



**Stock Market Preliminary Report of  
FHB Land Credit and Mortgage  
Bank Ltd. for the 3<sup>rd</sup> quarter of  
2004**

**Budapest, 11 November, 2004**

## The preliminary report of FHB Land Credit and Mortgage Bank Ltd. for the third quarter of 2004 on the activities and results of the Company

The preliminary report of FHB Land Credit and Mortgage Bank Ltd. for the second quarter of 2004 is based on consolidated balance sheet and profit and loss account prepared according to Hungarian Accounting Standards (MSZSZ) and IFRS. The consolidation applies only to FHB Szolgáltató Rt. (FHB Services Ltd.), 100% owned subsidiary of FHB, which operates as an acquiring agent. As the balance sheet and the profit and loss account of FHB Services Ltd. have no significant impact on the Bank's data, the preliminary report contains consolidated figures all along. The narratives compare the non-audited data as of 30 September 2004 and the audited data as of 30 June 2004 and 30 September 2003.

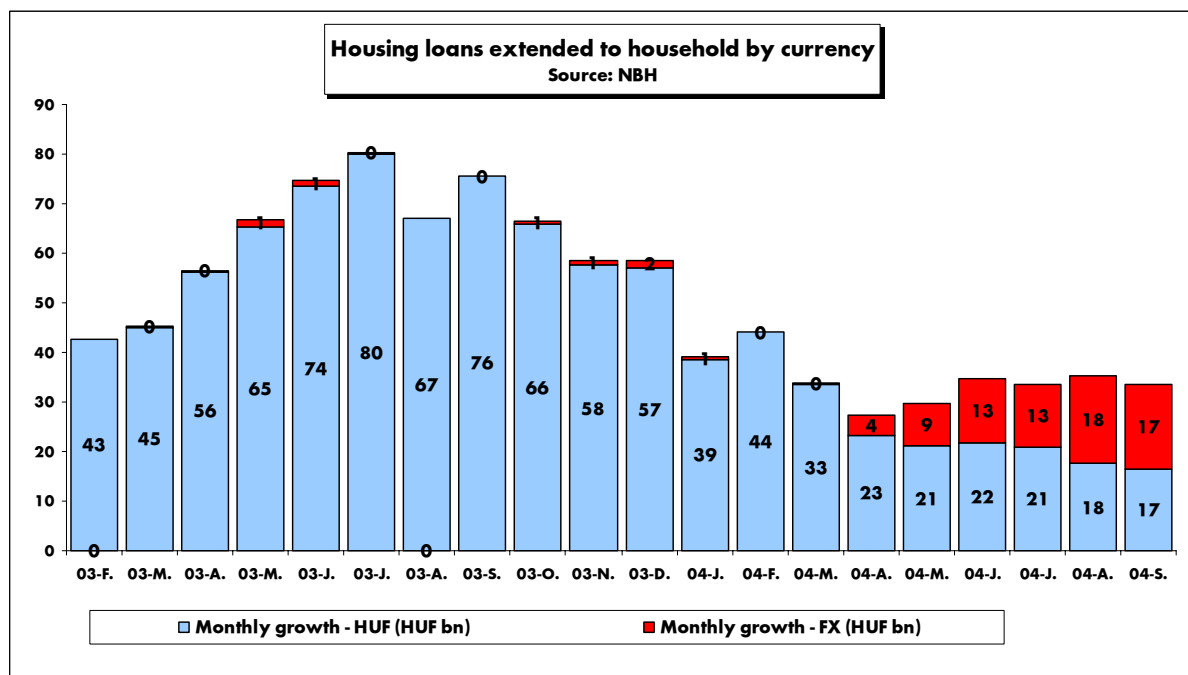
### Summary of activities and events of the recent period

**FHB completed another successful quarter, after-tax profit at the end of the third quarter of 2004 reached 5,797 million forints, this exceeds the half year profit by 2,435 million forints. The Bank's total assets have passed 400 billion forints for the first time. Both after-tax profit and total assets are beyond the financial plan for the third quarter.**

#### *Housing loan market*

The change in housing in 2004 loans was structural as well as quantitative. Since the beginning of the year there has been a substantial decline in the monthly growth rate of forint-based housing loans while housing loans denominated in foreign currency have picked up. The reduction of monthly growth of home loans declined, then stopped in August, although the monthly growth in loans still fell below that of the same period of 2003.

The appearance of foreign currency-based mortgage lending resulted in an upward turn in the negative trend, and the monthly change in the loan portfolio started to slowly grow in April 2004. An unequivocal sign of foreign currency-denominated housing loans gaining ground is that by the end of summer of this year the rate of FX housing loans in the overall housing loans growth was similar to that of HUF loans. However when evaluating the change in the trend it should be taken into consideration that the share of FX housing loans from the total portfolio is still only 5.1%, and the decreasing effect of the instalments in case of HUF housing loans is significant.



The joint effect of the high yield that had prevailed since November 2003 and the diminishing state subsidy is a significant increase in the burdens of forint-based retail housing loans on customers this year. The trend seems to turn in the third quarter as subsidised-interest HUF loans resulted in monthly instalments competitive with FX loans.

The Bank's share of the households' housing loan market has been stabilised around 20% in 2004.

### *Own lending*

The amount of loans sold via the Bank's own distribution channels grew by 31,380 million forints, or 33.8%, in a year up to 30 September 2004. In the first nine months of the year the Bank disbursed loans directly to customers to the amount of 25,862 million forints, of which 2.8% were FX-based loans (first disbursed in July of 2004). **Home purchase and building loans continue to be the Bank's leading products.** There was a rather significant restructuring within home purchase loans compared to the third quarter of 2003 as disbursement of building loans increased to reach 36.9% this year whereas purchase loans dropped to 41.7% within total disbursements. On the other hand, there was a massive expansion in general mortgage loans: disbursement rose 154.2%, from 144 million to 367 million forints. The Bank entered in the foreign currency housing loans market as of 1st June 2004. FHB extends the following types of FX based loan: FX home loans (purchase, extension and improvement), and FX loan for unspecified purposes. The popularity of the products is marked by the fact that the monthly increase in the amount of FX loans contracted was approximately 30% in the third quarter.

In order to further boost the increase in lending the Bank offered a new type of syndicated cooperation agreement to its current partners. Contracting as well as the first loan transactions under the new type of cooperation are expected in the fourth quarter of 2004.

*Refinancing*

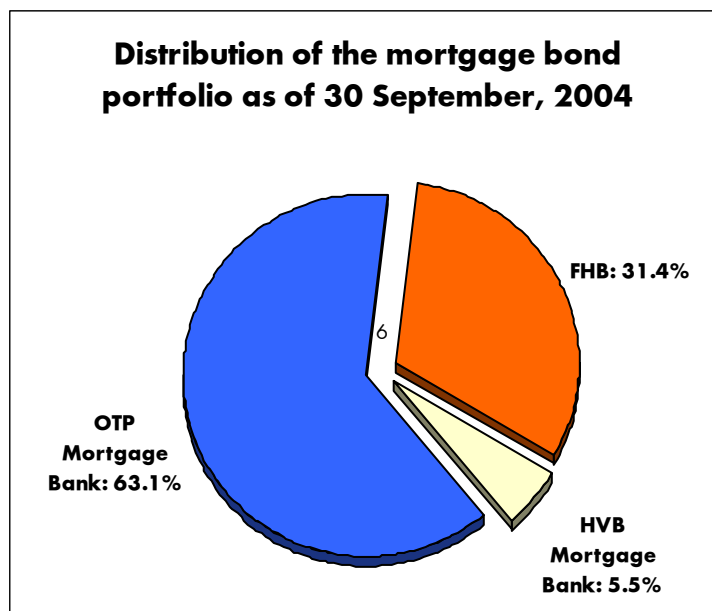
Declining demand for housing loans are most keenly felt in the Bank’s refinancing business. In the third quarter refinanced new disbursements amounted to 9,728 million forints, which equals to 44.2% of the expansion in the first quarter and 42.8% of the expansion in the second quarter of 2004. Compared to 148,441 million forints as of 30 September 2003, the growth amounted to 90,057 million forints, or 60.7%, over a year.

The decrease in monthly disbursements of refinanced loans stopped in September and October of 2004 and a slight upward trend was beginning to take shape. The Bank envisions offsetting the drop in refinancing, due to a general decline in subsidized-interest home loans in forint, by refinancing FX loans and non-subsidized HUF housing loans and also by improving the other distribution channels of the Bank.

**Refinancing of non-subsidized loans (HUF and FX) begins in the fourth quarter of 2004.**

*Issue of mortgage bonds*

Calculated on the basis of the current mortgage bond portfolios, the Bank’s mortgage bonds market share is the same as that of the same period of the previous year (having increased by a half percentage point), and climbed almost 0.6% over the previous quarter’s figure thus reaching 31.4% as of September 2004. The aggregate mortgage bond portfolio of the three Hungarian mortgage banks exceeds 1,153 billion forints.



In line with the bond market conditions and liquidity requirements the Bank issued a mortgage bond of 100 million euros nominal value in the third quarter within the framework of the international EMTN programme. This was the Bank’s first public placement purely in euro (and indeed the first such placement by any Hungarian mortgage bank). Due to unfavourable market

conditions the Bank did not appear in the Hungarian capital market with public auctions in the third quarter.

In order to improve maturity structure and enhance funding activities the Bank effected the first public mortgage bond repurchase programme in Hungary. Resulting in the repurchase of mortgage bonds amounting to almost eight billion forints the programme proved to be a success. Based on this experience the Bank intends to continue to use this technique in its future assets and liabilities management.

#### *Changes in the legal framework*

Among the legislative changes, mention should be made of Decree 12/2001. (I. 31.) Korm. of the Government on Housing Support, which has been amended several times in the course of 2004. The preferential home building limit was increased. Amendments aimed at legal harmonisation, on the one hand, have expanded the group of persons eligible for support to include employees in the EEA and their family members, and on the other hand, have further refined the group of financial institutions entitled to offer financial services related to the support schemes provided for in the Decree.

