



**Stock Market Preliminary Report of
FHB Land Credit and Mortgage
Bank Ltd. for the 1st quarter of
2005**

Budapest, 18 May, 2005

The preliminary report of FHB Land Credit and Mortgage Bank Ltd. for the first quarter of 2005 on the activities and results of the Company

The preliminary report of FHB Land Credit and Mortgage Bank for the first quarter of 2005 contains the consolidated balance sheet and profit and loss account prepared according to the International Financial Reporting Standards (IFRS). The consolidation applies also to FHB Szolgáltató Rt. (FHB Service Ltd.), a 100%-owned subsidiary of FHB, which operates as an acquiring agent. As the balance sheet and the profit and loss statement of FHB Service Ltd. have no significant bearing on the Bank's data, the preliminary report contains consolidated figures throughout the report. The narratives compare the non-audited figures as of 31 March 2004 and 31 March 2005 and the audited figures as of 31 December 2004.

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

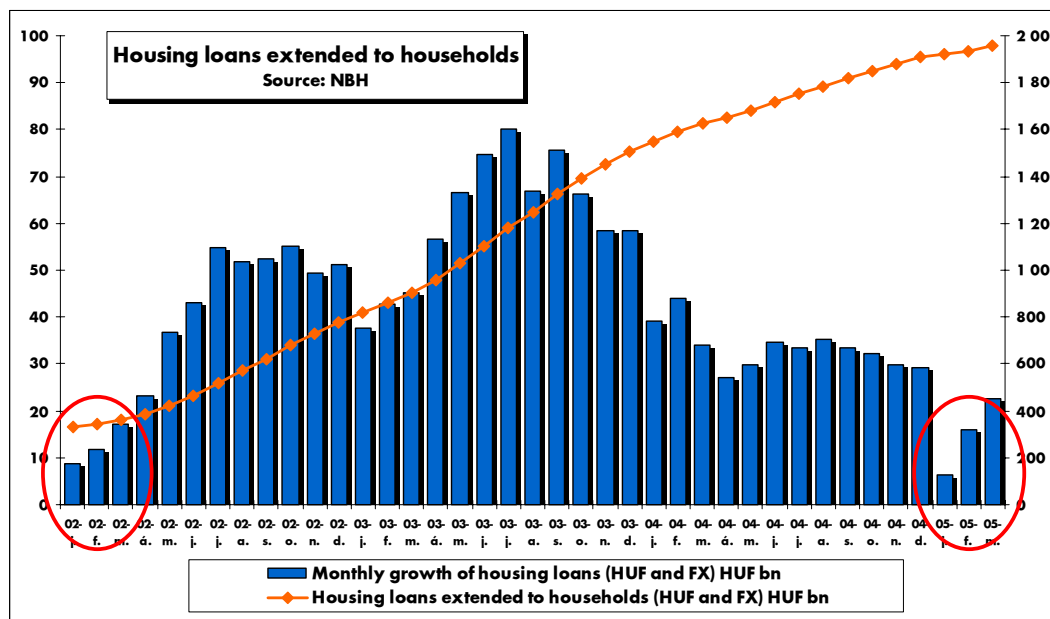
On 31 March 2005 FHB closed its most profitable quarter: the **pre-tax profit according to the IFRS was 2,983 million forints** as of 31 March 2005, 1,208 million forints higher than in the first quarter of 2004 (68.0% increase). The profit is remarkable considering that it exceeds the pre-tax profit of the last quarter of 2004 by 60.2%.

Though the **average net interest margin dropped from 4.2%** as of 31 March 2004 by 0.2 percentage points to **4.0%** over a year, the decrease has been compensated by the **improvement of Bank's cost income ratio from 44.7% to 33.6%**, which is an outstanding achievement in an international comparison as well.

Housing loan market

During the first quarter of 2005 the growth rate of housing loans lagged far behind the growth in the first quarter of 2004 (this growth showed the transpiring affect from 2003 of the modification of the decree on state subsidies). Growth was particularly sluggish in the first two months in this year. The average monthly growth dropped below half, to 15 billion forints in 2005 as opposed to 34 billion forints in 2004. The total amount of retail housing loans at the end of the first quarter of 2005 was over 1,956 billion forints.

Foreign exchange-denominated loans continued to gain ground: as of 31 March 2005 loans denominated in foreign exchange contributed 9.6% to total retail housing loans compared to only 1.2% as of 31 March 2004, and 7.6% as of 31 December 2004. This trend was accompanied by a parallel drop in forint-denominated loans, including a drop in subsidized forint loans. In the first quarter of this year the total amount of forint-denominated loans increased by a mere three billion forints, and January brought a decrease in the total amount of retail housing loans denominated in forints. Growth of the loan portfolio fell to the level of the growth in the first quarter of 2002.



Own lending

The amount of loans sold by the Bank grew by 22.6 billion forints, or 19.7%, in a year up to 31 March 2005. The growth was 4.9 billion forints in the first quarter, 3.7% higher than the figure as of 31 December 2004. In the first quarter the Bank **disbursed** loans directly to clients to the amount of **7.6 billion forints**, of which 24.4% were FX-based loans. This trend matches the financial plan of the Bank for 2005. Regarding forint housing loans the Bank has slightly increased its market share in the first quarter of the year.

While home purchase and building loans continue to be the Bank’s leading products, general mortgage loans have been catching up (due primarily to FX-based loans). There is a significant restructuring within the product mix compared to the first quarter of 2004: whereas in the base quarter building loans contributed 23.3% to total disbursements against 64.9% purchase loans and a mere 3.1% general mortgage loans, in the first quarter of 2005 there was a slight drop in building loans (20.7%) and a decline in the share of purchase loans, to 54.4%, while general mortgage loans (92.8% of which were denominated in FX) soared to 17.7%.

The Bank is opening two more branches – in Zalaegerszeg and Nyíregyháza – in order to expand the retail lending business, the investments were completed in the first quarter and operations and servicing of clients will start in the second quarter of 2005. In addition the renovation of two other branches and the movement to a place more fitting to customer needs has been also accomplished.

In line with the business strategy for 2005 the Bank has increased the number of agents selling the loan products by 500 persons in the first quarter of the year.

Refinancing

The year-on-year increase in the **total amount of refinanced loans** was 13.2% **to reach 242.9 billion forints** as of 31 March 2005.

The share of foreign exchange disbursements increased within refinanced disbursements in the first quarter: while they contributed 9.7% to refinancing in January and 14.7% to the February figure, in March almost a quarter (24.6%) were repurchased in foreign exchange from partner banks. In the first quarter the breakdown of **refinancing** amounting to almost seven billion forints was 83.0% forint, **16.1% Swiss franc and 0.9% euro**.

Mortgage bond issues

The Bank undertook a repurchase transaction at the beginning of the first quarter of 2005 followed by two mortgage bond issues: an international private placement in February and a public issue in March in Hungary.

