

UniCredit Jelzálogbank Zrt. 2007 H1 Flash Report



In compliance with its obligation by law, UniCredit Jelzálogbank Zrt. would like to inform its mortgage bondholders of changes which have occurred at the company, the asset value of their outstanding mortgage bonds and related collateral, as well as business in the first half of 2007.

Changes at the Company

In a resolution dated 31 January 2007 the Metropolitan Court as the Court of Registration deleted the names of HVB Jelzálogbank Zártkörűen működő részvénytársaság and the abbreviated name of HVB Jelzálogbank Zrt., parallel to registering the new name of the company, UniCredit Jelzálogbank Zrt.

There have been no changes to the ownership structure of UniCredit Jelzálogbank Zrt. since 31 December 2006, thus the sole shareholder of UniCredit Jelzálogbank Zrt. remains UniCredit Bank Hungary Zrt. (hereinafter referred to as: Shareholder).

There have been the following changes in the composition of the Board of Directors since 31 December 2006:

- Tibor Rácz stood down from his Board position as of 31 December 2006.
- As of 19 February 2007 the Shareholder decided to elect Mr Gianluca Totaro as an internal member of the Board of Directors of UniCredit Jelzálogbank Zrt.
- As of 19 February 2007 the Shareholder decided to recall Mr Péter Lengyel from his position as an internal member of the Board of Directors of UniCredit Jelzálogbank Zrt.
- The Shareholder decided to elect Ms. Bernadett Tátrai as an internal member of the company's Board of Directors from 24 May 2007 until 30 March 2010.
- As of 12 June 2007 the Shareholder decided to re-elect Mr Reinhard Madlencnik as a Board member from the date of issue of the Hungarian Financial Supervisory Authority permission until 30 March 2010.
- The Shareholder decided to elect Dr. Judit Pettkó-Szandtner, Ralf Cymanek and Balázs Tóth to the Supervisory Board from 21 June 2007 until 10 March 2010.
- The Shareholder decided to re-elect Franz Wolfger to the company's Supervisory Board from 21 June 2007 until 30 March 2010.
- The Shareholder decided on 21 June 2007 to elect Karin Schmidt to the company's Supervisory Board from the date of issue of the Hungarian Financial Supervisory Authority permission until 30 March 2010.

- The Shareholder did not extend the expiring mandates of Franz Unger and Dr. Zsuzsanna Gulyás – at the request of the given individuals – and granted them exemption from all liability vis-à-vis the Shareholder in relation to any damage derived from activities associated with Supervisory Board membership until the end of their mandates.

The members of the Board of Directors of UniCredit Jelzálogbank Zrt. and the Supervisory Board were as follows on 30 June 2007:

Board of Directors

Dr. Mihály Patai	Chairman of the Board, external Board member
Dr. Gyula Nagy	Chief Executive Officer, internal Board member
Bernadett Tátrai	internal Board member
Gianluca Totaro	internal Board member
Ágnes Radványi	external Board member
Markus Winkler	external Board member
Reinhard Madlencnik	external Board member

Supervisory Board

Ralf Cymanek	Supervisory Board chairman
Dr. Judit Pettkó-Szandtner	Supervisory Board member
Balázs Tóth	Supervisory Board member
Karin Schmidt	Supervisory Board member
Franz Wolfger	Supervisory Board member

Asset value

In accordance with Act CXX of 2001 on the Capital Market, information disclosed regularly on issued debt securities secured with specific assets or group of assets pledged in collateral must indicate any change in the value of such assets or group of assets. In conformance with this regulation, what follows is the nominal value and interest amounts of outstanding mortgage bonds of UniCredit Jelzálogbank Zrt. still not repaid as of 30 June 2007, as well as the value of collateral as verified by the Property Supervisor.