Amendments to the regulation of interest subsidy have made it unequivocal that subsidized interest is also available on mortgage bonds issued in foreign currency provided the terms of the Decree are met. In addition, it has been established that subsidized interest loans can only be extended in forint.

The Act on Credit Institutions and Financial Enterprises (Hpt. by its Hungarian abbreviation) has also been amended several times in the course of the year. The amendments which are most important for the Bank's activity pertain to the rules of debtor records, and full-fledged client information related to foreign currency-based housing loans.

#### *Changes in the organizational structure*

The Bank had 194 staff as of 30 September 2004, two percent less than a year earlier (198). The consolidated headcount was 233 as of 30 September 2003, reduced by 3.0% to 226 in a year. The staff reduction – contributing to the change in headcount – was predominantly related to the Business Directorate, in line with the decreasing growth.

No restructuring took place in the third quarter of the year.

## Changes in financial indicators in the recent period

### Hungarian Accounting Standards

**The major consolidated financial indicators for the past nine-month period surpassed FHB's pro rata temporis plans for 2004: the balance sheet total was 4.0% higher and the after-tax profit was 41.4% higher than envisioned.**

The **consolidated balance sheet total** grew from 255,017 million to 403,925 million forints in the period between 30 September 2003 and 30 September 2004, which is a 58.4% increase in twelve months. The increase is mainly attributed to the expansion in receivables from clients and credit institutions (refinanced banks): the total volume of such receivables increased by 121,437 million forints (50.3%) within a one-year period.

The **consolidated profit after taxation** was **5,797 million forints** as of 30 September 2004, more than double (217.3%) the same period in the previous year. Against a background of keen competition and an average net interest margin narrowing as a result of the legislative environment, the growth in profits is remarkable. Appropriate exploitation of the Bank's internal resources and consequent further improvement of cost effectiveness have also contributed to this outstanding performance.

The Bank's **own equity grew** from 10,831 million forints to **17,325 million forints** from its accumulated profits from business activity, which constitutes a 60% growth within a year.

Major financial indicators	Consolidated figures according to HAS		
	30 September, 2003	30 September, 2004	September 2004 / September 2003
Balance sheet total (million HUF)	255,017	403,925	158.4%
Mortgage loan portfolio (million HUF)	241,202	362,639	150.3%
Mortgage bonds outstanding (million HUF)	232,484	361,898	155.7%
Own equity (million HUF)	10,831	17,325	160.0%
Adjusted capital (million HUF) <sup>1</sup>	8,839	14,498	164.0%
Capital adequacy ratio <sup>1</sup>	9.9%	11.6%	117.2%
After-tax profit (million HUF)	2,668	5,797	217.3%
Net interest margin (NIM)	4.8%	3.9%	82.4%
CIR (operating costs / gross operating income)	52.2%	34.9%	66.8%
EPS (HUF)	404	878	217.3%
ROAA (return on average assets)	1.9%	2.1%	111.7%
ROAE (return on average equity)	46.6%	52.4%	112.4%

<sup>1</sup> Including profit for 2004.

## IFRS

Based on the International Financial Reporting Standards the **balance sheet total increased** from 253,897 million forints to 403,193 million forints, or **by 58.8% within a year**. The growth was mainly generated by the increase in the mortgage loan portfolio. Owners' equity increased by 66.7%, to 16,863 million forints.

**After-tax profit by IFRS was 5,780 million forints** as of 30 September 2004, more than double the figure in the same period of the previous year.

Major financial indicators	Consolidated figures according to IFRS		
	30 September, 2003	30 September, 2004	September 2004 / September 2003
Balance sheet total (million HUF)	253,897	403,193	158.8%
Mortgage loan portfolio (million HUF)	242,050	363,567	150.2%
Mortgage bonds outstanding (million HUF)	233,436	362,672	155.4%
Shareholder's equity (million HUF)	10,115	16,863	166.7%
After-tax profit (million HUF)	2,679	5,780	215.8%
Net interest margin (NIM)	4.6%	4.0%	86.4%
CIR (operating costs / gross operating income)	63.3%	39.3%	62.1%
EPS (HUF)	406	876	215.8%
ROAA (return on average assets)	1.8%	2.2%	117.4%
ROAE (return on average equity)	31.6%	55.4%	175.5%

## Analysis of FHB's financial statements prepared according to Hungarian Accounting Standards

### P/L structure<sup>2</sup>

Data in HUF million

DESCRIPTION	Q3 2003 (June-Sep)	Q2 2004 (April-June)	Q3 2004 (June-Sep)	Q3 2004 / Q3 2003	Q3 2004 / Q2 2004
Net interest income	2,826	3,664	4,112	145.5%	112.2%
Net fees and commission income	159	122	280	176.6%	229.3%
Net profit from financial transactions	36	43	-64	-178.6%	-146.3%
Gross operating income	3,020	3,830	4,329	143.3%	113.0%
Operating expenses	-1,274	-1,548	-1,165	91.5%	75.3%
Other income and expenditures	-107	-25	-230	214.1%	912.5%
Net operating income	1,639	2,257	2,934	179.1%	130.0%
Net provisions and loss write-off	30	-50	-50	-163.6%	99.3%
Extraordinary income / expenditures	0	-7	0	-	0.0%
Profit before tax	1,669	2,200	2,884	172.8%	131.1%
Income tax	300	355	450	149.6%	126.7%
<b>After-tax profit</b>	<b>1,369</b>	<b>1,846</b>	<b>2,435</b>	<b>177.9%</b>	<b>131.9%</b>

At the end of September 2004 the Bank's gross operating income amounted to 11.3 billion forints, which means a 49.3% year-on-year increase. **Gross operating income for the third quarter was 13.0% higher compared to the second quarter.** Net interest income, a dominant item in the gross operating profit, showed a 12.2% increase over the second quarter's figure, reaching 4,112 million forints compared to 3,664 million forints. Cumulative interest income in the last three quarters of 2004 grew 58.8% compared to the same period in 2003. Operating expenses up to 30 September 2004 were 0.3% lower than as of 30 September 2003, while 24.7% savings were achieved over the operating expenses of the second quarter of 2004.

#### *Net interest income*

The 10,732 million forints net interest income for the third quarter of 2004 emerged as the balance of 33,542 forints interest income (91.4% year-on-year increase) and 22,809 million forints interest expense (112.1% increase). Interest payable was almost entirely contributed by interest payable on mortgage bonds (97.7% in September 2003 and 96.4% in September 2004). Compared to the second quarter, interest income went up by 9.5% while interest expenditure grew by 8.2%, resulting in a 12.2% net growth of interest income, due partly to the expansion of the loan portfolio, and partly to the repricing of loans and the mortgage bonds funding them.

The average net interest margin (NIM) was 3.84% as of 30 September 2004, which fell 84 basis points short of the 4.78% figure of the same period of the previous year. The decrease can be attributed to the combined effect of a massive increase in the refinanced portfolio over the past 12 months, a growth in the cost of funds during the year, and the narrowing impact of legislative

<sup>2</sup> Consolidated data by HAS



changes in 2003. It is positive that the narrowing of the margin was curbed and even reversed, resulting in a growth of 10 base points in the third quarter, due, among other things, to the favourable cost of new funds.

#### *Net fees and commission income*

The contribution of net fees and commission income to the Bank's gross operating income showed a declining trend: while this item contributed 9.9% to gross operating profit as of 30 September 2003, at the end of 2003 year it was 6.3%, then dropped to 5.2% by the end of the third quarter of 2004. As of 30 September 2004 the Bank's cumulative income from fees and commissions amounted to 1,007 million forints (61.7% of the figure of the same period in the preceding year). Expenditure on fees amounted to 423 million forints (47.8% of the figure as of 30 September 2003), and the resulting net income from fees and commission was 584 million forints as against 749 million forints in the base period of last year and 303 million forints in the first half of 2004.

The decrease in both income from fees and fees paid compared to last year is explained by the lower level of loan applications and contracts. On the income side, valuation fees have been lagging, and the same applies to acquiring agents' fees on the expenditures side. Fees paid declined to a larger extent than income from fees due to a reduction in fees paid on mortgage bond issues.

#### *Net profit from financial transactions*

The third quarter's negative net profit from financial transactions amounting to 64 million forints resulted from losses on mortgage bonds issued. Its impact on the gross profit is insignificant.

#### *Operating expenses*

Data in million HUF

<b>DESCRIPTION</b>	<b>Q3 2003 (July-Sep)</b>	<b>Q2 2004 (April-June)</b>	<b>Q3 2004 (July-Sep)</b>	<b>Q3 2004 / Q3 2003</b>	<b>Q3 2004 / Q2 2004</b>
General administrative costs	1,212	1,477	1,100	90.8%	74.5%
Personnel expenses	469	717	495	105.4%	69.0%
- wages	299	479	319	106.7%	66.6%
- other personnel expenses	58	61	57	98.3%	94.3%
- social security expenses	112	177	119	106.3%	67.2%
Other administrative costs	743	760	606	81.6%	79.7%
- incl. special mortgage banking costs	429	267	220	51.3%	82.5%
Depreciation	62	71	65	104.8%	91.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,274</b>	<b>1,548</b>	<b>1,165</b>	<b>91.4%</b>	<b>75.3%</b>

Substantial improvement in cost-effective operation is indicated by the cost-income ratio, which fell from 52.2% to 34.9% over a year's period by 30 September 2004, and exceeded the 39.8% CIR in first half by almost five percentage points.

The Bank's operating costs in the third quarter amounted to 1,165 million forints, the year-on-year figure being 8.5% less than in 2003. Along with a more moderate growth in business activity there was a significant (137 million forints) reduction in other administrative costs. The

contribution of this item to the change in operating costs dropped from 58.3% to 52.0%. An even greater, 48.7%, savings on costs materialised in special mortgage banking costs. Personnel expenses increased by 5.4% over the base period, while depreciation increased by 4.7%.

Costs arising in the July-September period were almost a quarter lower than those in the second quarter. The drop was realised primarily in the field of personnel expenses. The contribution of mortgage banking specific costs to operating expenses increased by 16 base points from 17.3% during the third quarter.