On 11 February the Bank sold mortgage bonds amounting to a total face value of 50 million euros in the context of a private placement under the international EMTN programme. Series FJ11ZV02 contains variable interest bonds, the interest base is the six-month Euribor. With this issue the number of series issued outside Hungary under the EMTN programme reached 10.

The aggregate face value of outstanding series issued in the context of the international EMTN programme registered in Luxembourg is 565 million euros, over 159 billion forints calculated at the price at issue. This means that the contribution of mortgage bonds issued outside Hungary to the total outstanding portfolio exceeds 42%. The increasing contribution of foreign issues can be attributed to foreign investors' continued willingness to buy the bonds despite decreasing premiums on yield.

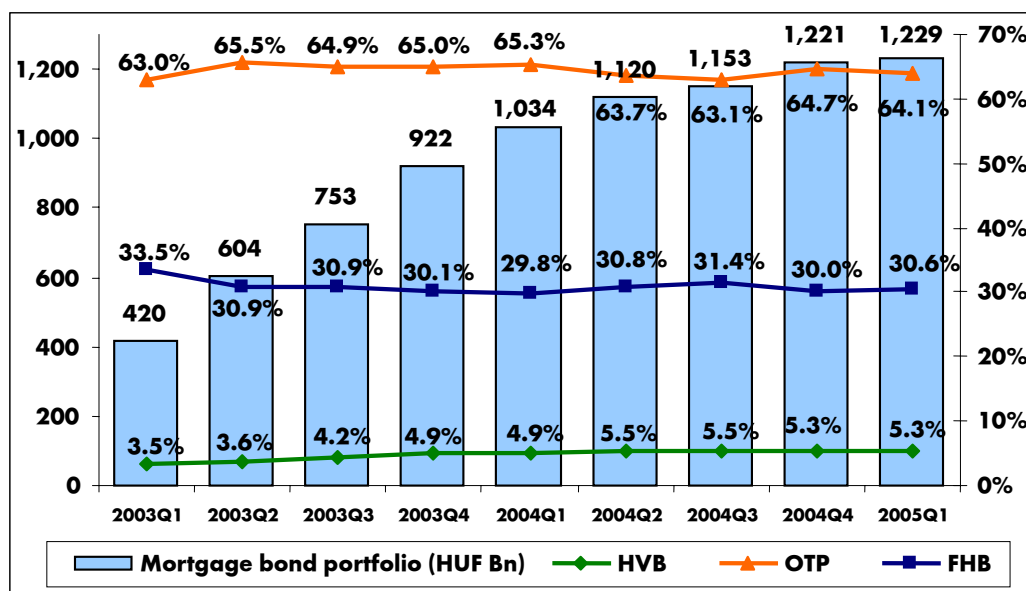
In March, after over a year, the Bank again appeared in the Hungarian capital market with a public offering. At the end of February the Hungarian Financial Supervisory Authority (PSZÁF by its Hungarian acronym) approved the Bank's new mortgage bond issue programme for 2005-2006 for a total of 220 billion forints, and the FJ10NF03 series was issued in the context of the new programme. The mortgage bond earns fixed interest at 7.375% payable once a year. The five billion forints offered to auction was more than two and a half times oversubscribed.

Mortgage bonds issued by the Bank in the first quarter of 2005 amounted to 17.2 billion forints as opposed to 30.2 billion in the same period of 2004 and almost 39 billion in the first quarter of 2003. Repayments amounted to 5.2 billion forints, and repurchases to 3.2 billion forints, which leaves an aggregate face value of net issues around 8.9 billion forints.

Up to the end of the first quarter the Bank repurchased mortgage bonds with a total face value of 35,540 million forints in the context of an active assets and liabilities management policy.

Stock exchange trading of the Bank's mortgage bonds resulted in a turnover of 5.8 billion forints in the first quarter of 2005, about 25% of last quarter's figure and over half of the figure in the same period of 2004.

At the end of March 2005 the aggregate value of mortgage bonds issued by the three Hungarian mortgage banks amounted to 1,229 billion forints. The Bank retained a stable market share around 30% with a 0.6% increase during the past quarter.



Changes in the legislative environment

The legislative changes which took place in the first quarter of 2005 brought significant changes in the rules of consumer loans under the Act on Credit Institutions and Financial Enterprises (Hpt. by its Hungarian abbreviation), and widened the group of people eligible for State surety.

According to the amendment, the Hpt.'s provisions pertaining so far only to consumer loans are mandatory for personal loans as of 1 January 2005. Accordingly, the legal consequence of failure to include in the loan agreement the items specified by law (such as, for instance, the total loan fee indicator in terms of annual percentage, all costs related to the loan, etc.) will be the annulment of the agreement.

The amendments promulgated as part of Act CXXXV of 2004 on the Budget for 2005 extended the scope of State surety to include, in addition to civil servants, debtors who are public employees, employees in the service of the prosecutor's office, the judiciary and the military, or serve in public security. This means that debtors working in the public sector are eligible for home loans with uniform terms and conditions. Decree No. 12/2001. (I. 31.) Korm. of the Government on State Subsidy on Housing Loans was also amended: the amount of preference attached to home construction was increased, and the rules of housing support extended to young people were delineated.

A new feature in the State's involvement is Decree No. 4/2005. (I. 12.) Korm. of the Government setting forth the detailed rules of undertaking and enforcing State surety in connection with loans extended to young debtors. The Decree is aimed at helping young people to acquire a home of their own who have only a minimum of own funds and although they would be able to make

repayments, they cannot raise sufficient loans in the absence of coverage. State guarantee amounts to the portion exceeding 60% of the loan-to-value ratio, up to a maximum of 100%.

Other amendments concerned Act C of 1990 on Accounting and Act XCII of 1990 on Duty Fees. A surtax to be paid by credit institutions and financial enterprises was introduced (Act CII of 2004).

Organizational restructuring and staff figures

The bank had 227 staff as of 31 March 2004, 12.4% more than a year earlier, and 28 staff, or 14.1% more than in the fourth quarter of 2004. At the end of the first quarter of 2005 the consolidated head count was 256, which is 12.3% higher than the 2004 year-end figure (228) and 5.8% higher than the 242 head count of the first quarter of 2004

Among the senior officers of the Group Dr. Miklós Szőke and Attila Kéri resigned from their posts as members of the Supervisory Board, with effect from 21 April 2005 and 22 April 2005 respectively. The 2004 regular Annual General Meeting of the Bank recalled Zsuzsanna Ács and Zoltán Egressy from their posts as members of the Board of Directors with effect from 22 April 2005, and elected Ferenc Karvalits and Dr. Gyula Czok external members of the Board for a period of five years from 5 May 2005, and elected Dr. Gábor Csányi member of the Board with effect from 28 May 2005. The Annual General Meeting recalled Tibor Nagy Huszein from his post as member of the Supervisory Board with effect from 22 April 2005 and elected the following members of the Supervisory Board, each for a period of five years: Péter Heim with effect from 22 April 2005, Mónika Kék, Kata Orsolya Molnár and Éva Baranyi with effect from 5 May 2005.