Outstanding mortgage bonds denominated in forints, as yet unpaid		
➤ Nominal value (a)	66,077,230,000	HUF
➤ Interest (b)	19,884,843,262	HUF
Total (a+b)	85,962,073,262	HUF
Forint value of outstanding mortgage bonds denominated in foreign currency, converted using official MNB exchange rate on reporting date, as yet unpaid		
➤ Nominal value (c)	3,688,500,000	HUF
➤ Interest (d)	740,931,278	HUF
Total (c+d)	4,429,431,278	HUF
Outstanding mortgage bonds denominated both in forints and foreign currency, as yet unpaid		
➤ Nominal value (a+c)	69,765,730,000	HUF
➤ Interest (b+d)	20,625,774,540	HUF
Grand total (a+b+c+d)	90,391,504,540	HUF
Value of ordinary collateral in forints as verified by property supervisor		
➤ Capital receivable (e)	55,066,801,129	HUF
➤ Interest receivable (f)	22,093,404,903	HUF
Total (e+f)	77,160,206,032	HUF
Forint value of ordinary collateral denominated in foreign currency, converted using official MNB exchange rate on reporting date		
➤ Capital receivable (g)	9,987,319,605	HUF
➤ Interest receivable (h)	1,904,150,202	HUF
Total (g+h)	11,891,469,807	HUF
Collective value of ordinary collateral denominated in forints and foreign currency:		
➤ Capital receivable (e+g)	65,054,120,734	HUF
➤ Interest receivable (f+h)	23,997,555,105	HUF
Grand total (e+g+f+h)	89,051,675,839	HUF
Value of additional collateral:		
➤ Capital receivable (i)	11,720,538,200	HUF
➤ Interest receivable (j)	0	HUF
Total (i+j)	11,720,538,200	HUF

All of the additional collateral is kept by UniCredit Jelzálogbank Zrt. in government securities.

**Main rows of UniCredit Jelzálogbank Zrt. balance sheet and profit and loss statement
according to Hungarian Accounting Standards (MSZSZ)**

BALANCE SHEET		Figures in HUF million		Change
		30.06.2006	30.06.2007	%
I.	LIQUID ASSETS	319	3	-99,1
II.	GOVERNMENT SECURITIES	9 262	11 607	25,3
a)	held-for-trading			
b)	held-to-maturity	9 262	11 607	25,3
III.	RECEIVABLES FROM CREDIT INSTITUTIONS	63 442	53 097	-16,3
a)	sight			
b)	other receivables from financial services	63 442	53 097	-16,3
ba)	short-term	5 839	880	-84,9
bb)	long-term	57 603	52 217	-9,4
IV.	RECEIVABLES FROM CUSTOMERS	26 630	34 580	29,9
a)	from financial services	26 630	34 580	29,9
aa)	short-term	64	81	26,6
ab)	long-term	26 566	34 499	29,9
b)	from investment services			
V.	DEBT SECURITIES, INCLUDING FIXED-INCOME SECURITIES			
VI.	SHARES AND OTHER VARIABLE-YIELD SECURITIES			
VII.	SHARES, HOLDINGS HELD TO MATURITY			
VIII.	SHARES, HOLDINGS IN RELATED COMPANIES			
IX.	INTANGIBLE ASSETS	235	164	-30,2
a)	intangible assets	235	164	-30,2
b)	upwards revaluation of intangible assets			
X.	TANGIBLE ASSETS	13	55	323,1
a)	financial and investment service tangible assets	13	55	323,1
b)	indirect financial and investment service tangible assets			
c)	assets under construction			
XI.	OWN SHARES			
XII.	OTHER ASSETS	658	999	51,8
a)	inventories			
b)	other receivables	658	999	51,8
XIII.	PREPAID EXPENSES AND ACCRUED INCOME	628	713	13,5
a)	accrued income	443	551	24,4
b)	prepaid expenses	185	162	-12,4
c)	accrued payables			
TOTAL ASSETS		101 187	101 218	0,0
	Of which			
	CURRENT ASSETS	6 880	1 963	-71,5
	FIXED ASSETS	93 679	98 542	5,2

		Figures in HUF million		Change
		30.06.2006	30.06.2007	%
I.	LIABILITIES TO CREDIT INSTITUTIONS	16 791	16 320	-2,8
a)	sight			
b)	fixed-term liabilities from financial services	16 791	16 320	-2,8
ba)	short-term	7 783	6 225	-20,0
bb)	long-term	9 008	10 095	12,1
c)	from investment services			
II.	LIABILITIES TO CLIENTS			
III.	LIABILITIES DUE TO ISSUED SECURITIES	71 745	69 767	-2,8
a)	issued bonds			
b)	other issued debt securities	71 745	69 767	-2,8
ba)	short-term	6 100	0	-100,0
bb)	long-term	65 645	69 767	6,3
IV.	OTHER LIABILITIES	241	67	-72,2
a)	short-term	241	67	-72,2
b)	long-term			
V.	ACCRUED EXPENSES AND DEFERRED INCOME	3 284	3 897	18,7
a)	deferred income	1 325	26	-98,0
b)	accrued expenses	1 959	3 871	97,6
c)	accrued assets			
VI.	PROVISIONS	322	316	-1,9
a)	provisions for pensions and severance payments			
b)	risk provisions for commitments and contingent liabilities			
c)	general risk reserve	322	316	-1,9
d)	other provisions			
VII.	SUBORDINATED LIABILITIES			
VIII.	SUBSCRIBED CAPITAL	3 000	3 000	0,0
IX.	SUBSCRIBED, BUT UNPAID CAPITAL (-)			
X.	CAPITAL RESERVE	783	783	0,0
XI.	GENERAL RESERVE	381	563	47,8
XII.	PROFIT RESERVE	3 649	5 287	44,9
XIII.	NON-DISTRIBUTABLE RESERVE			
XIV.	VALUATION RESERVE			
a)	valuation reserve from upwards revaluations			
b)	valuation reserve from fair value measurements			
XV.	RETAINED PROFIT FOR THE YEAR	991	1 218	22,9
TOTAL EQUITY AND LIABILITIES		101 187	101 218	0,0
Of which				
	- CURRENT LIABILITIES	14 124	6 292	-55,5
	- LONG-TERM LIABILITIES	74 654	79 861	7,0
	- EQUITY	8 803	10 851	23,3

