



**Stock Market Preliminary Report of
FHB Land Credit and Mortgage
Bank Ltd. for the 3rd quarter of
2005**

Budapest, 9 November, 2005

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

The preliminary report of FHB Land Credit and Mortgage Bank for the third 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 30 September 2004 and 30 September 2005 and the audited data as of 30 June 2005. Reconciliation of the Bank's IFRS and HAS figures is disclosed in the appendix of the report.

I. Summary of activities and events of the past period

After tax profit in the third quarter amounted to 1,972 million forints, which is in line with the planned figure.

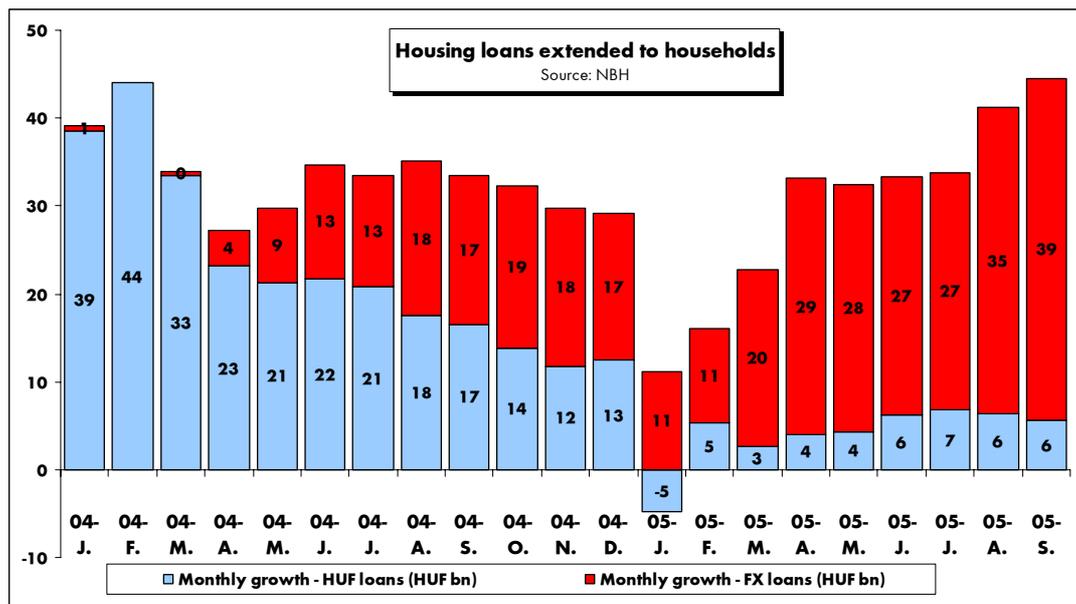
In the third quarter of 2005 earnings before tax under IFRS was 2,588 million forints, which fell 334 million forints (or 11.4%) short of the figure for the third quarter in 2004, though third quarter of 2004 produced record high quarterly profits.

The **balance sheet total** was **almost 468 billion forints** and showed a year-on-year growth of 16.1%. In the same period **shareholder's equity** increased by 21.1%, **approaching 21 billion forints** by the end of the third quarter.

Over the period of a year the **average net interest margin dropped** by 26 basis points, from 4.00% on 30 September 2004 **to 3,74%**. The Group's **cost-income ratio (CIR)** has hardly changed compared to the previous year (38.1%), in the third quarter of 2005 it was **38.4%**.

Housing loan market

In 2005 the growth in housing loans has been somewhat slower compared to previous years: after a 730 billion forints (93.7%) leap in 2003, and a 402 billion forints (26.7%) growth in 2004, housing loans to retail customers increased by 263 billion forints (13.8%) during the first nine months of 2005. There is a significant difference in the growth of forint-denominated and FX-denominated loans within the portfolio. Whereas housing loans denominated in forint increased by only 36 billion forints, or 2.1%, in the first three quarters, FX loans soared by 227 billion forints, or 156.3%. Of FX-denominated loans, 90.8% is contributed by non-euro-based loans, denominated primarily in Swiss franc. The dynamics of increase in the housing loan portfolio has been improving over the year. The September increase exceeded that of the best month in 2004.



In the first nine months of 2005 the average monthly increase was 29 billion forints, still considerably below the 2004 average of 34 billion forints. At the same time, the dynamics of the average monthly increase was up by more than five billion forints in the past quarter. There was a sharp plunge in the first three months of the target year, but monthly rates of increase were back to the 2004 levels by the second quarter and exceeded them in the third quarter. The increase in housing loans continues to be driven by FX-denominated loans, supported, on the one hand, by CHF interest rates, which have proved to be low in the long term, and on the other hand, by the forint, which managed to retain its strength despite falling interest rates. The decrease in the APR of HUF-based loans had no appreciable influence on the structure of growth in the past quarter.