II. Summary figures of the latest period (by IFRS)

Based on the International Financial Reporting Standards the **consolidated balance sheet total increased** from 336.4 billion forints to 421.3 billion forints, or **by 25.3% within a year**. The growth was predominantly generated by the increase in the mortgage loan portfolio.

The year-on-year increase in **shareholders' equity** was **63.7%** and reached **20.6 billion forints** mainly as a result of an increase in equity **from accumulated profits**.

The year-on-year increase in earnings before tax was 68.0%. After-tax profit by IFRS was 2,249 million forints as of 31 March 2005, **50.7% higher** than the 31 March 2004 figure.

| Major financial indicators | Consolidated data according to IFRS | | |
|--|-------------------------------------|---------------|-------------------------|
| | 31 March 2004 | 31 March 2005 | March 2005 / March 2004 |
| Balance sheet total (million HUF) | 336,391 | 421,346 | 125.3% |
| Mortgage loan portfolio (million HUF) | 328,919 | 379,674 | 115.4% |
| Mortgage bonds outstanding (million HUF) | 308,629 | 376,364 | 121.9% |
| Shareholder's equity (million HUF) | 12,607 | 20,632 | 163.7% |
| Pre-tax profit (million HUF) | 1,775 | 2,983 | 168.0% |
| After-tax profit (million HUF) | 1,493 | 2,249 | 150.7% |
| Net interest margin (NIM) | 4.2% | 4.0% | 95.2% |
| CIR (operating costs / gross operating income) | 44.7% | 33.6% | 75.1% |
| EPS (HUF) | 905 | 1,363 | 150.7% |
| P/E (share price/EPS) | 8.4 | 9.4 | 111.8% |
| P/BV (share price/equity/number of shares) | 4.0 | 4.1 | 102.9% |
| Adjusted capital (according to HAS) | 11,274 | 18,125 | 160.8% |
| Capital adequacy ratio (CAR) | 10.0% | 13.5% | 135.3% |
| ROAA (return on average assets) | 2.2% | 2.2% | 102.9% |
| ROAE (return on average equity) | 55.2% | 50.9% | 92.3% |

III. Analysis of FHB Land Credit and Mortgage Bank's statement prepared by IFRS

Profit and Loss structure¹

Data in million HUF

| DESCRIPTION | Q1 2004 (Jan - March) | Q4 2004 (Oct - Dec) | Q1 2005 (Jan - March) | Q1 2005 / Q1 2004 | Q1 2005 / Q4 2004 |
|--|--------------------------|------------------------|--------------------------|----------------------|----------------------|
| Net interest income | 2,912 | 4,229 | 4,059 | 139.4% | 96.0% |
| Net fees and commissions income | 0 | 83 | 130 | - | 155.5% |
| Net profit from financial transactions | 87 | -1,020 | 203 | 234.7% | - |
| Other income and expenditure | 147 | -10 | 140 | 95.6% | - |
| Gross operating income | 3,145 | 3,283 | 4,533 | 144.1% | 138.1% |
| Operating expenses | -1,340 | -1,395 | -1,474 | 110.0% | 105.6% |
| Net operating income | 1,805 | 1,887 | 3,059 | 169.4% | 162.1% |
| Losses from lending | -30 | -25 | -76 | 249.9% | 303.3% |
| Profit before tax | 1,775 | 1,862 | 2,983 | 168.0% | 160.2% |
| Taxes | -282 | -120 | -734 | 260.0% | 610.8% |
| After-tax profit | 1,495 | 1,742 | 2,249 | 150.7% | 129.1% |

In the first quarter of 2005 **the Bank's gross operating income by IFRS amounted to 2,249 million forints**, more than 150% of the previous year's figure, and almost one-third higher than the gross operating income for the period October-December 2004. The increase in **profit before tax**, which does not include the distorting effect for 2005 of the surtax payable by banks, was over 60% compared to both the previous quarter and the first quarter of 2004, and **approached three billion forints**.

Net interest income

The 4,059 million forints net income from interest for the first quarter of 2004 emerged as the balance of **12.8 billion forints** interest income (136.2% year-on-year increase) and **8.7 billion forints interest expenditure** (134.8% year/on/year increase). In the first quarter of 2005 45.2% of income from interest was contributed by income from interest on retail loans, 50.2% by interest on refinanced loans, and the aggregate contribution of interbank deposits and securities was 4.6%. There was no significant change in the breakdown of income from interest compared to the first quarter of 2004, the contribution of refinancing decreased by about 2.7 percentage points while that of interbank deposits went up by 3 percentage points. Within the line item of interest income, the contribution of interest state subsidy (subsidy on mortgage bond interest and supplementary interest subsidy) was 70.3% in the first quarter of 2004 and only 63.7% in the first quarter of 2005. Net interest income decreased by 4% compared to the last quarter of 2004, which is mainly caused by the decline in yields in the first three months of the year.

In the target period, 99.9% of interest expense arose in conjunction with mortgage bonds with the contribution of interest paid on interbank borrowings being insignificant. The breakdown was

¹ Consolidated non-audited data by IFRS

similar in the first quarter of 2004, when 99.1% of interest expenditure was related to mortgage bonds and 0.8% to interbank borrowings.

The **average net interest margin (NIM)** was 3.90% as of 31 December 2004 and **4.02%** as of 31 March 2005, 20 basis points lower than the figure for 31 March 2004. Based on the figures of the past four quarters, the margin seems to have stabilized around 4%, due partly to the steadily improving costs of new funds and the expansion of own loans, in particular the strengthening of the non-subsidized portfolio.

Net fees and commissions income

The Bank's **balance of income from, and expenditure on, fees and commission** in the first quarter of 2005 was **130 million forints** as opposed to breakeven in the same period of the previous year and a profit of 83 million forints in the fourth quarter of 2004. The contribution of net fees and commissions income to gross operating income was 2.9% in the first quarter of 2005 after 2.5% in the fourth quarter of 2004.

Agent's commission received on state subsidies contributed 58.6% to income from fees and commissions, 29.6% was contributed by fees paid by refinancing partners, and 11.7% was contributed by retail lending. On the expenditure side, three-quarters (75.8%) of fees were paid to acquiring agents and 13.6% was contributed by fees paid on mortgage bond issues.

Net profit from financial transactions

As a result of an expansion in foreign exchange-based lending the **net profit from FX transactions** showed a steady increase during the first quarter of 2005 compared to the fourth quarter of 2004. Income from FX transactions amounted to **137 million forints** in the period of reporting, 442.0% higher than the figure in the last quarter of 2004.

After a negative net profit from mortgage bond repurchases in November and December of last year the **net profit from securities transactions was 66 million forints** in 2005, which emerged as the balance of gains and losses on mortgage bonds repurchases and issues in the course of the first quarter.

Other income and expenditure

The balance of **other income and expenditure was 140 million forints** as of 31 March 2005 resulting from 142 million forints on the income side and two million forints on the expenditure side. This was a 4.4% decrease compared to the previous year's figure. On the income side of this line item, 90.0% was contributed by property valuation fees.

