

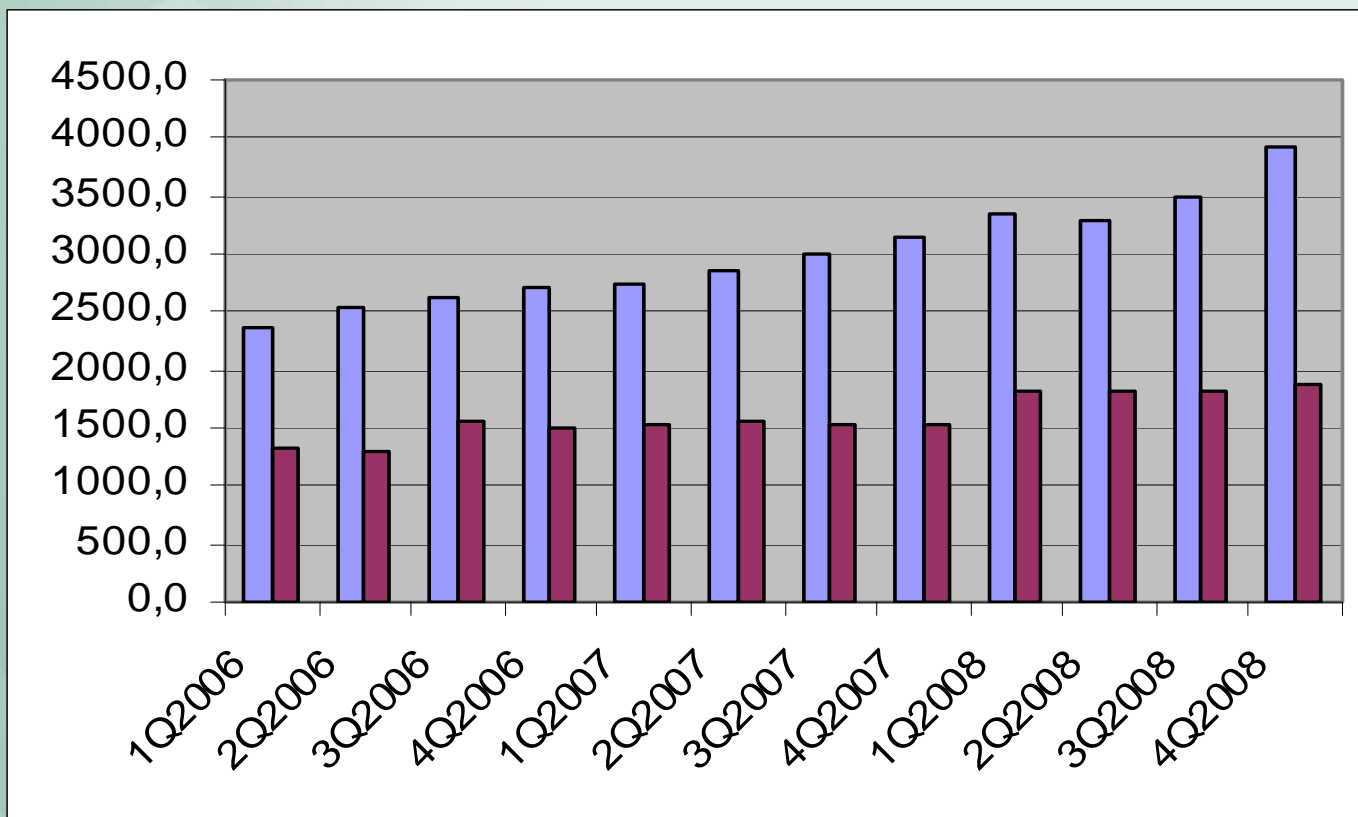
Pooling models in Europe - national level