### *Portfolio quality, loss in value and provisions*

Data in million HUF

<b>Breakdown of classified portfolio by loss in value and provisions</b>									
<b>CLASSIFICATION</b>	30 September 2003			30 June 2004			30 September 2004		
	Total accounts receivable	Loss in value and prov.	Ratio	Total accounts receivable	Loss in value and prov.	Ratio	Total accounts receivable	Loss in value and prov.	Ratio
Standard	252,519	0	0.0%	369,234	0	0.0%	375,582	0	0.0%
Watch	1,801	0	0.0%	2,046	0	0.0%	2,276	0	0.0%
Substandard	313	38	12.1%	359	40	11.1%	321	36	11.0%
Doubtful	517	184	35.6%	736	259	35.2%	914	313	34.2%
Bad	20	20	100.0%	28	28	100.0%	28	28	100.0%
<b>TOTAL</b>	<b>255,170</b>	<b>242</b>	<b>0.1%</b>	<b>372,403</b>	<b>327</b>	<b>0.1%</b>	<b>379,121</b>	<b>377</b>	<b>0.1%</b>

The structure of the Bank's portfolio retained its excellent quality in the third quarter. Owing to the specific features of collateral for mortgage loans, the solvency of the customers exceeds the average value in the banking sector: the rate of problem-free accounts receivable was 99.0% within the portfolio at the end of the third quarter of 2003, and 99.1% at the end of the second and third quarters of 2004. Loss in value and provisions to cover for credits classified as substandard increased by 50 million forints, which can be explained by the overall expansion of the portfolio, as the distribution of the different categories within the portfolio remained unchanged.

## Structure of the balance sheet<sup>3</sup>

As of 30 September 2004 the consolidated balance sheet total of the Bank was 403,925 million forints, 58.4% higher than in the same period of last year. Of the year-on-year increase in total assets 81.6% was generated by the expansion of loans and 15.8% by the expansion of the interbank portfolio. The growth in the balance sheet total as of 30 September was 6.9% over 30 June, almost half of which (45.8%) resulted from an increase in interbank loans. The 10,932 million forints increase in loans contributed 41.7% to the growth of the balance sheet total in the third quarter. As regards the increase in total liabilities, 86.9% of the year-on-year increase and 63.0% increase over the preceding quarter were generated by the expansion of outstanding mortgage bonds.

Data in million HUF

DESCRIPTION	30.09.2003	30.06.2004	30.09.2004	03.09.2004 / 30.09.2003	30.09.2004 / 30.06.2004
Interest earning assets (at net value)	251,402	374,090	396,542	157.7%	106.0%
- Retail loans	92,499	118,290	124,028	134.1%	104.9%
- Other loans	262	168	113	43.1%	67.3%
- Refinanced loans	148,441	233,249	238,498	160.7%	102.3%
- Securities	2,709	3,435	2,957	109.2%	86.1%
- Interbank	7,491	18,949	30,946	413.1%	163.3%
Own assets and investment	1,100	803	868	78.9%	108.1%
Other assets	2,515	2,842	6,515	259.0%	229.2%
<b>Assets total</b>	<b>255,017</b>	<b>377,735</b>	<b>403,925</b>	<b>158.4%</b>	<b>106.9%</b>
Interest bearing liabilities	232,984	345,393	364,455	156.4%	105.5%
- Mortgage bonds	232,484	345,393	361,898	155.7%	104.8%
- Interbank loans	500	0	2,557	511.4%	-
Other liabilities	11,201	17,449	22,141	197.7%	126.9%
Own equity and provisions	10,832	14,893	17,329	160.0%	116.4%
<b>Liabilities total</b>	<b>255,017</b>	<b>377,735</b>	<b>403,925</b>	<b>158.4%</b>	<b>106.9%</b>

### Interest earning assets

Interest earning assets reached 396,542 million forints by 30 September 2003, which was a 57.7% year-on-year growth, and a 6.0% growth over the previous quarter. **Refinancing loans** showed a 60.7% year-on-year increase, though the rate of increase was merely 2.3% in the quarter reported. **The portfolio of loans to retail customers** distributed by the Bank's branches, its network of agents and consortial partners increased by 34.1% compared to the same period last year, and by 4.9% over the first half of 2004, amounting to 124,028 million forints as of 30 September 2004. Loans to retail customers contributed 31.3% to net interest earning assets at the end of the third quarter.

The value of the **mortgage loan portfolio** was 362,639 million forints as of 30 September 2004, which means a year-on-year growth of 50.3% and a 3.1% growth over the first half year.

<sup>3</sup> Consolidated data by HAS

At the end of September the principal accounts receivable from customers of 361,080 million forints was covered by real estate collateral to the value of 893,040 million forints. Thus the **average loan value ratio** (LTV) was 40.4% as of 30 September 2004, practically the same as the 40.3% ratio in the third quarter of 2003, and showing a decrease of 0.5 percentage points compared to the 40.9% ratio in the preceding quarter.

The portfolio of **interbank deposits** lent amounted to 7,491 million forints as of 30 September 2003 compared to 30,946 million forints as of 30 September 2004, which contributed 3.0% to interest earning assets in the base period of last year and 7.8% in the third quarter of 2004. In the third quarter of 2004 interbank deposit placements included two-week deposits with the NBH as well as deposits with other banks with a maximum maturity of two months. Interbank deposits serve primarily for the purpose of liquidity and supplementary collateral; their increase is justified by the substantial expansion in collateral and an overall increase in transaction volumes.

The value of the **securities portfolio** of the Bank was 2,709 million forints as of 30 September 2003; the figure as of 30 September 2004 was similar (2,957 million forints). The Bank treats the securities portfolio as a liquidity reserve and holds it for the purpose of risk management. The portfolio contains government bonds, NBH bonds and discount treasury bills. As of 30 September 2004 the portfolio contained 83.4% discount treasury bills while the remaining portion included government bonds and NBH bonds. The rate of securities within interest earning assets was 0.8% in the third quarter.

#### *Own assets*

**Tangible and intangible assets** amounted to 868 million forints as of 30 September 2004. This meant a year-on-year decrease of 15.8% and an 8.1% increase over the first half of 2004. The increase compared to the closing figure of 2003 resulted from ongoing investment projects. Own assets are used solely to support the operation of the Bank.

At the end of the third quarter of 2003 the Bank's own assets included own shares amounting to 350 million forints, which were sold and thus no longer featured among the assets in September 2004.

#### *Interest bearing liabilities*

As of 30 September 2004 almost all (99.3%) of the interest bearing liabilities were contributed by the mortgage bonds portfolio, which serves for long-term financing of mortgage loans. The interbank portfolio amounting to 2,557 million forints at the end of the third quarter only played a marginal role among interest bearing liabilities.

The portfolio of **mortgage bonds** issued by the Bank was 361,898 million forints as of 30 September, which represents an increase of 55.7% over the same period of the preceding year, and a 4.8% over the portfolio as of 30 June 2004. The change compared to the first half of 2004 resulted mainly from the 100 million euros international mortgage bond issue, and, to a lesser extent, from the repurchase of 7,996 million forints mortgage bonds and 200 million forints principal repayment. **The aggregate face value of mortgage bonds issued** by the Bank

amounted to **25,005 million forints in the third quarter of 2004**, which is more than half (54.3%) of the issues amounting to 46 billion forints in the same period of 2003, and two-thirds (67.1%) of the issues in the previous quarter amounting to 37,280 million forints.

### Mortgage bonds issued in 2004

	Series	Date of issue	Total face value offered (Mn HUF)	Bids received (Mn HUF)	Bid/Offer ratio (%)	Total face value sold (Mn HUF)	Maturity (year)
<b>Q1</b>	FJ09ZF01	07.01.2004	5,500.00	5,500.00	Private	5,500.00	5
	FJ05NF01	11.02.2004	5,000.00	7,663.39	153%	5,000.00	1
	FJ12ZF01	19.02.2004	19,706.25	19,706.25	Private	19,706.25	8
	<b>Total</b>		<b>30,206.25</b>	<b>32,869.64</b>		<b>30,206.25</b>	
<b>Q2</b>	FJ12ZF02	02.04.2004	19,125.00	19,125.00	Private	19,125.00	8
	FJ19ZF01	06.04.2004	12,625.00	12,625.00	Private	12,625.00	15
	FJ11ZF01	07.06.2004	5,030.00	5,030.00	Private	5,030.00	7
	FJ05ZF02	15.06.2004	500.00	500.00	Private	500.00	1
	<b>Total</b>		<b>37,280.00</b>	<b>37,280.00</b>		<b>37,280.00</b>	
<b>H1</b>	<b>Total</b>		<b>67,486.25</b>	<b>70,149.64</b>		<b>67,486.25</b>	
<b>Q3</b>	FJ09NF03	05.07.2004	25,005.00	25,005.00	Public	25,005.00	5
<b>Q1-3</b>	<b>Total</b>		<b>92,491.25</b>	<b>95,154.64</b>		<b>92,491.25</b>	

All of the series issued in 2004 contained mortgage bonds bearing fixed interest. The Bank did not issue mortgage bonds in the Hungarian financial market in the third quarter either. The aggregate face value of the series issued in the context of the EMTN program, which has a total allocation of one billion euros, was 465 million euros, or more than 120 billion forints. With the public series issued in the third quarter the total number of the Bank's issues in the context of the international program rose to seven. Of the total volume of mortgage banks issued and outstanding, 33% were issues outside Hungary at the end of September 2004.

The single issue in the third quarter is unprecedented in the Bank's history as this series was the first open issue denominated in euros under the international program registered in Luxembourg in November 2003. Moreover, the series is listed in its own right at the Luxembourg Stock Exchange. Amounting to an aggregate face value of 100 million euros, the issue was sold at a very narrow spread, the best so far in the history of the Bank's issues, due to a favourable market environment.

Prior to the July issue FHB Rt. made use of the opportunities of assets and liabilities management and was the first among the major Hungarian issuers to repurchase from its previously issued series, to the amount of about eight billion forints in total. The repurchase move was aimed at improving the maturity structure of the Bank.