Operating expenses

Data in HUF million

| DESCRIPTION | Q1 2004 (Jan - March) | Q4 2004 (Oct - Dec) | Q1 2005 (Jan - March) | Q1 2005 / Q1 2004 | Q1 2005 / Q4 2004 |
|--|--------------------------|------------------------|--------------------------|----------------------|----------------------|
| General administrative costs | 1,276 | 1,291 | 1,390 | 109.0% | 107.7% |
| Personnel expenses | 408 | 780 | 485 | 119.0% | 62.2% |
| - wages | 272 | 505 | 293 | 107.5% | 57.9% |
| - other personnel expenses | 44 | 114 | 82 | 185.9% | 72.2% |
| - social security expenses | 92 | 161 | 111 | 120.8% | 68.6% |
| Other administrative costs | 868 | 511 | 905 | 104.2% | 177.0% |
| - incl. special mortgage banking costs | 300 | 114 | 310 | 103.4% | 270.9% |
| Depreciation | 64 | 104 | 84 | 131.2% | 80.6% |
| TOTAL OPERATING EXPENSES | 1,340 | 1,395 | 1,474 | 110.0% | 105.6% |

The Bank's **operating expenses** amounted to **1,474 million forints** in the first quarter of 2005, only 5.6% higher than in the fourth quarter of 2004, the year-on-year increase was 10.0%. As a result of efficient cost management the ratio of operating costs to gross operating income (cost-income ratio, CIR) dropped from 44.7% to 33.6% within a year, and showed a substantial (42,4%) improvement over the figure of the last quarter of 2004.

The contribution of **personnel expenses** to overall operating costs was roughly the same in the first quarter of 2004 and the first quarter of 2005 (30.4% and 32.9% respectively). Comparison of wage costs to those of the fourth quarter of 2004 is not feasible because of the year-end emoluments. The year-on-year increase in **other administrative costs** was 4.2%. Within this line item, the contribution of insurance fees remained stable, at 10.0% and 10.4% respectively, rents amounted to 9% in the first quarter of 2004 and 8.5% in the first quarter of 2005, the contribution of consultancy fees dropped from 9.7% in the first quarter of 2004 to 8.4% in the period of reporting. Another significant component is the item of other taxes (this primarily includes local taxes), which contributed 7.4% to other administrative costs in the first quarter of 2005 as opposed to 5.6% in the same period of 2004.

About one-third of other administrative costs are contributed by **special mortgage banking costs** (34.5% in the first quarter of 2004 and 34.2% in the first quarter of 2005). The two main components of the special mortgage banking costs item are valuation fees and life insurance premiums on collateral coverage: their aggregate contribution was 84.1%. This was similar to the contribution in the first quarter of 2004 (83.1%).

Depreciation in the first quarter of 2005 amounted to 84 million forints, 31.2% higher than the figure in the same period of 2004. Depreciation of machines and equipment contributed 53.9%, depreciation of intangible assets contributed 42.8%.

Portfolio quality, loss in value and provisions

Data in HUF million

| Breakdown of classified portfolio by loss in value and provisions | | | | | | | | | |
|---|---------------------------|-------------------------|-------------|---------------------------|-------------------------|-------------|----------------------------|-------------------------|-------------|
| CLASSIFICATION | 31 March 2004 | | | 31 December 2004 | | | 31 March 2005 | | |
| | 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 | 336,169 | - | 0.0% | 393,995 | - | 0.0% | 452,367 | - | 0.0% |
| Watch | 2,083 | - | 0.0% | 2,188 | - | 0.0% | 2,479 | - | 0.0% |
| Substandard | 314 | 34 | 11.0% | 305 | 32 | 10.5% | 441 | 47 | 10.7% |
| Doubtful | 597 | 212 | 35.5% | 1,061 | 329 | 31.0% | 1,236 | 388 | 31.4% |
| Bad | 35 | 34 | 96.9% | 16 | 16 | 100.0% | 18 | 18 | 95.7% |
| TOTAL | 339,198 | 280 | 0.1% | 397,565 | 377 | 0.1% | 456,540 | 453 | 0.1% |

* Including hedging transactions (interest rate and currency swaps)

The structure of the Bank's portfolio retained its excellent quality in the past quarter. The **rate of problem-free accounts receivable was 99.1%** within the portfolio as of 31 March 2005 as well as at the end of the first and fourth quarter of 2004. The amount of classified loans (substandard, doubtful and bad loans) increased by 313 million forints compared to the previous quarter's figure, loss in value and provisions to cover for such loans increased by 76 million forints. Loss in value and provisions to the total portfolio remains stable around one-thousandth of the total value.

Structure of the balance sheet²

Data in HUF million

| DESCRIPTION | 31.03.2004 | 31.12.2004 | 31.03.2005 | 31.03.2005 / 31.03.2004 | 31.03.2005 / 31.12.2004 |
|-----------------------------|----------------|----------------|----------------|----------------------------|----------------------------|
| Cash | 1 | 2 | 2 | 195.8% | 112.3% |
| Receivables from NBH | 91 | 10,163 | 13,204 | 14,490.9% | 129.9% |
| Interbank deposits | 2,421 | 18,744 | 15,500 | 640.3% | 82.7% |
| Securities for distribution | 3,033 | 3,854 | 3,700 | 122.0% | 96.0% |
| Refinanced mortgage loans | 214,553 | 241,080 | 242,862 | 113.2% | 100.7% |
| Loans | 114,366 | 132,015 | 136,812 | 119.6% | 103.6% |
| Tangible assets | 801 | 1,134 | 1,227 | 153.3% | 108.3% |
| Other assets | 1,124 | 8,667 | 8,039 | 715.0% | 92.7% |
| Assets total | 336,391 | 415,659 | 421,346 | 125.3% | 101.4% |
| Payables total | 323,784 | 396,950 | 400,715 | 123.8% | 100.9% |
| - Interbank borrowings | 2,000 | 8,989 | 5,180 | 259.0% | 57.6% |
| - Mortgage bonds | 308,629 | 367,279 | 376,364 | 121.9% | 102.5% |
| - Other liabilities | 13,155 | 20,682 | 19,171 | 145.7% | 92.7% |
| Shareholders' equity | 12,607 | 18,709 | 20,632 | 163.7% | 110.3% |
| - Subscribed capital | 6,600 | 6,600 | 6,600 | 100.0% | 100.0% |
| - Repurchased own shares | 0 | 0 | -251 | - | - |
| - Premium | 1,709 | 1,709 | 1,709 | 100.0% | 100.0% |
| - General reserve | 597 | 1,158 | 1,392 | 233.3% | 120.3% |
| - Cash-flow hedge reserve | 0 | 72 | 384 | - | 530.5% |
| - Stock option reserve | 0 | 220 | -88 | - | - |
| - Accumulated assets | 3,701 | 8,949 | 10,964 | 296.3% | 122.5% |
| Liabilities total | 336,391 | 415,659 | 421,346 | 125.3% | 101.4% |

As of 31 March 2005 the consolidated balance sheet total of the Bank by IFRS was 421.3 billion forints, 85.0 billion forints, or one-quarter higher than at the end of the first quarter of 2004 and 5.7 billion forints, or 1.4% higher than the balance sheet total as at 31 December 2004. Of the increase over the 31 March 2004 base 59.7% was generated by the increase in the loan portfolio, while interbank and NBH placement contributed 30.8% to the increase of assets. As to the increase on the liabilities side, 79.7% was contributed by the increase, by 67.7 billion forints, of the mortgage bonds portfolio. The increase over the fourth quarter 2004 figures in both assets and liabilities was due mainly to an increase in the loan portfolio and in mortgage bonds.

