bonds (offerings and repurchase, updating of the domestic and international mortgage bond issues programme, value of mortgage bonds and their cover);
- Shareholders' announcements regarding acquisition of holdings in excess of 5%;
- Notification of FHB share transactions;
- Rating by Moody's;
- Proposals submitted to the AGM and invitation to the AGM.
- Owners' decision about FHB subsidiaries (capital increase of FHB Commercial Bank)
- Changes in management and senior positions

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

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