Changes in the legislative environment

The most important legislative changes that took place in the third quarter of 2005 pertain to state subsidies on housing and the valuation of non-agricultural property involved as loan collateral. Decree No. 12/2001 (I. 31.) Korm of the Government on State Subsidies on Housing has been repeatedly amended during the year. The August amendment reduced the maximum available amount of housing support while at the same time it expanded the scope of personal criteria to be certified by the municipal clerk which are required of applicants for direct support. Decree No. 25/1997 (VIII. 1.) PM of the Minister of Finance on the Methodology of Valuation of Non-agricultural Property Involved as Loan Collateral was also amended in August of 2005. The comprehensive amendment of the Decree has upgraded the former regulation based on the accumulated experience of the mortgage lending sector.

Own lending

Over the past year up to 30 September 2005 the outstanding net value of loans sold by the Bank grew by 32.8 billion forints or 26.2% and reached 157.9 billion forints. The increase amounted to 25.9 billion forints over the first nine months, 19.6% higher than the year-end figure for 2004. **The growth and dynamics of own lending has exceeded the planned figures and has significantly contributed to the expansion of the loan portfolio surpassing projected growth levels. In the third quarter of 2005 the Bank disbursed loans directly to customers in the amount of 16.1 billion forints**, 44.6% of which was FX-based loans. This means an over eight percentage points increase in the contribution of FX-based loans over the previous quarter. The proportion of FX loans is particularly high in some of the non-subsidised areas: 96.8% of home equity loans and 94.9% of home improvement loans were denominated in foreign exchange in the third quarter.

In the first three quarters of 2005 the Bank disbursed a total of 34.8 billion forints loans directly to customers through its branches, agents and consortial partners. **Compared to the first nine months of 2004 own lending was 34.7%, almost nine billion forints higher in 2005.** Loans extended for the purchase of existing homes continue to be the most popular product of FHB in the third quarter, contributing 36.6% to disbursements in the third quarter. At the same time, home equity loans have gradually approached the share of existing home purchase loans, contributing 31.2% to total disbursements in the third quarter. The share of construction loans within the portfolio was 17.6%. Changes in the product structure compared to the previous year is marked by the fact that in the same period of 2004 loans extended for the purchase of new and existing homes jointly contributed almost 41.7% to disbursements with building loans contributing 36.9% and home equity loans a mere 7.0%.

There has been a substantial change in the performance of the various distribution channels of own lending over the year. At the end of 2004 the Bank commenced a dynamic development of its network of agents, and individual entrepreneurs as well as smaller agencies appeared in addition to former major partners (insurance companies and home savings institution). Besides expanding the network of agents the Bank has paid special attention to developing the services provided to its agents. As a result, 51.8% of the 2005 disbursements were contributed by the network of agents, and their contribution reached 59.0% in the third quarter.

The Bank introduced a new product within own lending. Project financing activity appears for the first time in the balance sheet of the Bank in the third quarter of 2005. Disbursements in this category amounted to 220 million forints at the end of the reporting period but the value of loan contracts already exceeded one billion forints. Project loans contributed 1.4% to own lending in the third quarter.

Refinancing

The **portfolio of refinanced loans** showed a year-on-year increase of 16.7 billion forints or 7.0%, and amounted to **255,220 billion forints** as of 30 September 2005.

In the third quarter new refinanced loans amounted to 13.9 billion forints, considerably – 17.9% – higher than in the second quarter. Within the refinancing portfolio the proportion of FX-based loans continued its steady increase during in the third quarter: while in the second quarter a total of 51.0% of independent lien purchases were denominated in foreign exchange, the same figure was 58.8% in July, 70.1% in August and 61.9% in September. Thus the contribution of foreign exchange refinancing was up to 64.5% in the third quarter. Compared to the third quarter of 2004, new refinanced loans increased by 44.2% or 4.3 billion forints in the target period. The Bank extended a total of 32.7 billion forints new refinanced loans in the first nine months of 2005.

Due to the general expansion of FX housing loans and the decline of subsidized forint loans, the demand of FHB's partner banks for forint refinancing has decreased significantly in 2005. This has been only partially compensated by the refinancing of non-subsidized FX housing loans.

Mortgage bond issues

In the third quarter of 2005 the Bank issued no new mortgage bond series in the Hungarian or international markets, nor did it effect repurchase transactions. The reason was twofold. On the one hand, three series were launched in June, last month of the second quarter. On the other hand, the Bank deemed it appropriate and timely to involve long-term facilities other than mortgage bonds.

Accordingly, the Bank closed a **syndicated CHF-based loan** deal of 150 million with a duration of five years in the third quarter. The agreement was signed in September 2005. The syndicated loan can be evaluated as a remarkably successful, since the interest premium of the loan, hence the cost of funds, was on a par with the costs of mortgage bonds issued with similar terms and conditions. The first 60 million CHF portion of the syndicated loan was drawn down in September 2005. The entire facility is expected to be drawn down in the fourth quarter of this year.