Interest earning assets

The Group's **interest earning assets amounted to 412.1 billion forints as of 31 March 2005**, which is a 23.2% increase over the same period of 2004. The portfolio of own lending to retail customers was 19.6% higher in March 2005 than a year earlier, and 3.6% higher than at the end of 2004. Loss in value on losses from lending increased from 277 million forints at the end of March 2004 to 449 million forints. The portfolio of refinanced loans increased by 13.2% over a period of 12 months.

² Consolidated non-audited data by IFRS

Refinanced loans and own lending contribute 98.3% to interest earning assets at the end of the first quarter of 2004: their contribution at the end of the fourth quarter of 2004 dropped to 91.9%, and this level was retained at the end of March 2005 (92.1%).

The **value of the real estate portfolio** ensuring the regular collateral as at 31 March 2005 was **959.9 billion forints**, exceeding the figure as at 31 December 2004 by 3.0%. The **loan-to-value ratio (LTV)** stood at **39.1%** at the end of March 2005, half a percentage point below the figure at the end of the fourth quarter of 2004, and 2.2 percentage points below the figure of 31 March 2004.

The portfolio of **NBH and other interbank deposits** soared eleven-fold from 2.5 billion forints as of 31 March 2004 to around 29 billion forints by the end of March 2005. Accordingly, the contribution of this item to interest earning assets jumped from 0.7% to 7%. Interbank deposits continue to serve for liquidity and supplementary reserve purposes.

The value of the **securities portfolio** of the Bank increased from 3,0 billion forints as of 31 March 2004 to 3,9 billion forints at the end of 2004, then slightly dropped by 31 March 2005. Nevertheless, the contribution of securities to interest earning assets remained 0.9% in all three quarters. The Bank holds the securities portfolio solely for the purpose of risk management.

Own assets

The balance of **tangible and intangible assets** amounted to 0.8 billion forints as of 31 March 2004. This figure grew to 1.1 billion forints by the end of 2004, due mainly to an expansion in IT devices and software. The figure was 1.2 billion forints at the end of the first quarter of 2005.

Other items showed no significant change in the first quarter in terms of amount (2004: 8.7 billion forints 2005: 8.0 billion forints) or breakdown: about 94% was contributed by income from deferred interest and settlement with the Hungarian State (related mainly to interest subsidies) in both periods.

Interest bearing liabilities

The **portfolio of mortgage bonds** issued by the Bank stayed stable around 98-99% over the past year. The book value of mortgage bonds as of 31 March 2005 was 376.4 billion forints, 21.9% higher than in the first quarter of 2004. The 67.7 billion forints increase stemmed from 108.3 billion forints new issues, 35.5 billion forints repurchase and 5.2 billion forints repayments (including the related exchange rate adjustments).

Mortgage bond collaterals

The value of assets used as **ordinary collateral** for the mortgage bonds issued by the Bank was **716.0 billion forints** as of 31 March 2005, which was a 12.0% year-on-year increase.

The value of the group of assets involved as collateral as of 31 March 2005 (million forints)

| Outstanding mortgage bonds in circulation | |
|--|----------------|
| face value: | 375,490 |
| interest: | 199,840 |
| total: | 575,330 |
| Value of the regular collateral | |
| principal: | 377,914 |
| interest: | 338,046 |
| total: | 715,960 |
| Value of assets (government bonds) involved as supplementary collateral | |
| principal: | 0 |
| interest: | 0 |
| total: | 0 |

The Bank has complied with the collateral requirements required under the Act on Mortgage Loan companies and Mortgage Bonds (Jht. by its Hungarian abbreviation) on an ongoing basis.

Interbank funds

As of 31 March 2005 the Bank's **interbank portfolio** amounting to 5.2 billion forints contained 3.0 billion forints interbank deposits and 2.2 billion forints interbank credit draw-downs, the latter consisting of 1.0 billion HUF, 1.55 million EUR and five million CHF.

Other liabilities

At the end of the first quarter of 2004 almost 90% of the Bank's other liabilities are contributed by deferred interest payable on mortgage bonds (18.5 billion out of 20.7 billion forints), and the figure was 16.8 billion forints **out of 19.2 billion forints as of 31 March 2005**. The highest increase in the first quarter of 2005 occurred in the line item taxes payable, due partly to the effect of bank surtax, amounting to 651 million forints compared to 307 million forints in the first quarter of 2004.

Own equity

By 31 March 2005 the value of the Bank's own equity increased by 63.7% (or 8.0 billion forints) over a year, reaching **20.6 billion forints**. The increase in assets from accumulated profits contributed 90.5% and an almost 800 million forints expansion of the general reserve contributed 9.9%. Compared to the 31 December 2004 figure, owners' equity was 1.9 billion forints higher at the end of the period of reporting. As in previous quarters, this was mainly due to the effect of accumulated profits and general reserve. On the other hand repurchase of shares reduced own equity by 251 million forints.

As of 31 March 2005 the **capital adequacy ratio** was 13.5% including the audited profits for 2004. The capital adequacy ratio was 10.0% at the end of the first quarter of 2004 and 13.0% as of 31 December 2004.

Off-balance sheet items

The Bank's pending liabilities among the off-balance sheet items include mainly contracted but not yet disbursed loans. This item amounted to 5.7 billion forints as of 31 March 2005 compared to 5.5 billion forints in the same period of the previous year.

The most important item among future liabilities includes derivative transactions related primarily to mortgage bonds denominated in euro. As at 31 March 2005 the value of future liabilities originating from FX swap deals amounted to 51.5 billion forints. The Bank does not have any deals with speculative purpose, it only has hedging transactions for the purpose closing FX positions and eliminating risks.