The stock exchange trading of the Bank's mortgage bonds in the third quarter was 4.6 billion forints excluding the repurchase on 5 July 2004, similar to 4.3 billion forints in the previous quarter and somewhat less than 5.4 billion forints achieved in the third quarter of 2003. Trading was almost exclusively contributed by mortgage bonds bearing fixed interest.

### *Mortgage bond collaterals*

The value of assets used as **ordinary collateral** for the mortgage bonds issued by the Bank was 698.0 billion forints as of 30 September 2004 (362.0 billion forints collateral capital + 336.0 billion forints interest), which meant a 3.2% increase over 30 June 2004 and a 62.2% year-on-year increase.

*The value of the group of assets involved as collateral as of 30 September 2004*

Outstanding mortgage bonds in circulation	
face value:	361,898,280,000 Ft
interest:	217,765,704,099 Ft
<b>total:</b>	<b>579,663,984,099 Ft</b>
Value of the regular collateral	
face value:	362,017,827,254 Ft
interest:	336,040,982,200 Ft
<b>total:</b>	<b>698,058,809,454 Ft</b>
Value of assets (government bonds) involved as supplementary collateral	
face value:	1,400,000,000 Ft
interest:	17,095,000 Ft
<b>total:</b>	<b>1,417,095,000 Ft</b>

**The Bank complied with all collateral rules required by the Act on Mortgage Loan Companies and on Mortgage Bonds (Jht.) throughout the year.**

At the end of the third quarter the portfolio of interbank deposits borrowed by the Bank and amounting to 2,557 million forints consisted entirely of draw-downs from **revolving credit facilities**. The Bank continues to apply revolving credits as supplementary facilities to supply funds, supporting and increasing the safety of the liquidity of the Bank at all times. Currently the Bank has access to a total of about eight billion forints of funds supplied in this way, of which a portion equivalent to 16 million euros can be drawn down in HUF, EUR or CHF. As of 30 September 2004 draw-downs from the multi-currency facility amounted to 3.5 million Swiss francs and 2,000 million forints.

### *Own equity*

The value of the Bank's **own equity** was 17,325 million forints as of 30 September 2004, 60.0% higher than the 10,831 million forints a year earlier and 16.3% higher than the 14,891 million forints at the end of the second quarter.

By 30 September 2004 the value of risk weighted assets and off-balance sheet assets increased to 124,571 million forints from 89,005 million forints in the base period, which constitutes a

40.0% increase. The increase in the last three months amounted to 3,377 million forints. The **adjusted capital** of the Bank increased by 64.0% from 8,839 million forints as of 30 September 2003 to 14,498 million forints as of 30 September 2004, and by 29.2% over the 11,220 million forints in the first half.

As of 30 September 2004 the **capital adequacy ration** was 11.6%, which included the audited result of the first half. By contrast, the ration was 9.9% in the third quarter of 2003 and 9.3% as of 30 June 2004.

#### *Off-balance sheet items*

The Bank's pending liabilities among the off-balance sheet items include mainly contracted but not yet disbursed loans. The most important item among future liabilities includes derivative transactions. In addition to hedge-type interest swap concluded by the Bank for the purpose of risk management a new feature appearing in the third quarter was currency swaps. The most important currency swap transaction was the hedge related to the 100 million euros mortgage bond issued in July 2004.

## Analysis of FHB's financial statements prepared according to IFRS

### P/L structure<sup>4</sup>

Data in HUF million

DESCRIPTION	Q3 2003 (June-Sep)	Q2 2004 (April-June)	Q3 2004 (June-Sep)	Q3 2004 / Q3 2003	Q3 2004 / Q2 2004
Net interest income	2,845	3,612	4,172	146.6%	115.5%
Net fees and commission income	-244	92	63	-	68.9%
Profit from securities and FX transactions	36	78	-70	-	-
Other operating income/expense	344	100	110	32.0%	109.8%
Operating income	2,981	3,883	4,276	143.4%	110.1%
Losses/provisions on loans	15	-51	-51	-	99.4%
General and administrative costs	-1,366	-1,660	-1,302	95.3%	78.4%
Profit before tax	1,630	2,172	2,922	179.3%	134.6%
Income tax	-293	-351	-456	155.4%	130.1%
<b>Net profit</b>	<b>1,337</b>	<b>1,821</b>	<b>2,466</b>	<b>184.5%</b>	<b>135.4%</b>

The consolidated IFRS net profit of the Bank for the third quarter of 2004 reached 2,466 million forints, an increase of 84.5% compared to the July – September period of the last year and more than a third greater than the profit for the second quarter of 2004.

The 4,172 million forints net interest income for the third quarter of 2004 emerged as the balance of 12,656 forints interest income (174.4% year-on-year increase) and 8,483 million forints interest expense (192.3% increase). The net interest income contributes 97.6% to the operating income in the third quarter (22 basis points increase compared to the third quarter of 2003 and 46 basis points more than the second quarter of 2004).

The net fees and commission income for the period is 63 million forints, while last year the same figure showed almost quarter of a million loss. Securities and FX transactions resulted in a 70 million forints deficit due to the losses on mortgage bonds issued.

Operating expenses for the third quarter were 1,302 million forints, 4.7% less than the same period in 2003, and less than four fifth (78.4%) of the second quarter of this year. Personnel expenses are 5.4% higher than the third quarter in the previous year, and 30.9% lower than the second quarter of 2004.

<sup>4</sup> Consolidated data by IFRS



## Structure of the balance sheet<sup>5</sup>

Data in HUF million

Description	30.09.2003	30.06.2004	30.09.2004	03.09.2004 / 30.09.2003	30.09.2004 / 30.06.2004
Cash	9	2	1	16.0%	72.0%
Due form NBH	4,083	6,724	22,593	553.3%	336.0%
Interbank placements	3,493	12,459	8,953	256.4%	71.9%
Available for sale securities	2,737	3,504	3,000	109.6%	85.6%
Refinanced loans	148,442	233,249	238,498	160.7%	102.3%
Loans	93,608	119,341	125,069	133.6%	104.8%
Fixed assets	750	800	866	115.5%	108.2%
Other assets	775	848	4,212	543.3%	496.6%
<b>Total assets</b>	<b>253,897</b>	<b>376,927</b>	<b>403,193</b>	<b>158.8%</b>	<b>107.0%</b>
Liabilities	243,782	362,499	386,329	158.5%	106.6%
- Interbank deposits	500	0	2,557	511.3%	-
- Mortgage bonds	233,436	346,326	362,672	155.4%	104.7%
- Other liabilities	9,845	16,173	21,101	214.3%	130.5%
Shareholder' equity	10,115	14,428	16,863	166.7%	116.9%
- Share capital	6,600	6,600	6,600	100.0%	100.0%
- Treasury shares	350	0	0	0.0%	-
- Share premium	1,146	1,709	1,709	149.2%	100.0%
- General reserve	309	782	1,025	332.1%	131.0%
- Cash-flow hedge reserve	0	0	-31	0	-
- Retained earnings	2,411	5,336	7,560	313.6%	141.7%
<b>Total liabilities</b>	<b>253,897</b>	<b>376,927</b>	<b>403,193</b>	<b>158.8%</b>	<b>107.0%</b>

Total assets of the Bank as of 30 September 2004 according to IFRS was 403,193 million forints, 149,296 million forints or 58.8% higher than one year ago, and 26,265 million forints or 7.0% higher than the previous quarter. 51.3% of the year-on-year growth was generated by the loan portfolio, the contribution of interbank and NBH placements were 16.1%. Growth in the third quarter was contributed by the growth of loans and refinanced loans (41.8%) and by the 47% growth of liquid assets. The available for sale securities are comprised of 510 million forints government bonds, 2,488 million forints Treasury Bills and 2 million forints of NBH bonds as of 30 September 2004. Growth of fixed assets is determined by the investments in IT systems of the Bank.

On the liabilities side almost two third of the growth in this quarter was generated by the increase of the mortgage bond portfolio., while the contribution in the year-on-year increase was even greater (86.6%). 94% of the mortgage bonds are fixed interest rate, and 59.7% of them are listed on the Stock Exchange.

<sup>5</sup> Consolidated data by IFRS

## **Major events during the target quarter**

In November the Bank's Assets and Liabilities Committee took a decision to actively improve the Bank's assets and liabilities maturity and structure of funds by (private and public) repurchase of additional mortgage bond series and by the issue of new series, thereby optimising the cost of funds in the longest possible term taking market opportunities into consideration.

While the transactions will result in a partial decrease in the profit of the fourth quarter of 2004, they will generate an increase in subsequent years' profit due to a more favourable liabilities structure. Although this complex effect will result in the fourth quarter's profit lagging behind the third quarter's figure but will still considerably improve the Bank's yearly result. The 2004 profit is expected to substantially surpass plans and will be in line with market projections and analysts' expectations.