**13 th Central European Covered Bond Conference,
Zürich**

2/3 July 2009

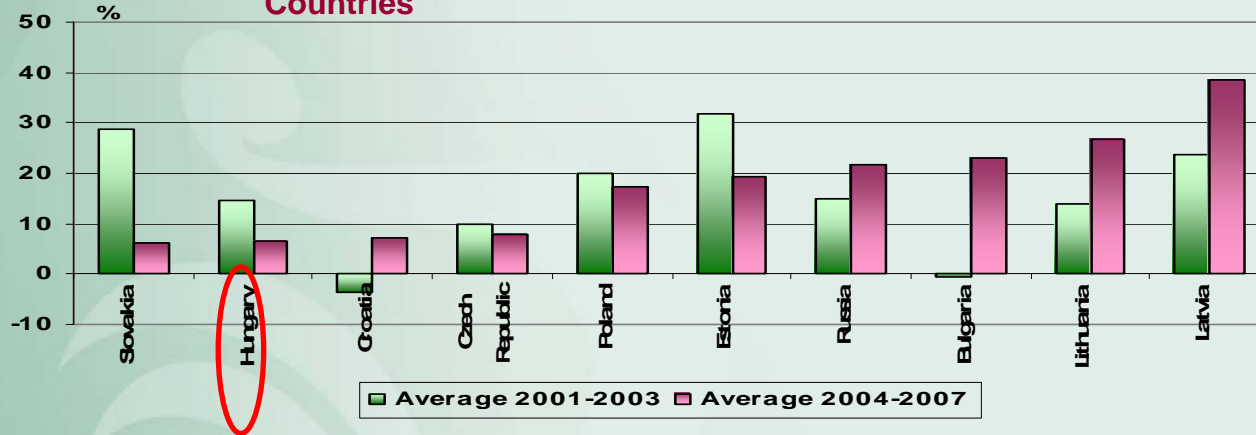
**dr Gyula Nagy
FHB Mortgage Bank Co. Plc.**