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 Sector code: 6522
 Reporting period: 01.01.2005 - 31.03.2005

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 E-mail: patakis@fhb.hu
 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 as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | 31 March 2005 | 31 March 2004 | Change (%) |
|---|------------------|------------------|---------------|
| Interest income | 12,796,240 | 9,395,096 | 136.2% |
| Interest expense | -8,736,821 | -6,483,183 | 134.8% |
| Net interest income | 4,059,419 | 2,911,913 | 139.4% |
| Fee and commission income | 241,858 | 166,145 | 145.6% |
| Fee and commission expense | -112,019 | -166,234 | 67.4% |
| Profit from FX transactions | 137,134 | 0 | - |
| Gain less losses from securities | 66,195 | 86,642 | 76.4% |
| Other operating income | 142,348 | 146,854 | 96.9% |
| Other operating expense | -2,052 | -131 | 1,566.4% |
| Operating income | 4,532,883 | 3,145,189 | 144.1% |
| Losses/provisions on loans and advances | -75,729 | -30,302 | 249.9% |
| General and administrative costs | -1,473,880 | -1,339,649 | 110.0% |
| Profit before tax | 2,983,274 | 1,775,238 | 168.0% |
| Taxation expense | -734,269 | -282,438 | 260.0% |
| Profit for the period | 2,249,005 | 1,492,800 | 150.7% |

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Balance Sheet

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | 31 March 2005 | 31 March 2004 | Change (%) |
|---|--------------------|--------------------|---------------|
| Assets | | | |
| Cash | 2,160 | 1,103 | 195.8% |
| Due from National Bank of Hungary | 13,204,274 | 91,121 | 14.490.9% |
| Placements with other banks | 15,499,748 | 2,420,622 | 640.3% |
| Available for sale securities | 3,699,912 | 3,033,026 | 122.0% |
| Refinancing of mortgage loans | 242,862,198 | 214,553,040 | 113.2% |
| Loans | 136,811,986 | 114,366,454 | 119.6% |
| Property and equipment | 1,227,416 | 800,889 | 153.3% |
| Other assets | 8,038,752 | 1,124,263 | 715.0% |
| Total Assets | 421,346,446 | 336,390,518 | 125.3% |
| Liabilities | | | |
| Deposits from banks | 5,179,979 | 2,000,000 | 259.0% |
| Mortgage bond liabilities | 376,364,318 | 308,629,304 | 121.9% |
| Other liabilities | 19,170,521 | 13,154,551 | 145.7% |
| Total Liabilities | 400,714,818 | 323,783,855 | 123.8% |
| Shareholders' Equity | | | |
| Share capital | 6,600,001 | 6,600,001 | 100.0% |
| Repurchased own shares | -250,917 | 0 | - |
| Share premium | 1,709,014 | 1,709,014 | 100.0% |
| General reserve | 1,392,054 | 596,783 | 233.3% |
| Cash-flow hedge reserve | -88,333 | 0 | - |
| Stock option reserve | 305,890 | 0 | - |
| Retained earnings/(deficit) | 10,963,919 | 3,700,865 | 296.3% |
| Total Shareholders' Equity | 20,631,628 | 12,606,663 | 163.7% |
| Total Liabilities and Shareholders' Equity | 421,346,446 | 336,390,518 | 125.3% |

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Cash Flow

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | 31 March 2005 | 31 March 2004 |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Net profit | 2,249,005 | 1,492,800 |
| Non cash adjustments to net income to net cash from operating activities: | | |
| Depreciation | 83,797 | 63,850 |
| Provision for losses | 75,295 | 30,210 |
| Loss/(profit) on sale of fixed assets | -404 | 0 |
| Stock option reserve | 85,497 | 0 |
| Cash flow hedge reserve | -160,795 | 0 |
| Operating profit / (loss) before changes in operating assets | 2,332,395 | 1,586,860 |
| <i>Increase (decrease) in operating assets:</i> | | |
| Refinancing of mortgage loans | -1,782,103 | -22,014,639 |
| Loans | -4,871,695 | -8,349,059 |
| Accrued interest receivable | -344,835 | -43,253 |
| Other assets | 973,202 | 2,313,461 |
| <i>Increase (decrease) in operating liabilities:</i> | | |
| Due to other banks | -3,809,351 | -4,000,000 |
| Accrued interest payable | -1,696,742 | -643,571 |
| Other liabilities | 188,977 | -234,956 |
| Net cash used in operating activities | -9,010,149 | -31,385,156 |
| Cash flows from investing activities | | |
| Increase in available for sale securities | 154,267 | 457,230 |
| Proceeds from sale of property and equipment | 404 | 0 |
| Purchase of property and equipment | -177,661 | -101,733 |
| Net cash used in investing activities | -22,990 | 355,497 |
| Cash flows from financing activities | | |
| Sale/(purchase) of own shares | -250,917 | 0 |
| Installment from mortgage bonds | -8,388,700 | 0 |
| Proceeds from issue of mortgage bonds | 17,470,448 | 30,465,282 |
| Net cash from financing activities | 8,830,831 | 30,465,282 |
| Net increase in cash and cash equivalents | -202,310 | -564,378 |
| Cash and cash equivalents at beginning of year | 28,908,493 | 3,077,224 |
| Cash and cash equivalents at end of period | 28,706,183 | 2,512,846 |
| Cash and cash equivalents comprises of: | | |
| Cash | 2,160 | 1,103 |
| Due from Central Bank | 13,204,274 | 91,121 |
| Placements with other banks, with a maturity of less than 90 days | 15,499,748 | 2,420,622 |
| Cash and cash equivalents at end of period | 28,706,182 | 2,512,846 |
| Supplemental information | | |
| <i>Interest received</i> | <i>12,454,927</i> | <i>9,378,964</i> |
| <i>Interest paid</i> | <i>-10,433,563</i> | <i>-7,126,754</i> |
| <i>Tax paid</i> | <i>-230,058</i> | <i>-32,312</i> |

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Statement of Shareholders' Equity

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | Share Capital | Treasury Shares | Share Premium | General reserve | Cash-flow hedge reserve | Stock option reserve | Retained earnings (deficit) | Shareholders' Equity |
|----------------------------------|------------------|-----------------|------------------|------------------|-------------------------|----------------------|-----------------------------|----------------------|
| 31 March 2004 | 6,600,001 | 0 | 1,709,014 | 596,783 | 0 | 0 | 3,700,865 | 12,606,663 |
| Creation of stock option reserve | | | | | | 220,393 | | 220,393 |
| Transfer to general reserve | | | | 560,753 | | | -560,753 | 0 |
| Net income from FX swap | | | | | 72,462 | | | 72,462 |
| Change of retained earnings | | | | | | | 5,809,321 | 5,809,321 |
| 31 December 2004 | 6,600,001 | 0 | 1,709,014 | 1,157,536 | 72,462 | 220,393 | 8,949,433 | 18,708,839 |
| Repurchase of treasury shares | | -250,917 | | | | | | -250,917 |
| Net income from FX swap | | | | | -160,795 | | | -160,795 |
| Transfer to general reserve | | | | 234,518 | | | -234,518 | 0 |
| Creation of stock option reserve | | | | | | 85,497 | | 85,497 |
| Profit for the period | | | | | | | 2,249,005 | 2,249,005 |
| 31 March 2005 | 6,600,001 | -250,917 | 1,709,014 | 1,392,054 | -88,333 | 305,890 | 10,963,919 | 20,631,628 |