The aggregate nominal value of the mortgage bonds outstanding in circulation, issued by the Bank in the context of the international EMTN programme registered in Luxembourg, remained unchanged: 690 million euros at issue price, this means 310 million euros remaining of the original one billion euros. The Bank has taken steps to re-launch the programme under the new EU Prospectus Directive, the relevant licenses are expected to be issued by November 2005. The re-launch of the domestic bond programme in accordance with the new EU Prospectus Directive was also developed by the end of September and was approved by the Hungarian Financial Supervisory Authority (PSZÁF) on 5 October.

Up to 30 September 2005 the Bank's new mortgage bond issues amounted to a total of 58.3 billion forints. The long term funds involved during the first three quarters of 2005 amounted to 67.9 billion forints including the syndicated loan.

In the third quarter of 2005 stock exchange trading of FHB's mortgage bonds was 2.3 billion forints, which fell short of the previous quarter's figure (5.8 billion forints) as well as of the same period of 2004 (4.6 billion forints). A large portion of trading was again contributed by fixed interest rate mortgage bonds.

The aggregate mortgage bond portfolio of the three Hungarian mortgage banks amounted to 1,263 billion forints as of 30 September 2005, showing a minimal decrease over the past quarter. The **Bank's share of the mortgage bond market is 31.7%**, unchanged compared to the previous quarter.

Organizational restructuring and staff figures

The Bank had 249 staff as of 30 September 2005, 28.4% higher than a year earlier and 9 persons (3,8%) more than at the end of the second quarter of 2005. The consolidated headcount was 281 as of 30 September, which means a 4.1% increase over the previous quarter figure and a 24,3% compared to 226 in the third quarter of 2004.

At its meeting of 8 September 2005 the Board of Directors of FHB Rt. elected Ferenc Karvalits chairman of the Board of Directors. The previous chairman, Dr. Márton Vági resigned from his office while keeping his position as Board member.

As of 1 November 2005 the Bank created a Directorate of Bank Operation and Information Technology, headed by Deputy CEO Tamás Foltányi. Information technology, back office and document management functions are supervised by the new Directorate. A new function coordinating the preparation and management of the Bank's new strategic investments was set up as a new organisational unit under the direct supervision of the CEO.

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

Based on the International Financial Reporting Standards the year-on-year **the consolidated balance sheet increased** from 403,193 billion forints **to 467,955 billion forints** or **by 16.1%** compared to the previous year. The growth was mainly generated by the increase in the mortgage loan portfolio.

Shareholders' equity grew by 21.1% to reach 20.846 billion forints, due primarily to an increase in assets accumulated from profits.

The year-on-year **increase of earnings before taxation was 21.7%**. **After-tax profit by IFRS was 6,501 million forints** as of 30 September 2005, **12,5% higher** than in the same period of 2004.

Major financial indicators	Consolidated, audited data according to IFRS		
	30 September 2004	30 September 2005	Sept. 2005/ Sept. 2004
Balance sheet total (million HUF)	403,193	467,955	116.1%
Mortgage loan portfolio (million HUF)	363,567	413,109	113.6%
Mortgage bonds outstanding (million HUF)	362,672	400,944	110.6%
Shareholder's equity (million HUF)	17,213	20,846	121.1%
Pre-tax profit (million HUF)	6,869	8,359	121.7%
After-tax profit (million HUF)	5,780	6,501	112.5%
Net interest margin (NIM)	4.0%	3.7%	92.5%
CIR (operating costs / gross operating income)	38.1%	38.5%	101.0%
EPS (HUF)*	117	131	112.0%
P/E (share price/EPS)	8.01	11,44	142.8%
P/BV (share price/equity/number of shares)	3.59	4,76	132.6%
Tier 1**	16,482	22,884	138.8%
Tier 1 capital adequacy	13.2%	15.2%	115.0%
ROAA (return on average assets)	2.2%	2.0%	90.9%
ROAE (return on average equity)	55.4%	44.7%	80.7%

* Adjusted due to the share split

** Excluding cash flow hedge reserve, including profit for 2005

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

Profit and Loss structure¹

Data in million HUF

DESCRIPTION	Q3 2004 (Jul - Sep)	Q2 2005 (Apr - Jun)	Q3 2005 (Jul - Sep)	Q3 2005 / Q3 2004	Q3 2005 / Q2 2004
Net interest income	4,172	4,012	4,178	100.1%	104.1%
Net fees and commissions income	63	114	85	34.9%	74.6%
Net profit from financial transactions	-70	417	255		61.2%
Other income and expenditure	110	183	174	158.2%	95.1%
Gross operating income	4,275	4,726	4,692	109.8%	99.3%
Operating expenses	-1,302	-1,816	-2,040	156.7%	112.3%
Net operating income	2,973	2,902	2,652	89.2%	91.4%
Losses from lending	-51	-35	-63	123.5%	180.0%
Profit before tax	2,922	2,875	2,588	88.6%	90.0%
Taxes	-456	-508	-616	135.1%	121.3%
After-tax profit	2,466	2,367	1,972	80.0%	83.3%