Hungary

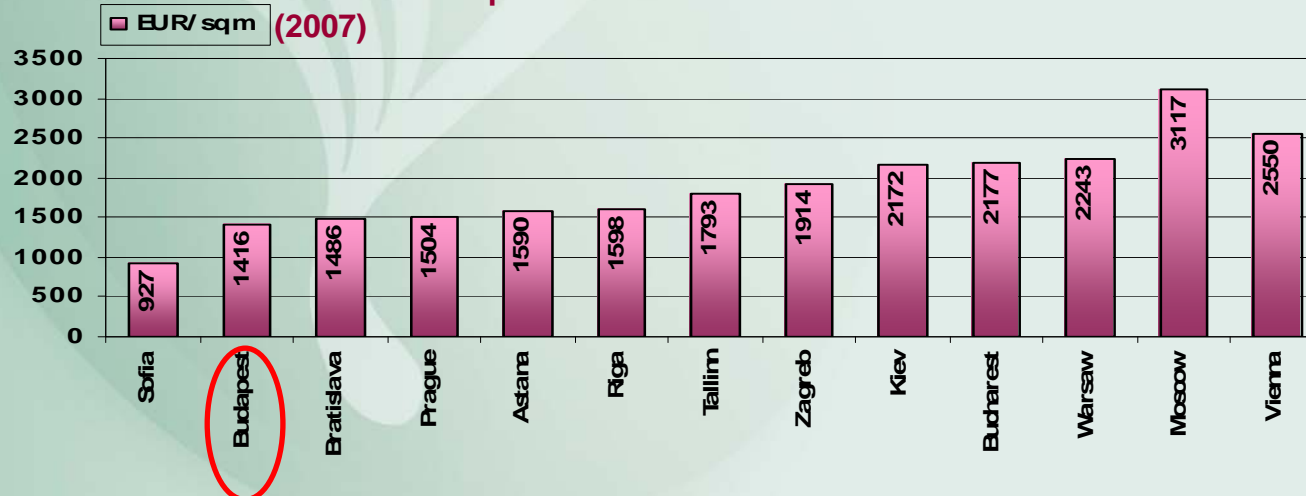


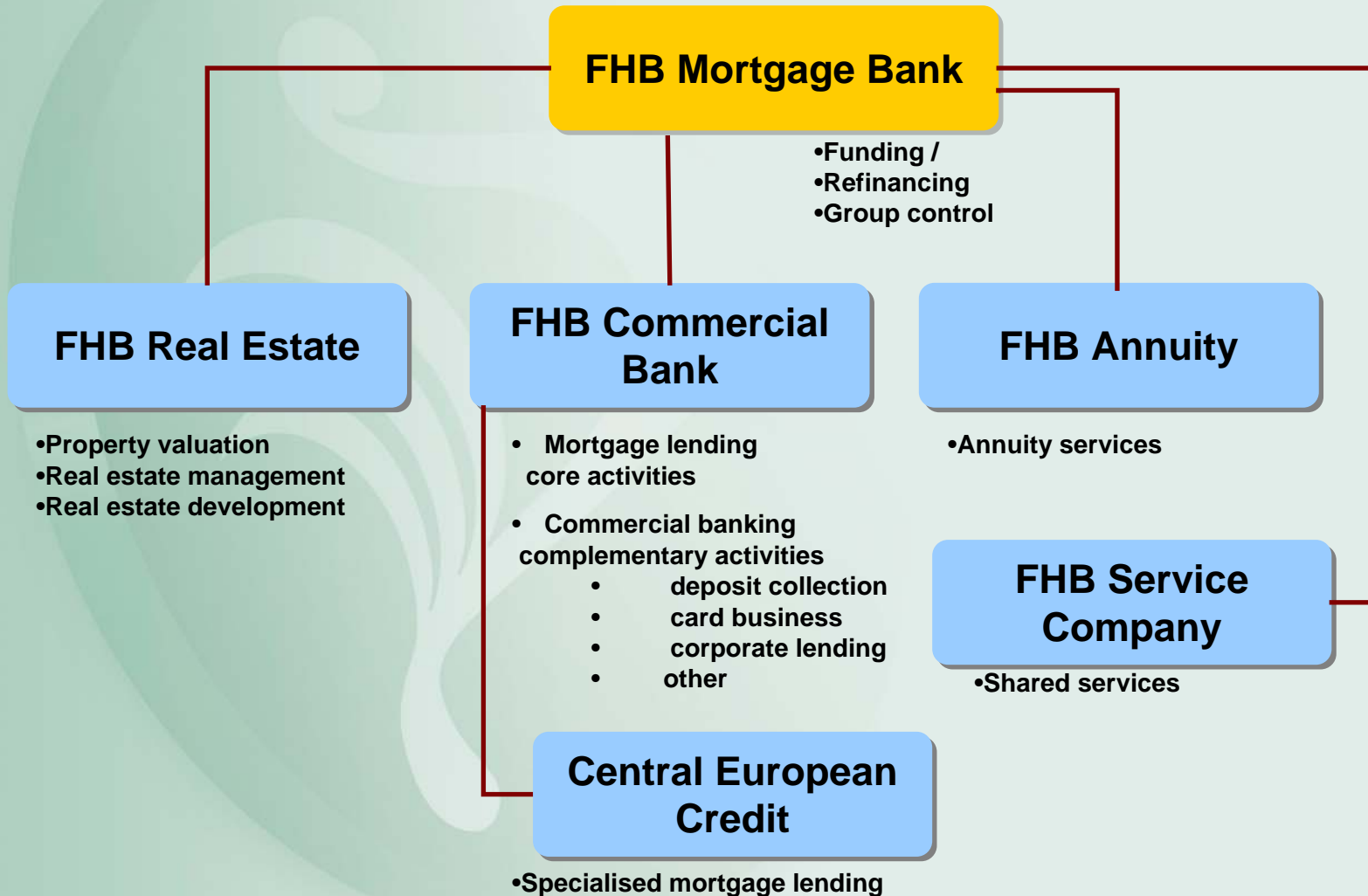
- Figures in bn HUF ,
- source: NBH and Hungarian Mortgage Bank Association

Real Estate Price Movements in CEE Countries



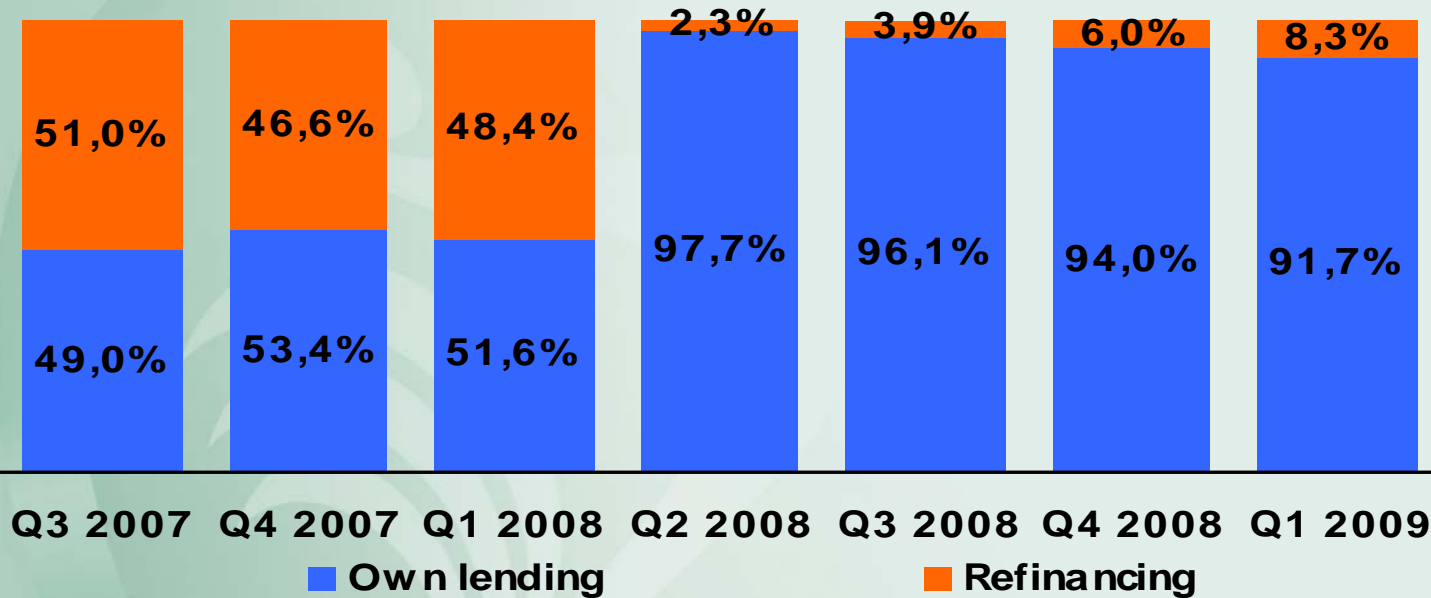
Real Estate Prices in the CEE Capital Cities