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Loans

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | 31 March 2005 | 31 March 2004 |
|------------------------------------|--------------------|--------------------|
| Real estate purchase | 80,621,481 | 70,823,445 |
| Real estate construction | 34,095,392 | 26,127,515 |
| Real estate reconstruction | 1,799,242 | 1,417,197 |
| Real estate extension | 12,733,984 | 10,676,028 |
| Other loans secured by real estate | 6,971,033 | 4,742,649 |
| Employee loans | 1,039,943 | 856,938 |
| Loans, gross | 137,261,075 | 114,643,772 |
| from this: retail loans | 137,186,945 | 114,440,325 |
| other | 74,130 | 203,447 |
| Loan loss provision | -449,089 | -277,318 |
| Loans, net | 136,811,986 | 114,366,454 |

Mortgage bonds

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | Carrying amount | Nominal value | Carrying amount | Nominal value |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31 March 2005 | | 31 March 2004 | |
| Non-listed mortgage bonds | | | | |
| Fixed | 152,748,506 | 152,197,750 | 102,962,366 | 102,958,750 |
| Floating | 17,943,830 | 17,959,000 | 5,600,000 | 5,600,000 |
| Listed mortgage bonds | | | | |
| Fixed | 189,576,931 | 188,984,080 | 184,011,482 | 183,204,610 |
| Floating | 16,095,051 | 16,349,180 | 16,055,456 | 16,349,180 |
| Total | 376,364,318 | 375,490,010 | 308,629,304 | 308,112,540 |

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

(consolidated, non-audited data as at 31 March, 2005 and 31 March, 2004, according to IFRS, data in thousand HUF)

| DESCRIPTION | 31 March 2005 | 31 March 2004 |
|--|-------------------|-------------------|
| Total Shareholders' Equity per Hungarian Statutory Financial Statements | 20,768,300 | 13,045,331 |
| Loan origination fee | -489,978 | -484,383 |
| General risk reserve | 328,237 | - |
| Cash-flow hedge reserve | -88,333 | - |
| Deferred tax asset | 117,340 | 82,914 |
| Mark to market of available for sale securities | -3,938 | -37,200 |
| Total Shareholders' Equity per IFRS Financial Statements | 20,631,628 | 12,606,661 |

| DESCRIPTION | 31 March 2005 | 31 March 2004 |
|--|------------------|------------------|
| Profit per Hungarian Statutory Financial Statements | 2,354,496 | 1,516,734 |
| Loan origination fee | -3,522 | -27,120 |
| Deferred tax benefit | 6,314 | 4,559 |
| Stock option reserve | -85,497 | - |
| Mark to market of available for sale securities | -22,786 | -1,372 |
| Profit per IFRS financial statements | 2,249,005 | 1,492,801 |

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DATA FORMS RELATED TO THE FINANCIAL REPORTS

PK1. General information on the financial figures

| | | | |
|-----------------------|-------------------------------------|--|--------------------------------|
| | Yes | No | |
| Audited | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Consolidated | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Accounting principles | Hungarian <input 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 ¹ |
|------------------|--|------------------------|---------------------|-----------------------------|
| FHB Service Ltd. | 65,000 | 100.00 | 100.00 | L |

¹ Full (L); Joint management (K); Affiliated (T)

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PK6. Major off-balance sheet items

| Description | 31 March, 2005 (million HUF) |
|--|---------------------------------|
| Pending obligations | 5,682 |
| - available credit facility on credits extended | 175 |
| - loans committed in contract but not yet extended | 5,463 |
| - credit to be purchased from partner bank | 44 |
| Future obligations | 54,379 |
| Total | 60,061 |

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

RS1. Ownership structure, participation and voting rates

| Description of group of owners | Entire share capital | | | | | | Listed series ¹ | | | | | |
|---|--|----------------|------------------|-------------------------------|----------------|------------------|--|----------------|------------------|-------------------------------|----------------|------------------|
| | Beginning of target year (01.01.2005) | | | End of period (31.03.2005) | | | Beginning of target year (01.01.2005) | | | End of period (31.03.2005) | | |
| | % ² | % ³ | pcs | % ² | % ³ | pcs | % ² | % ³ | pcs | % ² | % ³ | pcs |
| Domestic institutional / company | 12.20 | 12.20 | 805,906 | 12.27 | 12.31 | 810,287 | 3.75 | 3.29 | 217,336 | 3.82 | 3.37 | 221,717 |
| Foreign institutional / company | 33.09 | 33.09 | 2,184,092 | 32.46 | 32.55 | 2,142,231 | 37.66 | 33.09 | 2,184,092 | 36.94 | 32.56 | 2,142,231 |
| Domestic private individual | 1.34 | 1.34 | 88,621 | 1.65 | 1.65 | 108,826 | 1.52 | 1.34 | 88,621 | 1.88 | 1.65 | 108,826 |
| Foreign private individual | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 |
| Employees, office holders | 0.16 | 0.16 | 9,850 | 0.14 | 0.14 | 8,983 | 0.17 | 0.16 | 9,850 | 0.15 | 0.14 | 8,983 |
| Treasury shares | 0.00 | 0.00 | 0 | 0.27 | 0.00 | 18,142 | 0.00 | 0.00 | 0 | 0.31 | 0.00 | 18,142 |
| Owner part of state budget ⁴ | 53.21 | 53.21 | 3,511,532 | 53.21 | 53.35 | 3,511,532 | 56.90 | 50.00 | 3,300,102 | 56.90 | 50.16 | 3,300,102 |
| International Development Institutes ⁵ | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 |
| Other | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 |
| TOTAL | 100.00 | 100.00 | 6,600,001 | 100.00 | 100.00 | 6,600,001 | 100.00 | 87.88 | 5,800,001 | 100.00 | 87.88 | 5,800,001 |

¹ If the listed series is the same as the entire share capital, this must be indicated and no completion is required. If there are several series on the Stock Market, the ownership structure must be given for every series.

² Ownership share

³ The voting rights ensuring participation in decision making at the General Shareholder's Meeting of Issuer. If the ownership share and the voting rights are identical, only the ownership share column must be completed and submitted / disclosed, while the fact must be indicated.

⁴ E.g.: ÁPV Rt., TB, local authorities, companies with 100% state ownership, etc.