In the third quarter of 2005 the Bank realised **1,972 million forints consolidated after-tax profit under the IFRS**, 20% less than in the same period of 2004. The special banking tax causes 8% decline, while the rest of the variance is due to a fall in net fees and commission income and an increase in operating expenses. **Profit before tax** in the third quarter was 11.6% below the figure of the same period of the previous year, however the pre-tax profit realized **in the first nine months of 2005 exceeds the previous year's figure by 21.7%** and is in line with the Bank's financial plans for 2005.

Net interest income

The balance of the third quarter's **13.6 billion forints interest income** (107.1% of the figure in the third quarter of 2004 and 104.1% of the previous quarter's figure) and **9.4 billion forints interest expense** (110.6% of the figure in the third quarter of 2004 and 4.1% higher than in the second quarter of 2005) was 4.2 billion forints net interest income. Interest income in the third quarter of 2005 continued to be dominated by income from interest on refinanced mortgage loans (with a 49.6% contribution, which, however, was 3.8 percentage points below the previous quarter's figure). Interest income from own lending contributed 42.8% (six percentage points more than in the second quarter), the aggregate interest on interbank placements and securities contributed 2.4%, while the contribution of interest income on derivatives was 5.3%. In terms of the breakdown of interest income, there was a slight decrease in the share of interest income on refinanced loans and on interbank transactions compared to the third quarter of 2004, due to an increase in income from derivatives and an increase in own lending. Compared to the second quarter of 2005 the weight of refinanced mortgage loans dropped 3.9 and of interbank deposits 1.1 percentage points respectively; on the other hand, interest income on derivatives was up by 0.8 percentage points and interest income on own loans increased by 4.0 percentage points. Within the line item of interest income, the proportion of

¹ Consolidated non-audited data by IFRS

interest subsidy (mortgage bond interest subsidy and supplementary interest subsidy) was 62.5% in the second quarter of 2005 and somewhat increased in the third quarter to reach 63.0%, which, nevertheless, is still below the first quarter's figure (63.7%). In each of the three quarters analysed almost all of the interest expense was contributed by interest paid on mortgage bonds. In the third quarter of 2005, 14.8% of expenditures on interest was contributed by derivative hedges related to mortgage bonds. Net interest income in the third quarter of 2005 was 0.1% higher than in the base period of 2004 and 4.1%, or 166 million forints, higher than in the second quarter of 2005. Net interest income contributed 88.7% to profit from operation (gross operating income) in the target period, slightly exceeding the 84.9% contribution in the previous quarter.

The **net interest margin (NIM)** was 3.78% as of 30 June 2005 and **3.74%** as of 30 September 2005, changing by not more than 4 bps. The year-on-year figure is 26 basis points below the figure as of 30 September 2004. Against a background of falling interest rates the drop in the net interest margin over the respective past three and nine months can be considered favourable. The moderate decrease, according to plans, in the Bank's interest margin is supported by gradually improving cost of funds, the strengthening of own lending and, within this portfolio, the increase of non-subsidised loans on the one hand, and by a fixed interest margin on the currently existing subsidised mortgage loans portfolio, which has remained higher over a longer period of time.

Net fees and commissions income

The balance of **income from and expenditures of fees and commissions** in the third quarter of 2005 was a **net income amounting to 85 million forints** as opposed to 63 million forints in the third quarter of 2004 and 114 million forints in the second quarter of 2005. In the third quarter of 2005 net fee and commission income contributed 1.9% to gross operating income, which is 0.4 percentage points higher than in the third quarter of 2004 but shows an 0.5 percentage point decrease in each quarter of 2005.

In the third quarter 49.4% of income from fees and commissions was contributed by state commissions for the subsidies, 38.0% by fees from financial institutions, and 12.4% by fees paid by customers. Only 0.8% of expenditures on fees and commission are related to the placement of mortgage bonds as no issue took place during the third quarter. As a result of an increasing volume of disbursement by agents commissions paid to acquisition agents contributed 55.9% expenditure on fees and commissions and continue to gain share in the fees and commissions paid. Fees and commission paid to credit institutions was another important item due to the syndicated loan agreement concluded during the third quarter.