Name:	FHB Land Credit and Mortgage Bank Ltd.	Phone:	(1) 452 - 9100
Address:	1132 Budapest, Váci út 20.	Telefax:	(1) 320 - 4152
Sector code:	6522	E-mail:	patakis@fhb.hu
Period of reporting:	01.01.2004 - 30.09.2004	Investor relations:	Sándor Pataki

## Financial Statements of FHB Land Credit and Mortgage Bank Ltd. prepared in accordance with International Financial Reporting Standards (IFRS)

### Profit and Loss Statement

(consolidated, non-audited data for the period of 1 January, 2004 to 30 September, 2004, audited data for the period of 1 January, 2003 to 30 September, 2003, according to IFRS, data in thousand HUF)

	<b>As of 30 September, 2004</b>	<b>As of 30 September, 2003</b>	<b>Change (%)</b>
Interest income	33,502,052	17,494,142	191.5%
Interest expense	-22,804,800	-10,748,119	212.2%
Net interest income	10,697,252	6,746,023	158.6%
Fee and commission income	583,157	450,368	129.5%
Fee and commission expense	-427,575	-888,323	48.1%
Profit from FX transactions	8,901		-
Gain less losses from securities	85,498	94,965	90.0%
Other operating income	376,098	1,113,817	33.8%
Other operating expense	-19,125	-64,708	-
Operating income	11,304,206	7,452,142	151.7%
Losses/provisions on loans and advances	-132,775	-143,200	92.7%
General and administrative costs	-4,301,985	-4,051,672	106.2%
Profit before tax	6,869,446	3,257,270	210.9%
Taxation expense	-1,089,033	-578,258	188.3%
<b>Profit for the period</b>	<b>5,780,413</b>	<b>2,679,012</b>	<b>215.8%</b>
<i>Earnings per share (HUF 1,000 nominal amount)</i>			
<i>ordinary shares (in HUF)</i>	788,13	499,52	157.8%
<i>diluted shares (in HUF)</i>	788,13	499,52	157.8%

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 Investor relations: Sándor Pataki

## Balance Sheet

(consolidated, non-audited data as at 30 September, 2004, audited data as at 30 September, 2003, according to IFRS, data in thousand HUF)

	<b>2004 Q3</b>	<b>2003 Q3</b>	<b>Change (%)</b>
<b>Assets</b>			
Cash	1,373	8,577	16.0%
Due from National Bank of Hungary	22,593,242	4,083,395	553.3%
Placements with other banks	8,953,211	3,492,570	256.4%
Available for sale securities	3,000,235	2,736,883	109.6%
Refinancing of mortgage loans	238,497,562	148,441,927	160.7%
Loans	125,069,248	93,608,376	133.6%
Property and equipment	865,898	749,955	115.5%
Other assets	4,211,809	775,287	543.3%
<b>Total Assets</b>	<b>403,192,578</b>	<b>253,896,970</b>	<b>158.8%</b>
<b>Liabilities</b>			
Deposits from banks	2,556,605	500,000	511.3%
Mortgage bond liabilities	362,671,700	233,436,166	155.4%
Other liabilities	21,100,820	9,845,494	214.3%
<b>Total Liabilities</b>	<b>386,329,125</b>	<b>243,781,660</b>	<b>158.5%</b>
<b>Shareholders' Equity</b>			
Share capital	6,600,001	6,600,000	100.0%
Treasury shares		-349,900	0.0%
Share premium	1,709,014	1,145,590	149.2%
General reserve	1,024,879	308,561	332.1%
Cash-flow hedge reserve	-30,823		
Retained earnings/(deficit)	7,560,382	2,411,059	313.6%
<b>Total Shareholders' Equity</b>	<b>16,863,453</b>	<b>10,115,310</b>	<b>166.7%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>403,192,578</b>	<b>253,896,970</b>	<b>158.8%</b>

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## Cash Flow

(consolidated, non-audited data as at 30 September, 2004, audited data as at 30 September, 2003, according to IFRS, data in thousand HUF)

	<b>30 September 2004</b>	<b>30 September 2003</b>
<b>Cash flows from operating activities</b>		
Net profit	5,780,413	2,679,012
Non cash adjustments to net income to net cash from operating activities:		
Depreciation	199,866	185,640
Provision for losses	126,533	17,816
Loss/(profit) on sale of fixed assets	32	-2,891
	<u>6,106,844</u>	<u>2,879,577</u>
<b>Operating profit / (loss) before changes in operating assets</b>		
(Increase) decrease in operating assets:		
Refinancing of mortgage loans	-45,959,161	-107,265,344
Loans	-19,147,951	-28,409,617
Accrued interest receivable	-197,381	-84,503
Other assets	-619,957	228,609
Increase (decrease) in operating liabilities:		
Due to other banks	-3,443,395	-1,500,000
Accrued interest payable	6,202,279	4,396,463
Other liabilities	941,921	755,981
Net cash used in operating activities	<u>-56,116,801</u>	<u>-129,998,834</u>
<b>Cash flows from investing activities</b>		
Increase in available for sale securities	490,021	
Proceeds from sale of property and equipment	4	7,332
Purchase of property and equipment	-302,794	-141,067
Net cash used in investing activities	<u>187,231</u>	<u>-133,735</u>
<b>Cash flows from financing activities</b>		
Capital increase		2,500,000
Repayment of subordinated debt		-1,500,000
Sale/(purchase) of own shares		100
Installment from mortgage bonds	-8,196,260	-200,000
Proceeds from issue of mortgage bonds	95,596,432	132,526,557
Net cash from financing activities	<u>84,400,172</u>	<u>133,326,657</u>
Net increase in cash and cash equivalents	28,470,602	3,614,263
Cash and cash equivalents at beginning of year	<u>3,077,224</u>	<u>3,970,279</u>
Cash and cash equivalents at end of period	<u>31,547,826</u>	<u>7,584,542</u>
<b>Cash and cash equivalents comprises of:</b>		
Cash	1,373	8,577
Due from Central Bank	22,593,242	4,083,395
Placements with other banks, with a maturity of less than 90 days	8,953,211	3,492,570
Cash and cash equivalents at end of period	<u>31,547,826</u>	<u>7,584,542</u>
<i>Supplemental information:</i>		
Interest received	33,335,270	17,543,149
Interest paid	-16,602,521	-6,351,655
Tax paid	-281,519	-571,070

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 Investor relations: Pataki Sándor

## Statement of Shareholders' Equity

(consolidated, non-audited data as at 30 September, 2004, audited data as at 30 September, 2003, according to IFRS, data in thousand HUF)

	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Retained earnings (deficit)	Shareholders' Equity
<b>30 September 2003</b>	<b>6,600,000</b>	<b>-349,900</b>	<b>1,145,590</b>	<b>308,561</b>		<b>2,411,059</b>	<b>10,115,310</b>
Share capital increase	1		4				5
Sale of treasury shares		349,900	563,420				913,320
Transfer to general reserve				137,548		-137,548	
Profit for the period						745,228	745,228
<b>31 December 2003</b>	<b>6,600,001</b>	<b>0</b>	<b>1,709,014</b>	<b>446,109</b>		<b>3,018,739</b>	<b>11,773,863</b>
Dividend for 2003						-660,000	-660,000
Transfer to general reserve				578,770		-578,770	
Creation of cash-flow hedge reserve					-30,823		-30,823
Profit for the period						5,780,413	5,780,413
<b>30 September 2004</b>	<b>6,600,001</b>	<b>0</b>	<b>1,709,014</b>	<b>1,024,879</b>	<b>-30,823</b>	<b>7,560,382</b>	<b>16,863,453</b>

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## Loans

(consolidated, non-audited data as at 30 September, 2004, audited data as at 30 September, 2003, according to IFRS, data in thousand HUF)

	<b>30 September 2004</b>	<b>30 September 2003</b>
Real estate purchase	75,026,407	57,398,400
Real estate construction	30,832,783	20,492,581
Real estate reconstruction	1,547,811	1,424,415
Real estate extension	12,113,156	9,040,806
Other loans secured by real estate	4,994,488	4,646,232
Employee loans	928,019	846,429
	<hr/>	<hr/>
<b>Loans, gross</b>	<b>125,442,664</b>	<b>93,848,863</b>
from this: retail loans	125,313,120	92,724,206
other	129,544	1,124,657
Loan loss provision	-373,416	-240,487
<b>Loans, net</b>	<b>125,069,248</b>	<b>93,608,376</b>

## Mortgage bonds

(consolidated, non-audited data as at 30 September, 2004, audited data as at 30 September, 2003, according to IFRS, data in thousand HUF)

	<b>30 September 2004</b>		<b>30 September 2003</b>	
	Carrying amount	Nominal value	Carrying amount	Nominal value
Non-listed mortgage bonds				
Fixed	140,628,657	140,038,750	45,330,000	46,421,050
Floating	5,600,000	5,600,000	5,600,000	5,581,542
Listed mortgage bonds				
Fixed	200,367,743	199,910,350	166,470,554	165,204,282
Floating	16,075,300	16,349,180	16,035,612	16,260,914
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b><u>362,671,700</u></b>	<b><u>361,898,280</u></b>	<b><u>233,436,166</u></b>	<b><u>233,467,788</u></b>

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**RECONCILIATION OF THE NET ASSETS AND RESULT UNDER HUNGARIAN ACCOUNTING STANDARDS TO THOSE UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS**

	<b>30 September 2004</b>	<b>30 September 2003</b>
<b>Total Shareholders' Equity per Hungarian Statutory Financial Statements</b>	<b>17,325,491</b>	<b>10,830,595</b>
Accounting of establishment costs as costs according to NSZSZ 38		-703,809
Release of depreciation of establishment costs		703,809
Treasury shares redeemed		-349,900
Loan origination fee	-487,861	-423,508
Cash-flow hedge reserve	-30,823	
Deferred tax asset	80,864	80,207
Mark to market of available for sale investments	-24,218	-22,084
<b>Total Shareholders' Equity per IFRS Financial Statements</b>	<b>16,863,453</b>	<b>10,115,310</b>
	<b>30 September 2004</b>	<b>30 September 2003</b>
<b>Profit per Hungarian Statutory Financial Statements</b>	<b>5,796,894</b>	<b>2,668,298</b>
Release of depreciation of establishment costs		140,376
Loan origination fee	-30,599	-133,510
Deferred tax benefit	2,508	28,463
Mark to market of available for sale investments	11,610	-24,615
<b>Profit per IFRS financial statements</b>	<b>5,780,413</b>	<b>2,679,012</b>



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## DATA FORMS RELATED TO THE FINANCIAL REPORTS

### PK1. General information on the financial figures

	Yes	No	
Audited	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Accounting principles	Hungarian <input checked="" type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
Other: .....			