PROFIT AND LOSS STATEMENT	Figures in HUF million		Change %
	30.06.2006	30.06.2007	
1. Interest received and similar income (2+5)	4 597	4 996	8,7
a) interest income on fixed-income debt securities	301	451	49,8
b) other interest received and similar income	4 296	4 545	5,8
2. Interest paid and similar expenses (9+10)	3 326	3 447	3,6
Interest margin (1-2)	1 271	1 549	21,9
3. Income from securities			
4. Commission and fee income	169	159	-5,9
a) fee income of other financial services	169	159	-5,9
b) income from investment services (except trading activity income)			
5. Commissions paid (payable) and fee expenses	16	86	437,5
a) other financial service expenses	7	27	285,7
b) investment service expenses (with the exception of trading activity expenses)	9	59	555,6
6. Net profit on financial transactions 6.a)-6.b)+6.c)-6.d)	239	213	-10,9
a) income of other financial services	257	245	-4,7
b) other financial service expenses	18	32	77,8
c) investment service income (trading activity income)			
d) investment service expenses (trading activity expenses)			
7. Other income from business activities	2	9	350,0
8. General administrative expenses	348	397	14,1
a) staff costs	230	257	11,7
aa) salary costs	164	181	10,4
ab) other staff benefits	9	12	33,3
ac) salary contributions	57	64	12,3
b) other administration costs (material-type expenses)	118	140	18,6
9. Depreciation	69	83	20,3
10. Other expenses from business activities	151	125	-17,2
a) non-financial and non-investment service expenses			
b) other expenses	151	125	-17,2
11. Impairment on receivables and risk provisioning for commitments and contingent liabilities	182	55	-69,8
a) impairment on receivables	182	55	-69,8
b) risk provisioning for commitments and contingent liabilities			
12. Reversal of impairment on receivables and utilisation of risk provisions for commitments and contingent liabilities	76	34	-55,3
a) reversal of impairment on receivables	76	34	-55,3
b) utilisation of risk provisions for commitments and contingent liabilities			
12/A Difference between general risk provisions allocated and used			
Profit on ordinary activities	991	1 218	22,9
of which:			
- PROFIT ON FINANCIAL AND INVESTMENT SERVICES	991	1 218	22,9
- PROFIT FROM NON-FINANCIAL AND NON-INVESTMENT SERVICES			
18. Extraordinary profit			
19. Profit before tax	991	1 218	22,9
21. Profit after tax			
25. Retained profit for the year			

UniCredit Jelzálogbank Zrt. emphasises to its investors that the balance sheet and profit and loss statement figures in the 2007 H1 Flash Report compiled under Hungarian accounting standards are not audited!

The undersigned hereby declare that all of the data and representations in the 2007 H1 Flash Report are true and correct, and that it contains all of the facts and information necessary to make an informed judgement of the situation of UniCredit Jelzálogbank Zrt.

UniCredit Jelzálogbank Zrt. shall be liable to recompense any damage caused by failure to provide regular and exceptional information, as well as by misleading data.

The 2007 H1 Flash Report can be viewed on the websites of UniCredit Jelzálogbank Zrt. (www.jelzalogbank.hu), UniCredit Bank Hungary Zrt. (www.unicreditbank.hu), and the Budapest Stock Exchange (www.bet.hu) from 10 August 2007. The 2007 H1 Flash Report can be viewed at the registered office of UniCredit Jelzálogbank Zrt. (1065 Budapest, Nagymező u. 44.) from 10 August 2007.

Budapest, 9 August 2007

Dr. Gyula Nagy
Chief Executive Officer

Szántó Istvánné
Chief accountant