Net profit from financial transactions

In the third quarter of 2005 the Bank achieved 80 million forints profit from securities (as opposed to a 79 million forints loss in the third quarter of 2004), which is 31.4% below the previous quarter's figure. The main component contributing to the profit from securities in the target period was the gain accrued on the outstanding mortgage bond portfolio. In the third quarter foreign exchange transactions generated 200 million forints profit (as opposed to 47

million forints loss in the second quarter of 2005), of which 150 million forints were contributed by exchange gains resulting from the revaluation of the foreign exchange portfolio, and 50 million forints were contributed by the exchange gain on FX transactions. **The 255 million forints net profit from financial transactions achieved in the third quarter** was reduced to a lesser extent (by 26 million forints) by the loss incurred by the Bank on derivative transactions.

Other income and expenditure

In the third quarter of 2005 the balance of **other income and expenditure was 174 million forints**, arising from 175 million forints income netted of 0.9 expenditure. The year-on-year increase was 58.2% but the figure was 4.7% below the previous quarter's balance. On the other income side, 97.2% was contributed by valuation fees from customers and partner banks. The lag of net other income compared to the second quarter was caused by a 11.4% drop in income from valuation fees.

Operating expenses

Data in HUF million

DESCRIPTION	Q3 2004 (Jul - Sep)	Q2 2005 (Apr - Jun)	Q3 2005 (Jul - Sep)	Q3 2005 / Q3 2004	Q3 2005 / Q2 2004
General administrative costs	1,237	1,701	1,925	155.6%	113.2%
Personnel expenses	495	730	883	178.4%	121.0%
- wages	319	382	576	180.6%	150.8%
- other personnel expenses	57	131	102	178.9%	77.9%
- social security expenses	119	217	205	172.3%	94.5%
Other administrative costs	742	971	1,042	140.4%	107.3%
- incl. special mortgage banking costs	220	259	359	162.9%	138.8%
Depreciation	65	115	115	176.9%	100.0%
TOTAL OPERATING EXPENSES	1,302	1,816	2,040	156.7%	112.3%

The Bank's **operating costs amounted to 2,040 million forints** in the third quarter of 2005, 56.7% higher than in the same period of 2004 and 12.3% higher than in the second quarter of 2005. There was no significant change in the cost/income ratio over the period of a year: CIR was 38.4% as of 30 September 2005 compared to 38.1% a year earlier. CIR increased by 3.5 percentage points from 35.9% in the second quarter due to an almost identical increase in operating expenses and the same level of gross operating income during the quarter.

The breakdown of **operating costs** in the third quarter of 2005 show **personnel expenses** contributing 43.3% as opposed to 38.9% in the same period of 2004. This contribution was also higher than in the second quarter of 2005 (40.2%). Personnel expenses in the target period were 20.1% higher than in the previous quarter, due to new hires necessitated by increasing own lending on the one hand, and to incentive bonuses paid on the first half's performance on the other hand. The contribution of **other administrative costs** to operating costs showed no significant change compared to 2004, it was 57.0% in 2004 and 51.1% in 2005, and 53.5% in the second quarter of 2005. The item of other administrative costs was 40.4% higher than in the 2004 base period and 7.3% higher than the figure in the second quarter of 2005. As a result of

the steady increase in loan applications received and disbursements the contribution of valuation fees paid grew from 13.1% to 21.0%, while the share of marketing expenses increased from 22.0% to 23.8%. The share of administrative costs grew from 7.1% to 7.7%.

The expansion of own lending exceeding the business plan has caused the increase of total assets and interest income, but also the growth of operating expenses passing the budgeted figures. The Bank has increased its marketing costs (above budgets) in order to strengthen its market presence and has released up-front fees paid by clients. The return of these expenses will be realized throughout the maturity of the loans disbursed.

In the third quarter of 2005 **depreciation** amounted to 115 million forints, 76.9% more than in the same period of 2004 and equal to the figure in the second quarter of 2005. Depreciation of machines and equipment contributed 22.3%, IT related depreciation contributed 33.3%, the contribution of intangible goods was 41.1%, and that of real estate was 3.4%. The volume of assets serving the operations is still not significant, the growth of the expenses is proportionate to the growth of the Bank.

Portfolio quality, loss in value and provisions

Data in HUF million

Breakdown of classified portfolio by loss in value and provisions									
CLASSIFICATION	30 September 2004			30 June 2005			30 September 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	375,582	0	0.0%	494,888	0	0.0%	521,896	0	0.0%
Watch	2,276	0	0.0%	2,547	2	0.1%	3,416	2	0.1%
Substandard	321	36	11.0%	421	45	10.7%	529	57	10.8%
Doubtful	914	313	34.2%	1,296	392	30.3%	1,470	443	30.1%
Bad	28	28	100.0%	1	1	100.0%	1	1	100.0%
TOTAL	379,121	377	0.1%	499,154	440	0.1%	527,312	503	0.1%

* Including hedging transactions (interest rate and currency swaps)

The structure of the Bank's **portfolio retained its excellent quality** in the third quarter. The rate of **problem-free accounts receivable** was **99.0%** at the end of the third quarter of 2005 as opposed to 99.1% in both the third quarter of 2004 and second quarter of 2005. The amount of classified loans (substandard, doubtful or bad) increased by 282 million forints compared to the previous quarter, resulting in a 63 million forints increase in loss in value and provisions to cover for such loans. The rate of loss in value and provisions within the entire portfolio is around a stable 0.1 percent.