### PK2. Business enterprises subject to consolidation

Name	Equity / Share capital (thousand HUF)	Ownership ratio (%)	Voting ratio (%)	Classification <sup>1</sup>
FHB Service Ltd.	65,000	100.00	100.00	L

<sup>1</sup> Full (L); Joint management (K); Affiliated (T)

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### PK3. Balance sheet

#### Consolidated non-audited balance sheet of FHB Land Credit and Mortgage Bank Ltd. for the third quarter of 2004 and audited for 2003, prepared according to the Hungarian Accounting Standards

Assets		Data in thousand HUF		
No.	Description of the item	30 September 2003	30 September 2004	Change (%)
1.	<b>1. Liquid assets</b>	<b>94,734</b>	<b>602,291</b>	<b>635.77%</b>
2.	<b>2. Government securities</b>	<b>2,709,052</b>	<b>2,956,567</b>	109.14%
3.	a) for trading	2,709,052	2,956,567	109.14%
4.	b) for investment			
5.	<b>3. Receivables from credit institutions</b>	<b>155,931,735</b>	<b>269,443,096</b>	<b>172.80%</b>
6.	a) sight	2,118	36,534	1.724.93%
7.	b) other receivables from financial services	155,929,617	269,406,562	172.77%
8.	ba) short term	15,760,647	44,340,374	281.34%
9.	of which: - from associated enterprises			
10.	- from enterprises with participating interest			
11.	- from NBH	4,000,000		0.00%
12.	bb) long term	140,168,970	225,066,188	160.57%
13.	of which: - from associated enterprises			
14.	- from enterprises with participating interest			
15.	- from NBH			
16.	c) from investment services			
17.	of which: - from associated enterprises			
18.	- from enterprises with participating interest			
19.	<b>4. Receivables from customers</b>	<b>92,761,946</b>	<b>124,141,229</b>	<b>133.83%</b>
20.	a) from financial services	92,761,946	124,141,229	133.83%
21.	aa) short term	6,525,578	7,853,181	120.34%
22.	of which: - from associated enterprises			
23.	- from enterprises with participating interest			
24.	ab) long term	86,236,368	116,288,048	134.85%
25.	of which: - from associated enterprises			
26.	- from enterprises with participating interest			
27.	b) from investment services			
28.	of which: - from associated enterprises			
29.	- from enterprises with participating interest			
30.	ba) receivables from stock market investment services			
31.	bb) receivables from OTC investment services			
32.	bc) receivables from customers deriving from investment services			
33.	bd) receivables from clearing houses			
34.	be) receivables from other investment services			
35.	<b>5. Debt securities, including fixed interest securities</b>			
36.	a) securities issued by local governments and other agencies of state administration (excluding state securities)			
37.	aa) for trading			
38.	ab) for investment			
39.	b) securities issued by other issuer			
40.	ba) for trading			
41.	of which: - from associated enterprises			
42.	- from enterprises with participating interest			
43.	- own- issue repurchased			
44.	bb) held for investment			
45.	of which: - from associated enterprises			
46.	- from enterprises with participating interest			
47.	<b>6. Shares and other securities with variable yield</b>			
48.	a) shares and participations for trading			
49.	of which: - from associated enterprises			
50.	- from enterprises with participating interest			
51.	b) securities with variable yield			
52.	ba) for trading			

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Investor relations: Sándor Pataki

## Assets

## Data in thousand HUF

No.	Description of the item	30 September 2003	30 September 2004	Change (%)
53.	bb) for investment			
54.	<b>7. Shares and participations for investment</b>	<b>26</b>		<b>0.00%</b>
55.	a) shares and participations for investment	26		0.00%
56.	of which: - participation in credit institutions	26		0.00%
57.	b) value adjustment of shares and participations for investment			
58.	of which: - participation in credit institutions			
59.	<b>8. Shares and participations in associated enterprises</b>			
60.	a) shares and participations for investment			
61.	of which: - participation in credit institutions			
62.	b) value adjustment of shares and participations for investment			
63.	of which: - participation in credit institutions			
64.	c) capital consolidation difference			
65.	- from subsidiary, jointly managed enterprise			
66.	- from associated with enterprises			
67.	<b>9. Intangible assets</b>	<b>275,052</b>	<b>412,303</b>	<b>149.90%</b>
68.	a) intangible assets	275,052	412,303	149.90%
69.	b) value adjustment of intangible assets			
70.	<b>10. Tangible assets</b>	<b>474,903</b>	<b>456,145</b>	<b>96.05%</b>
71.	a) tangible assets for financial and investment services	474,903	456,145	96.05%
72.	aa) real estate	129,738	131,811	101.60%
73.	ab) technological equipment, machines, appliances and vehicles	320,840	253,058	78.87%
74.	ac) investments	24,099	68,726	285.18%
75.	ad) advances given to investments	226	2,550	1.128.32%
76.	b) tangible assets not directly held for financial and investment services			
77.	ba) real estate			
78.	bb) technological equipment, machines, appliances and vehicles			
79.	bc) investments			
80.	bd) advances given to investments			
81.	c) value adjustment of tangible assets			
82.	<b>11. Own shares</b>	<b>349,900</b>		<b>0.00%</b>
83.	<b>12. Other assets</b>	<b>1,164,675</b>	<b>4,276,088</b>	<b>367.15%</b>
84.	a) inventories	14,960	20,394	136.32%
85.	b) other receivables	1,149,715	4,255,694	370.15%
86.	of which: - from affiliated enterprises			
87.	- from enterprises with participating interest			
88.	c) receivables for corporate tax (calculated) from consolidation			
89.	<b>13. Accrued income and deferred expenditures</b>	<b>1,255,344</b>	<b>1,637,370</b>	<b>130.43%</b>
90.	a) accrued income	433,001	778,050	179.69%
91.	b) deferred costs and expenditures	822,343	859,320	104.50%
92.	c) deferred expenditures			
93.	<b>TOTAL ASSETS</b>	<b>255,017,367</b>	<b>403,925,089</b>	<b>158.39%</b>
	of which: CURRENT ASSETS (1+2a+3a+3ba+3c+4aa+4b+5aa+5ba+6a+6ba+11+12)	26,606,704	60,065,035	225.75%
	INVESTED ASSETS (2b+3bb+4ab+5ab+5bb+6bb+7+8+9+10)	227,155,319	342,222,684	150.66%

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## Liabilities

Data in thousand HUF

No.	Description of the item	30 September 2003	30 September 2004	Change (%)
94.	<b>1. Liabilities to credit institutions</b>	<b>500,000</b>	<b>2,556,605</b>	<b>511.32%</b>
95.	a) sight			
96.	b) accounts payable for a definite term, deriving from financial services	500,000	2,556,605	511.32%
97.	ba) short term	500,000	2,556,605	511.32%
98.	of which: - from associated enterprises			
99.	- from enterprises with participating interest			
100.	- from NBH			
101.	bb) long term			
102.	of which: - from associated enterprises			
103.	- from enterprises with participating interest			
104.	- from NBH			
105.	c) from investment services			
106.	of which: - from associated enterprises			
107.	- from enterprises with participating interest			
108.	<b>2. Liabilities to customers</b>	<b>161,200</b>	<b>240,932</b>	<b>169.46%</b>
109.	a) savings deposits			
110.	aa) sight			
111.	ab) short term			
112.	ac) long term			
113.	b) other liabilities from financial services	161,200	240,932	149.46%
114.	ba) sight	161,200	240,932	149.46%
115.	of which: - from associated enterprises			
116.	- from enterprises with participating interest			
117.	bb) short term			
118.	of which: - from associated enterprises			
119.	- from enterprises with participating interest			
120.	bc) long term			
121.	of which: - from associated enterprises			
122.	- from enterprises with participating interest			
123.	c) from investment services			
124.	of which: - from associated enterprises			
125.	- from enterprises with participating interest			
126.	ca) liabilities from stock market investment services			
127.	cb) liabilities from OTC market investment services			
128.	cc) liabilities deriving from investment services			
129.	cd) liabilities to clearing houses			
130.	ce) liabilities from other investment services			
131.	<b>3. Liabilities from securities issued</b>	<b>232,483,790</b>	<b>361,898,280</b>	<b>155.67%</b>
132.	a) bonds issued	232,483,791	361,898,280	155.67%
133.	aa) short term	13,980,000	7,410,000	53.00%
134.	of which: - from associated enterprises			
135.	- from enterprises with participating interest			
136.	ab) long term	218,503,790	354,488,280	162.23%
137.	of which: - from associated enterprises			
138.	- from enterprises with participating interest			
139.	b) other debt securities issued			
140.	ba) short term			
141.	of which: - from associated enterprises			
142.	- from enterprises with participating interest			
143.	bb) long term			
144.	of which: - from associated enterprises			
145.	- from enterprises with participating interest			
146.	c) debt instruments treated as securities from an accounting aspect but not classified as securities under the Securities Act			
147.	ca) short term			
148.	of which: - from associated enterprises			
149.	- from enterprises with participating interest			
150.	cb) long term			
151.	of which: - from associated enterprises			