⁵ 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 | 18,142 | | | |

| | | | |
|-------------------|--|---------------------|----------------|
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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 | Nationality ¹ | Activity ² | Quantity (pcs) | Share (%) ³ | Voting rights (%) ^{3,4} | Notes ⁵ |
|---------|--------------------------|-----------------------|----------------|------------------------|----------------------------------|--------------------|
| ÁPV Rt. | B | Á | 3,300,001 | 56.90 | 50.00 | |

¹ Resident (B), Non-resident (K)

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

³ To be given rounded up to two decimals

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

⁵ 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 | Nationality ¹ | Activity ² | Quantity (pcs) | Share (%) ³ | Voting rights (%) ^{3,4} | Notes ⁵ |
|---------|--------------------------|-----------------------|----------------|------------------------|----------------------------------|--------------------|
| ÁPV Rt. | B | Á | 3,511,431 | 53.20 | 53.20 | |

¹ Domestic (B), Foreign (K)

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

³ To be given rounded up to two decimals

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

⁵ E.g.: strategic investor, financial investor, etc.

| | | | |
|-------------------|--|---------------------|----------------|
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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 (31 December 2004) | Beginning of target year (1 January 2005) | End of target period (31 March 2005) |
|--------------|--|--|---|
| Bank | 199 | 204 | 227 |
| Consolidated | 228 | 233 | 256 |

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

| Type ¹ | Name | Position | Beginning of mandate | End / termination of mandate | Shares held (pcs) |
|--------------------------|-------------------------------|--------------------|----------------------|------------------------------|-------------------|
| IT | Dr. Márton Vági | Chairman | 26.07.2002 | 26.07.2007 | 0 |
| IT | Zsuzsanna Ács | member | 06.09.2002 | 22.04.2005 | 0 |
| IT | Zoltán Egressy | member | 26.07.2002 | 22.04.2005 | 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. Zoltán Szedlacskó | member | 23.05.2003 | 23.05.2008 | 0 |
| IT | Ádám Terták | member | 07.06.2004 | 07.06.2009 | 0 |
| IT | Ferenc Karvalits | member | 05.05.2005 | 05.05.2010 | 0 |
| IT | Dr. Gyula Czok | member | 05.05.2005 | 05.05.2010 | 0 |
| IT | Dr. Gábor Csányi | member | 28.05.2005 | 28.05.2010 | 0 |
| FB | Róbert Somfai | Chairman | 26.07.2002 | 26.07.2007 | 500 |
| FB | Tibor Nagy Huszein | member | 23.05.2003 | 22.04.2005 | 0 |
| FB | Dr. Miklós Szőke | member | 06.09.2002 | 21.04.2005 | 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 Arnaldo Fritz Sepulveda | member | 07.04.2004 | 07.04.2009 | 0 |
| FB | Éva Baranyi | member | 22.04.2005 | 22.04.2010 | 0 |
| FB | Mónika Kék | member | 22.04.2005 | 22.04.2010 | 0 |
| FB | Kata Orsolya Molnár | member | 22.04.2005 | 22.04.2010 | 0 |
| FB | Péter Heim | member | 22.04.2005 | 22.04.2010 | 0 |
| FB | Attila Kéri | member | 07.04.2004 | 22.04.2005 | 0 |
| SP | Siklós Jenő | Deputy CEO | 21.10.1997 | indefinite | 3,081 |
| Shares held (pcs) TOTAL: | | | | | 3,581 |

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

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DATA FORMS RELATED TO PRIORITY NOTIFICATION

ST1. Priority notifications published in the period

| Date | Published in/on | Subject, brief contents |
|-------------|---|--|
| 14.01.2005 | Magyar Tőkepiac Magyar Hírlap | Information on the value of mortgage bonds and collateral as at 31 December 2004 |
| 26.01.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information on the repurchase of FHB's mortgage bonds before maturity on the secondary market issued in the context of public offering |
| 03.02.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information on the result of repurchase of FHB's mortgage bonds before maturity on the secondary market issued in the context of public offering |
| 08.02.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | New euro-denominated issue in the context of the EMTN scheme |
| 14.02.2005 | Magyar Hírlap Népszabadság Magyar Tőkepiac | FHB Rt.'s Preliminary Report for 2004 under the Capital Market Act (Tpt.) |
| 14.02.2005 | Web site of BSE | Stock Market Preliminary Report of FHB Rt. for the 4 th Quarter of 2004 |
| 15.02.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Purchase of own shares |
| 21.02.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information regarding the renewal of a revolving credit agreement |
| 28.02.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Public Offering of FHB Rt.'s Domestic Issues Programme for 2005-2006 |
| 03.03.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Interest rate of FHB Rt.'s mortgage bond FJ10NF03 to be auctioned on 07.03.2005 |
| 04.03.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Purchase of own shares |
| 07.03.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Re-pricing of FHB Rt. 's mortgage bond Fj12NV01 |
| 07.03.2005. | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Purchase of own shares |

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| Date | Published in/on | Subject, brief contents |
|-------------|---|--|
| 07.03.2005. | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information regarding the result of the FJ10NF03 mortgage bond auction |
| 16.03.2005 | Web site of BSE Magyar Hírlap | Purchase of own shares |
| 17.03.2005 | Web site of BSE Magyar Hírlap | Purchase of own shares |
| 17.03.2005 | Magyar Hírlap | Amendment of the Rules of Retail Lending |
| 19.03.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Invitation to the General Shareholders' Meeting of FHB Rt. |
| 24.03.2005 | Web site of BSE Magyar Hírlap | Purchase of own shares |
| 01.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information on the repurchase of FHB's mortgage bonds before maturity on the secondary market issued in the context of public offering |
| 04.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | FHB Rt.'s forint-based Domestic Issues Programme for 2005-2006 |
| 06.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Supplement to the Invitation to the General Shareholders' Meeting of FHB Rt. |
| 07.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | New euro-denominated issue in the context of the EMTN scheme |
| 07.04.2005. | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Invitation to an informal meeting with small shareholders of FHB Rt. on 14 April 2005 |
| 07.04.2005. | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information on the result of repurchase of FHB's mortgage bonds before maturity on the secondary market issued in the context of public offering |
| 07.04.2005 | Web site of BSE | Proposals submitted to the General Shareholders' Meeting of FHB Rt. to be held on 22 April 2005 |
| 22.04.2005 | Web site of BSE | Resolutions passed by the 2005 General Shareholders' Meeting of FHB Rt. |
| 25.04.2005 | Magyar Hírlap Népszabadság Magyar Tőkepiac | Resolutions passed by the 2005 General Shareholders' Meeting of FHB Rt. |
| 25.04.2005. | Web site of BSE | Correction to the Resolutions passed by the 2005 General Shareholders' Meeting of FHB Rt. |
| 26.04.2005. | Magyar Hírlap Népszabadság Magyar Tőkepiac | Correction to the Resolutions passed by the 2005 General Shareholders' Meeting of FHB Rt. |

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| 27.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Information regarding the resignation of members of the Supervisory Board |
| 29.04.2005 | Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac | Abstract of FHB Rt.'s Annual Report for 2004 under the Capital Market Act (Tpt.) |
| 29.04.2005. | Web site of BSE | Stock Market Report of FHB Rt. for 2004 |
| 29.04.2005 | Web site of BSE | Statement on the corporate governance of FHB Rt. based on the BSE's Recommendations for Corporate Governance |

Statement

The FHB Land Credit and Mortgage Bank Rt. hereby declares that the data and representations contained in this Stock Exchange Preliminary Report are true and no fact or information has been withheld which might be significant for the assessment of the Issuer's position.

The FHB Land Credit and Mortgage Bank Rt. as Issuer assumes full and exclusive responsibility for the contents of this Preliminary Report.

Budapest, 18 May 2005

Dániel Gyuris
CEO

Jenő Siklós
Deputy CEO