Structure of the balance sheet²

Data in HUF million

DESCRIPTION	30.09.2004	30.06.2005	30.09.2005	30.09.2005 / 30.09.2004	30.09.2005 / 30.06.2005
Cash	1	2	2	200.0%	100.0%
Receivables from NBH	22,593	23,630	5,698	25.2%	24.1%
Interbank deposits	8,953	14,026	18,187	203.1%	129.7%
Available for sale securities	3,000	3,837	3,992	133.1%	104.0%
Refinanced mortgage loans	238,498	248,087	255,220	107.0%	102.9%
Loans	125,069	144,916	157,889	126.2%	109.0%
Tangible assets	866	1,442	1,561	180.3%	108.3%
Other assets	4,212	15,364	25,406	603.2%	165.4%
Assets total	403,193	451,304	467,955	116.1%	103.7%
Payables total	385,980	431,820	447,109	115.8%	103.5%
- Interbank borrowings	2,557	7,467	21,580	844.0%	289.0%
- Mortgage bonds	362,672	402,053	400,944	110.6%	99.7%
- Other liabilities	20,751	22,299	24,585	118.5%	110.3%
Shareholders' equity	17,213	19,485	20,846	121.1%	107.0%
- Subscribed capital	6,600	6,600	6,600	100.0%	100.0%
- Repurchased own shares	0	-3	-3		100.0%
- Premium	1,709	1,446	1,446	84.6%	100.0%
- General reserve	1,025	1,563	1,762	171.9%	112.7%
- Cash-flow hedge reserve	319	-2,139	-2,772		129.6%
- Stock option reserve		104	124		119.2%
- Accumulated assets	7,560	11,914	13,688	181.1%	114.9%
Liabilities total	403,193	451,304	467,955	116.1%	103.7%

As of 30 September 2005 the Bank's consolidated **balance sheet total under IFRS amounted to 468.0 billion forints**, which is 64.8 billion forints, or 16.1%, higher than in the third quarter of 2004 and 16.7 billion forints, or 3.7%, higher than the balance sheet total as of 30 June 2005. Compared to the 30 September 2004 base period, 50.7% of the increase in assets was generated by the expansion of the loan portfolio, and 25.8% by an increase in refinancing portfolio. Interbank and NBH deposits reduced the asset growth as they fell 7.7 billion forints short of the figure in the same period of 2004. Increases in other assets contributed 32.7%. On the liabilities side, 59.1% of the increase was generated by a 38.3 billion forints expansion of outstanding mortgage bonds. Involvement of the syndicated loan resulted in a 7.5 times increase in interbank loans taken by the Bank. Increase in both assets and liabilities compared to the second quarter of 2005 is imputed predominantly to the expansion of the loans and mortgage bonds portfolios and the 9.6 billion forints syndicated loan.

Interest earning assets

As of 30 September 2005 the Group's **interest earning assets amounted to 441.0 billion forints**, exceeding the 30 September 2004 figure by 10.8%. Loans to retail customers including project finance were 26.2% higher in the third quarter of 2005 compared to the same

² Consolidated non-audited data by IFRS

period of the previous year and 9.0% higher than in the second quarter of 2005. Loss in value to cover for losses from lending increased from 248 million forints to 374 million forints over the first three quarters, in keeping with the expansion of the loans portfolio. Refinancing showed a year-on-year increase of 7.0%. At the end of the third quarter of 2004, refinancing and the Bank's own loans contributed 91.3% to interest earning assets. This contribution was 90.5% in the second quarter of 2005 and increased to reach 93.7%.

The **value of real estate collateral** covering ordinary collateral amounted to **1,038.3 billion forints** in the third quarter of 2005, which exceeded the figure as of 30 June 2005 by 4.6%. **The loan-to-value (LTV) ratio was 39.3%** as of 30 September 2005, 30 basis points higher than the ratio in the second quarter of 2005 (39.0%) and 1.1 percentage points lower than on 30 September 2004 (40.4%).

There was a fluctuation in the contribution of **NBH and other interbank deposits** to the interest earning assets balance sheet line item: it rose from 31.5 billion forint as of 30 September 2004 to 37.6 billion forints in the second quarter of 2005, then plunged to 23.9 billion forints in the third quarter of 2005, which means its contribution to interest earning assets grew from 7.9% in the base quarter to 8.7% in the second quarter of 2005 and dropped to 5.4% in the target period. Interbank deposits continue to serve primarily for the purpose of liquidity and supplementary collateral.