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## Liabilities

Data in thousand HUF

No.	Description of the item	30 September 2003	30 September 2004	Change (%)
152.	- from enterprises with participating interest			
153.	<b>4. Other liabilities</b>	<b>994,049</b>	<b>1,249,146</b>	<b>125.66%</b>
154.	a) short term	994,049	1,249,146	125.66%
155.	of which: - from associated enterprises			
156.	- from enterprises with participating interest			
157.	- for credit institutions operating as cooperatives, other contribution of members			
158.	b) long term			
159.	of which: - from associated enterprises			
160.	- from enterprises with participating interest			
161.	c) tax liabilities originating from consolidation			
162.	<b>5. Accrued expenditures and deferred income</b>	<b>10,046,048</b>	<b>20,651,420</b>	<b>205.57%</b>
163.	a) passive accrual of income	1,900,278	2,513,778	132.28%
164.	b) accrued costs and expenditures	8,145,770	18,137,642	222.66%
165.	c) deferred income			
166.	<b>6. Provisions</b>	<b>1,685</b>	<b>3,216</b>	<b>190.86%</b>
167.	a) provision for pension and severance payment			
168.	b) risk reserve for pending and certain future liabilities	1,685	3,216	190.86%
169.	c) general risk reserve			
170.	d) other reserves			
171.	<b>7. Subordinated obligations</b>			
172.	a) subordinated loan capital			
173.	of which: - from associated enterprises			
174.	- from enterprises with participating interest			
175.	aa) capital consolidation difference			
176.	- from subsidiary, jointly managed enterprise			
177.	b) for credit institutions operating as cooperatives, other property contribution of members			
178.	c) other subordinated liabilities			
179.	of which: - from associated enterprises			
180.	- from enterprises with participating interest			
181.	<b>8. Subscribed capital</b>	<b>6,600,000</b>	<b>6,600,001</b>	<b>100.00%</b>
182.	of which: - repurchased ownership share at face value	349,900		0.00%
183.	<b>9. Subscribed and not yet paid-up capital (-)</b>			
184.	<b>10. Capital reserve</b>	<b>1,145,590</b>	<b>1,145,594</b>	<b>100.00%</b>
185.	a) the outstanding balance between the face value of the participation and its placement value (premium)	1,145,590	1,145,594	100.00%
186.	b) other			
187.	<b>11. General reserve</b>	<b>308,561</b>	<b>1,024,879</b>	<b>332.15%</b>
188.	<b>12. Profit reserve (±)</b>	<b>32,953</b>	<b>3,354,981</b>	<b>10.181.11%</b>
189.	<b>13. Fixed reserve</b>	<b>349,900</b>		0.00%
190.	<b>14. Valuation reserve</b>			
191.	<b>15. Profit as per balance sheet (±)</b>	<b>2,402,276</b>	<b>5,218,124</b>	<b>217.22%</b>
192.	<b>16. Changes of equity of subsidiaries and enterprises under joint management (±)</b>	<b>-8,685</b>	<b>-18,089</b>	208.28%
193.	<b>17. Changes through consolidation (±)</b>			
194.	- from debt consolidation difference			
195.	- from interim profit difference			
196.	<b>18. Participation of external members (other owners)</b>			
197.	<b>TOTAL LIABILITIES</b>	<b>255,017,367</b>	<b>403,925,089</b>	<b>158.39%</b>
198.	of which: - SHORT TERM LIABILITIES (1.a.+1.ba+1.c.+2.aa+2.ab+2.ba+2.bb+2.c+3.aa+3.ba+3.ca+4.a+4.c)	15,635,249	11,456,683	73.27%
199.	- LONG TERM LIABILITIES (1.bb+2.ac+2.bc+3.ab+3.bb+3.cb+4.b+7)	218,503,790	354,488,280	162.23%
200.	- SHAREHOLDER'S EQUITY (8-9+10+11±12+13+14±15±16±17±18)	10,830,595	17,325,490	159.97%

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#### PK4. Profit and Loss Statement

### The consolidated non-audited Profit and Loss Statement of FHB Land Credit and Mortgage Bank Ltd. for the third quarter of 2004 and audited for 2003, prepared according to the Hungarian Accounting Standards

Data in thousand HUF

No.	Description of the item	30 September 2003	30 September 2004	Change (%)
1.	<b>1. Interest and interest type revenues received</b>	<b>17,525,072</b>	<b>33,541,598</b>	<b>191.39%</b>
2.	a) interest received due on fixed interest debenture securities	144,752	259,040	178.95%
3.	of which: - from associated enterprises			
4.	- from enterprises with participating interest			
5.	b) other interest and interest type revenues received	17,380,320	33,282,558	191.50%
6.	of which: - from associated enterprises			
7.	- from enterprises with participating interest			
8.	<b>2. Interest paid and interest type payments:</b>	<b>10,752,719</b>	<b>22,809,171</b>	<b>212.12%</b>
9.	of which: - from associated enterprises			
10.	- from enterprises with participating interest			
11.	<b>INTEREST DIFFERENCE (1-2)</b>	<b>6,772,353</b>	<b>10,732,427</b>	<b>158.47%</b>
12.	<b>3. Revenues from securities</b>			
13.	a) revenues from shares and participations for trading (dividend, participation)			
14.	b) revenues from participations in associated enterprises (dividend, profit sharing)			
15.	c) revenues from other participations (dividend, profit sharing)			
16.	<b>4. Commission and fee revenues received (due)</b>	<b>1,633,076</b>	<b>1,006,939</b>	<b>61.66%</b>
17.	a) revenues from other financial services	1,633,076	1,006,939	61.66%
18.	of which: - from associated enterprises			
19.	- from enterprises with participating interest			
20.	b) from revenues of investment services (with the exception of revenues from trading activity)			
21.	of which: - from associated enterprises			
22.	- from enterprises with participating interest			
23.	<b>5. Commission and fees paid payable</b>	<b>883,723</b>	<b>423,205</b>	<b>47.89%</b>
24.	a) from expenditures of other financial services	474,356	281,971	59.44%
25.	of which: - from associated enterprises			
26.	- from enterprises with participating interest			
27.	b) from expenditures of investment services (with the exception of expenditures of trading activity)	409,367	141,234	34.50%
28.	of which: - from associated enterprises			
29.	- from enterprises with participating interest			
30.	<b>6. Profit on financial transactions (6.a - 6.b + 6.c - 6.d)</b>	<b>69,683</b>	<b>14,897</b>	<b>21.38%</b>
31.	a) from revenues of other financial services	171,356	735,593	429.28%
32.	of which: - from associated enterprises			
33.	- from enterprises with participating interest			
34.	b) from expenditures of other financial services	87,291	720,930	825.89%
35.	of which: - from associated enterprises			
36.	- from enterprises with participating interest			
37.	c) from the revenues of investment service (revenue of trading activity))		234	
38.	of which: - from associated enterprises			
39.	- from enterprises with participating interest			
40.	- reversal of impairment on securities for trading			
41.	d) from the expenditures of investment services (expenditure of commercial activity)			
42.	of which: - from associated enterprises			
43.	- from enterprises with participating interest			
44.	- impairment on securities for trading			
45.	<b>7. Other revenues from business activities</b>	<b>120,166</b>	<b>48,472</b>	<b>40.34%</b>
46.	a) revenues from non-financial and investment services	6,160	4,461	72.42%
47.	of which: - from associated enterprises			

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**Data in thousand HUF**

No.	Description of the item	30 September 2003	30 September 2004	Change (%)
48.	- from enterprises with participating interest			
49.	b) other revenues	114,006	44,011	38.60%
50.	of which: - from associated enterprises			
51.	- from enterprises with participating interest			
52.	- reversal of impairment on inventories			
53.	ba) Consolidation difference resulting from debt consolidation, increasing the profit			
54.	<b>8. General administrative costs</b>	<b>3,641,281</b>	<b>3,751,947</b>	<b>10.304%</b>
55.	a) personnel expenses	1,450,788	1,618,983	111.59%
56.	aa) wage cost	937,172	1,069,947	114.17%
57.	ab) other personal type disbursements	165,013	154,648	93.72%
58.	Including: - social security costs	72,262	77,657	107.47%
59.	- costs associated with pension	65,284	71,038	108.81%
60.	ac) contribution after wages	348,603	394,388	113.13%
61.	Including: - social security costs	304,340	335,867	110.36%
62.	- costs associated with pension	183,371	201,913	110.11%
63.	b) other administrative costs (material type costs)	2,190,493	2,132,964	92.37%
64.	<b>9. Depreciation and amortization</b>	<b>321,864</b>	<b>199,867</b>	<b>62.10%</b>
65.	<b>10. Other expenditures from business activities</b>	<b>450,500</b>	<b>402,688</b>	<b>89.39%</b>
66.	a) expenditures on non-financial and investment services			
67.	of which: - from associated enterprises			
68.	- from enterprises with participating interest			
69.	b) other expenditures	450,500	402,688	89.39%
70.	of which: - from associated enterprises			
71.	- from enterprises with participating interest			
72.	- impairment on inventories			
73.	ba) consolidation difference from debt consolidation, decreasing the profit			
74.	<b>11. Value loss on receivables and risk provision from pending and certain (future) liabilities</b>	<b>167,229</b>	<b>239,686</b>	<b>143.33%</b>
75.	a) value loss on receivables	166,065	235,364	141.73%
76.	b) risk reserve for pending and certain (future) liabilities	1,164	4,322	371.31%
77.	<b>12. Reversal of value loss on receivables and risk provision</b>	<b>149,413</b>	<b>109,687</b>	<b>73.41%</b>
78.	a) reversal of value loss on receivables	147,999	106,547	71.99%
79.	b) utilization of risk reserve for pending and certain (future) liabilities	1,414	3,140	222.07%
80.	<b>13. Value loss on debt securities held as investments, shares and participations in affiliated and other associated enterprises</b>			
81.	<b>14. Reversal of value loss on debt securities held as investments, shares and participations in affiliated and other associated enterprises</b>		<b>7</b>	
82.	<b>15. OPERATING (BUSINESS) PROFIT</b>	<b>3,280,094</b>	<b>6,895,036</b>	<b>210.21%</b>
83.	Including: - PROFIT FROM FINANCIAL AND INVESTMENT SERVICES (1-2+3+4-5±6+7.b-8-9-10.b-11+12-13+14)	3,273,934	6,890,575	210.47%
84.	- PROFIT FROM NON-FINANCIAL AND INVESTMENT SERVICES (7.a-10.a)	6,160	4,461	72.42%
85.	16. Extraordinary revenues			
86.	17. Extraordinary expenditures	5,075	6,600	130.05%
87.	<b>18. Extraordinary profit ( 16 - 17 )</b>	<b>-5,075</b>	<b>-6,600</b>	<b>130.05%</b>
88.	<b>19. Pre-tax profit ( ± 15± 18 )</b>	<b>3,275,019</b>	<b>6,888,436</b>	<b>210.33%</b>
89.	20. Tax liability	606,721	1,091,542	179.91%
90.	a) outstanding balance of corporation tax deriving (calculated) from consolidation			
91.	<b>21. Profit after taxes (± 19-20)</b>	<b>2,668,298</b>	<b>5,796,894</b>	<b>217.25%</b>

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## PK6. Major off-balance sheet items

Description	30 September, 2004 (million HUF)
Pending obligations	6,335
- available credit facility on credits extended	196
- loans committed in contract but not yet extended	6,098
- credit to be purchased from partner bank	41
Future obligations	27,964
<b>Total</b>	<b>34,299</b>