1997	October	Foundation of FHB
2000	February	Focus on residential mortgage lending boosted by the introduction of state interest subsidy scheme
2001	March	First public issue of covered mortgage bonds
	July	Refinancing model: introduction of the independent lien purchase
2002	Autumn	Credit rating (Moody's)
2003	November	Registration of EUR 1bn EMTN Program
	November	IPO
2004	April	Member of the BUX Index
2006	February	New business strategy
2007	January	FHB Commercial Bank opens
	August	Privatization

Total Lending – by business line



- Own lending has gained significant share since 2005
- Refinancing business line has declined due to ceasing demand from the major partner bank of FHB

Cover Pool (2009 Q1)

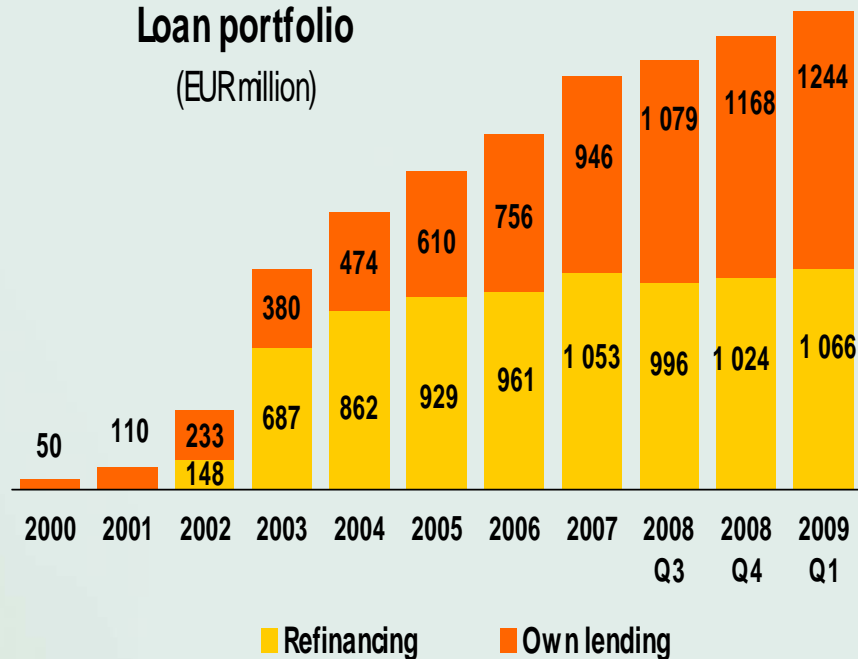
Total pool (EUR million)	2,081
Residential mortgage loans	97%
Number of contracts (thousand)	154.5
Average remaining maturity (years)	13.9
Average maturity of new loans (years)	18.9
Average loan amount (EUR thousand)	14.9
Average LTV	41.1%
Less than 3mth arrears	98.2%

Loan portfolio – FHB Mortgage Bank (2009 Q1)

Total loan portfolio (EUR million)	2,311
NIM	2.8%

Loan portfolio

(EURmillion)



With the help of the newly provided funds FHB :

- Participates in the stabilisation of the mortgage market
- Will maintain the level of its loan portfolio
- Will participate in SME lending
- Has more tools to avoid the possible extreme effects of macro risk
- Has solid basis for further growth

- **FHB managed to get a loan in accordance with the new regulations of the Public Finances Law and an additional increase of its equity by HUF 30 billion under the requirements of the Stability Law**

Main features of the state loan facility:

- Size is EUR 400M
- Average loan maturity is cca. 2.5 years
- Coupon: 250 bps above benchmark