The value of the **securities portfolio** of the Bank increased from 3.0 billion forints at the end of the third quarter of 2004 to 3.8 billion forints in the second quarter of 2005, and amounted to 3.9 billion forints as of 30 September 2005. However, the contribution of securities to interest earning assets stayed below 1.0% in each of the three quarters. The Bank's securities portfolio continues to serve as a liquidity reserve.

Own assets

The net value of **tangible and intangible assets** amounted to 866 million forints as of 30 September 2004. This amount increased to reach 1.442 billion forints by the end of the second quarter of 2005 due primarily to new hardware and software, and further grew to 1.561 billion forints in the wake of the remodelling of branch offices and additional software and asset procurements.

Other assets amounted to 4.2 billion forints as of 30 September 2004, 15.8% of which was contributed by income from accrued interest. In the second quarter of 2005 this line item exceeded 15 billion forints, and by the third quarter of 2005, it was over 25.4 billion forints. In the past two quarters the contribution of accrued interest income gradually decreased, reaching no more than 7% at the end of the target period. Of the receivables, 84.6% was contributed by Treasury settlements of state subsidies. The mortgage banks have signed an agreement with the appropriate state departments to settle the receivables, based on the agreement the state is refunding the interest for the period of the outstanding receivables.

Interest bearing liabilities

Almost all of the interest bearing liabilities were contributed by the Bank's **mortgage bonds portfolio**: its contribution increased from 93.9% as of 30 September 2004 to 93.2% in the second quarter of 2005, then dropped to 89.7% by 30 September 2005 in conjunction with the increase in interbank loans drawn by the Bank. The 400.9 billion forints book value of mortgage bonds as of 30 September 2005 was 10.6% (38.3 billion forints) higher than in the third quarter of 2004, the year-on-year increase was contributed by the combination of 86.3 billion forints new issues, 42.5 billion forints repurchases, and 7.6 billion forints repayments (including related exchange rate adjustments).

Mortgage bond collaterals

The value of assets used as **ordinary collateral** for the mortgage bonds issued by the Bank was **744,8 billion forints** as of 30 September 2005, which means a 6.7% increase over the figure (698.1 billion forints) as of 30 September 2004.

The value of the group of assets involved as collateral as of 30 September 2005 (million forints)

Outstanding mortgage bonds in circulation	
face value:	399,961
interest:	189,112
total:	589,073
Value of the regular collateral	
principal:	409,104
interest:	335,680
total:	744,784
Value of assets 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 30 September 2005 the 21.6 billion forints **interbank portfolio** contained 7.8 billion forints interbank deposits taken, interbank draw-downs equivalent to 4.2 billion forints, and CHF-based syndicated loan equivalent to 9.6 billion forints. As much as 55.8% of interbank funds is denominated in CHF, 32.4% is HUF-based and 11.8% EUR-based.

Other liabilities

Most of the Bank's other liabilities resulted from accrued interest payable on mortgage bonds: its contribution in the third quarter of 2004 was 83% (17.5 billion out of 21.1 billion forints), and 77.8% (19.1 billion **out of 24.6 billion forints**) as of **30 September 2005**. The largest portion of increase in the third quarter of 2005 occurred as a result of adjustment of derivative transactions to fair value: in keeping with the volume of derivatives, this component within the line item of other liabilities soared to 3.0 billion forints compared to 614 million forint in the third quarter of 2004.

Shareholder's equity

The year-on-year increase in shareholders' equity was 21.1% (3.6 billion forints), **reaching 20.8 billion forints** as of 30 September 2005. The increase was predominantly contributed by a 6.1 billion forints rise in retained earnings, although this was net of 2.7 billion forints cash-flow hedge reserve. Compared to the second quarter of 2005, shareholders' equity was 1,361 million forints higher at the end of the third quarter of 2005. The increase in general reserve contributed 199 million forints, retained earnings increased by more than 1,774 million forints, while cash flow hedge transactions decreased shareholders' equity by 633 million forints in the reporting period.

Capital structure

DESCRIPTION	30 September 2005	31 December 2004	30 September 2004
Risk weighted assets			
Balance sheet items	146,619	128,602	121,334
Off-balance sheet items	3,804	2,693	3,203
Total risk weighted assets	150,423	131,295	124,537
Tier 1			
Subscribed capital	6,600	6,600	6,600
Premium	1,446	1,709	1,709
General reserve	1,762	1,158	1,025
Stock option reserve	124	220	
Retained earnings	13,688	8,949	7,560
Cash-flow hedge reserve*	0	0	0
Intangible assets	-736	-557	-412
Total Tier 1 capital	22,884	18,079	16,482
Tier 2			
General risk reserve	0	0	0
Total Tier 2 capital	0	0	0
Total regulatory capital	22,884	18,079	16,482
Tier 1 capital adequacy (%)	15.2	13.8	13.2
Total capital adequacy (%)	15.2	13.8	13.2

* Cash flow hedge reserve is excluded when calculating Tier 1 and regulatory capital.