## DATA FORMS RELATING TO THE STRUCTURE OF SHARES AND THE GROUP OF OWNERS

### RS1. Ownership structure, participation and voting rates

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

Description of group of owners	Entire share capital				Listed series <sup>1</sup>					
	Beginning of target year (01.01.2004)		End of period (30.09.2004)		Beginning of target year (01.01.2004)			End of period (30.09.2004)		
	% <sup>2</sup>	pcs	% <sup>2</sup>	pcs	% <sup>2</sup>	% <sup>3</sup>	pcs	% <sup>2</sup>	% <sup>3</sup>	pcs
Domestic institutional / company	22.61	1,491,944	11.61	766,490	15.58	13.70	903,374	3.07	2.70	178,021
Foreign institutional / company	12.33	814,031	33.26	2,194,822	14.04	12.33	814,031	37.84	33.26	2,194,822
Domestic private individual	7.67	506,204	1.55	102,438	8.72	7.67	506,204	1.76	1.55	101,938
Foreign private individual	0.01	347	0.00	0	0.01	0.01	347	0.00	0.00	0
Employees, office holders	4.17	275,943	0.37	24,719	4.75	4.17	275,943	0.43	0.37	25,219
Treasury bond	0.00	0	0.00	0	0.00	0	0	0.00	0.00	0
Owner part of state budget <sup>4</sup>	53.21	3,511,531	53.21	3,511,532	56.90	50.00	3,300,101	56.90	50.00	3,300,102
International Development Institutes <sup>5</sup>	0.00	0	0.00	0	0.00	0.00	0	0.00	0.00	0
Other	0.00	0	0.00	0	0.00	0.00	0	0.00	0.00	0
<b>TOTAL</b>	<b>100.00</b>	<b>6,600,000</b>	<b>100.00</b>	<b>6,600,001</b>	<b>100.00</b>	<b>87.88</b>	<b>5,800,000</b>	<b>100.00</b>	<b>87.88</b>	<b>5,800,001</b>

<sup>1</sup> 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.: ÁPV Rt., TB, local authorities, companies with 100% state ownership, etc.

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

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

	1 January	31 March	30 June	30 September	31 December
FHB Rt.	0	0	0	0	



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

Name	Nationalit y <sup>1</sup>	Activity <sup>2</sup>	Quantity (pcs)	Share (%) <sup>3</sup>	Voting rights (%) <sup>3,4</sup>	Notes <sup>5</sup>
ÁPV Rt.	B	Á	3,300,001	56.90	50.00	

<sup>1</sup> Resident (B), Non-resident (K)

<sup>2</sup> Custodian (L), State Budget (Á), International Development Institute (F), Institutional (I), Business Enterprise (T) Private (M), Employee, officer (D)

<sup>3</sup> To be given rounded up to two decimals

<sup>4</sup> The voting right assuring participation in decision making in the General Shareholder's Meeting of Issuer.

<sup>5</sup> E.g.: strategic investor, financial investor, etc.

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

Name	Nationalit y <sup>1</sup>	Activity <sup>2</sup>	Quantity (pcs)	Share (%) <sup>3</sup>	Voting rights (%) <sup>3,4</sup>	Notes <sup>5</sup>
ÁPV Rt.	B	Á	3,511,431	53.20	53.20	

<sup>1</sup> Domestic (B), Foreign (K)

<sup>2</sup> Custodian (L), State Budget (Á), International Development Institute (F), Institutional (I), Business Enterprise (T) Private (M), Employee, officer (D)

<sup>3</sup> To be given rounded up to two decimals

<sup>4</sup> The voting right assuring participation in decision making in the General Shareholder's Meeting of Issuer.

<sup>5</sup> E.g.: strategic investor, financial investor, etc.

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 Sector code: 6522  
 Reporting period: 01.01.2004 - 30.09.2004

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 Telefax: (1) 320 - 4152  
 E-mail: patakis@fhb.hu  
 Investor relations: Sándor Pataki

## DATA FORMS RELATED TO THE ORGANISATION AND OPERATION OF THE ISSUER

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

	End of base period (30.09.2003)	Beginning of target year (01.01.2004)	End of target period (30.09.2004)
Bank	198	199	194
Consolidated	233	238	226

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

Type <sup>1</sup>	Name	Position	Beginning of mandate	End / termination of mandate	Shares held (pcs)
IT	Dr. Márton Vági	chairman	26.07.2002	26.07.2007	0
IT	Zsuzsanna Ács	member	06.09.2002	06.09.2007	0
IT	Zoltán Egressy	member	26.07.2002	26.07.2007	0
IT	Dániel Gyuris	member, CEO	11.01.1999	14.03.2007	0
IT	László Harmati	member, Deputy CEO	26.07.2002	26.07.2007	0
IT	Dr. Lajos Oláh <sup>2</sup>	member	23.05.2003	01.11.2004	0
IT	Dr. Zoltán Szedlacskó	member	23.05.2003	23.05.2008	0
IT	Ádám Terták	member	07.06.2004	07.06.2009	0
FB	Róbert Somfai	president	26.07.2002	26.07.2007	500
FB	Ágnes Koltai Nádházi	member	06.09.2002	06.09.2007	0
FB	Tibor Nagy Huszein	member	23.05.2003	23.05.2008	0
FB	Dr. Miklós Szőke	member	06.09.2002	06.09.2007	0
FB	Ágnes Winkler	member	26.07.2002	26.07.2007	0
FB	dr. Gábor Borsányi	member	07.04.2004	07.04.2009	0
FB	dr. Károly Salamon	member	07.04.2004	07.04.2009	0
FB	Pablo Arnoldo Fritz Sepulverda	member	07.04.2004	07.04.2009	0
FB	Attila Kéri	member	07.04.2004	07.04.2009	0
SP	Jenő Siklós	Deputy CEO	21.10.1997	indefinite	3,081
<b>Shares held (pcs) TOTAL:</b>					<b>3,581</b>

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

<sup>2</sup> Dr. Lajos Oláh has resigned from his membership as of 1 November, 2004

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## DATA FORMS RELATED TO PRIORITY NOTIFICATION

### ST1. Priority notifications published in the period

Date	Published in	Subject, brief content
12.01.2004	Magyar Tőkepiac Magyar Hírlap	FHB's announcement on private placement of mortgage bond (FJ09ZF01)
04.02.2004	Magyar Tőkepiac Magyar Hírlap BSE home page <sup>6</sup>	Public tender bid and offering Notes associated with issue of FHB's mortgage bonds (FJ09NF01SR1 and FJ09NF02SR1)
05.02.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	FHB's correction to public tender bid
06.02.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Interests and interest payment dates of mortgage bonds issued by FHB Rt. (FJ09NF01SR1 and FJ09NF02SR1)
06.02.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Result of auction of FHB's mortgage bond
11.02.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Invitation to the General Shareholders' Meeting of FHB Land Credit and Mortgage Bank Ltd.
11.02.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Stock Exchange listing of FHB's mortgage bond (FJ05NF01SR1)
12.02.2004	Magyar Tőkepiac	Stock market preliminary report of FHB Rt for 4th quarter of 2003
01.03.2004	Magyar Tőkepiac Magyar Hírlap	FHB's announcement on private placement of its mortgage bond (FJ12ZF01)
11.03.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	FHB's announcement on re-pricing of its mortgage bond (FJ12NV01)
18.03.2004	Magyar Tőkepiac Magyar Hírlap	FHB's announcement on private placement of its bond (FJ12ZF02)
19.03.2004	Magyar Tőkepiac	Rating of FHB Rt by Moody's
22.03.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Supplement to the invitation to the General Shareholders' Meeting of FHB Rt
05.04.2004	Magyar Tőkepiac Magyar Hírlap	FHB's announcement on private placement of its mortgage bond (FJ19ZF01)
06.04.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Proposals to FHB's general shareholders' meeting of April 7, 2004
07.04.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Resolutions of FHB's General Shareholders' Meeting of April 7, 2004
22.04.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Ownership structure of FHB Rt
21.04.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	FHB's announcement on payment of 2003 dividend

<sup>6</sup> www.bet.hu

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Date	Published in	Subject, brief content
23.04.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Minutes of FHB Rt General Meeting of April 7, 2004
29.04.2004	BSE home page	Annual stock market report of FHB Rt for 2003
29.04.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Excerpts from FHB's 2003 Annual Report according to Capital Market Act
29.04.2004	BSE home page	Stock market preliminary report of FHB Rt for 2004
25.05.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Ownership structure of FHB Rt
07.06.2004	Magyar Tőkepiac Magyar Hírlap	FHB's information on private placement of its mortgage bond (FJ11ZF01)
14.06.2004	Magyar Tőkepiac Magyar Hírlap	FHB's information on private placement of its mortgage bond (FJ05ZF02)
22.06.2004	Magyar Tőkepiac Magyar Hírlap Népszabadság	Conclusion of multicurrency revolving loan agreement exceeding 25 % of FHB's equity
30.06.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	FHB's information on secondary market re-purchase of its mortgage bonds issued by public placement
05.07.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	FHB's information on results of secondary market re-purchase of its mortgage bonds prior to maturity
08.07.2004	Magyar Tőkepiac Magyar Hírlap BSE home page	Issue of first direct Euro mortgage bond
29.07.2004	BSE home page	Voluntary statement in connection with Corporate Governance Recommendations published by the Budapest Stock Exchange
10.08.2004	BSE home page	Stock market preliminary report of FHB Rt for 2 <sup>nd</sup> quarter of 2004
07.09.2004	BSE home page Magyar Tőkepiac Magyar Hírlap	Interest rate of the mortgage bond FJ09NV01 issued by FHB
20.09.2004	BSE home page Magyar Hírlap Magyar Tőkepiac	FHB's announcement on the share option program of the Bank
28.10.2004	BSE home page	Corporate Governance Declaration in connection with the Corporate Governance Recommendations published by BSE
29.10.2004	BSE home page Magyar Hírlap Népszabadság	The member of the Board of Directors, Lajos dr. Oláh has resigned from his membership
08.11.2004	BSE home page Magyar Tőkepiac Népszabadság	FHB's information on secondary market re-purchase of its mortgage bonds issued by public placement