The total risk weighted assets (RWA) amounted to 150.4 billion forints at the end of September 2005, increasing by 20.8% during the last 12 months. Tier 1 and regulatory capital was 22.9 billion forints, the year-on-year growth achieved was 38.8%.

Accordingly, as of 30 September 2005 the **capital adequacy ratio was 15.2%**, up from 13.2% as of 30 September 2004. This capital adequacy is higher than planned. The Bank's intention is to utilize its accumulated capital by making appropriately efficient investments, the organizational changes implemented in the third quarter are also serving the same purpose.

Off-balance sheet items

The Bank's pending liabilities among the off-balance sheet items include mainly contracted but not yet disbursed loans. Such loans amounted to 7.7 billion forints as of 30 September 2005, significantly higher than the 5.2 billion forints in the same period of 2004.

The most important item among future liabilities includes derivative transactions, which mainly include hedge transactions relating to EUR-denominated mortgage bonds. As of 30 September 2005 liabilities from currency swaps amounted to 84.0 billion forints, liabilities from interest rate swaps amounted to 3.4 billion forints. **The Bank only undertakes hedge transactions to close currency positions and eliminate risks, and does not engage in derivative transactions for speculative purposes.**

Declaration

Földhitel- és Jelzálogbank Rt. (Land Credit and Mortgage Bank Ltd.) hereby declares that the figures and statements of this Stock Exchange Preliminary Report comply with reality, and it does not conceal any fact or information that would be substantial in the judgement of the issuer's position.

As issuer, Földhitel- és Jelzálogbank Rt. assumes exclusive liability for the contents of the preliminary report. Földhitel- és Jelzálogbank Rt. declares that it is liable as issuer for the reimbursement of losses caused by the omission and/or the misleading contents of regular and extraordinary information.

Budapest, 9 November, 2005

Dániel Gyuris
CEO

Jenő Siklós
Deputy CEO

Name:	FHB Land Credit and Mortgage Bank Ltd.	Phone:	+36 1 452 - 9100
Address:	1132 Budapest, Váci út 20.	Fax:	+36 1 320 - 4152
Sector code:	6522	E-mail:	bardosp@fhb.hu
Reporting period:	01.01.2005 - 09.30.2005	Investor relations:	Péter Bárdos

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 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	30 September 2005	30 September 2004	Change (%)
Interest income	39,375,723	33,502,052	117.5%
Interest expense	-27,125,748	-22,804,800	118.9%
Net interest income	12,249,975	10,697,252	114.5%
Fee and commission income	861,812	583,157	147.8%
Fee and commission expense	-532,928	-427,575	124.6%
Profit from FX transactions	290,477	8,901	3263.4%
Profit from changes of fair value of derivatives	233,423	0	
Gain less losses from securities	263,491	85,498	308.2%
Other operating income	514,225	376,098	136.7%
Other operating expense	-17,136	-19,125	89.6%
Operating income	13,863,339	11,304,206	122.6%
Losses/provisions on loans and advances	-173,655	-132,775	130.8%
General and administrative costs	-5,330,428	-4,301,985	123.9%
Profit before tax	8,359,256	6,869,446	121.7%
Taxation expense	-1,858,059	-1,089,033	170.6%
Profit for the period	6,501,197	5,780,413	112.5%

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Balance Sheet

(consolidated, non-audited data as at 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	30 September 2005	30 September 2004	Change (%)
Assets			
Cash	2,376	1,373	173.1%
Due from National Bank of Hungary	5,698,330	22,593,242	25.2%
Placements with other banks	18,186,581	8,953,211	203.1%
Available for sale securities	3,991,852	3,000,235	133.1%
Refinancing of mortgage loans	255,220,243	238,497,562	107.0%
Loans	157,888,773	125,069,248	126.2%
Property and equipment	1,561,178	865,898	180.3%
Other assets	25,405,600	4,211,809	603.2%
Total Assets	467,954,933	403,192,578	116.1%
Liabilities			
Deposits from banks	21,580,318	2,556,605	844.1%
Mortgage bond liabilities	400,944,013	362,671,700	110.6%
Other liabilities	24,585,102	20,750,896	118.5%
Total Liabilities	447,109,433	385,979,201	115.8%
Shareholders' Equity			
Share capital	6,600,001	6,600,001	100.0%
Repurchased own shares	-2,849		
Share premium	1,446,047	1,709,014	84.6%
General reserve	1,761,790	1,024,879	171.9%
Cash-flow hedge reserve	-2,771,773	319,101	
Stock option reserve	124,368	0	
Retained earnings/(deficit)	13,687,916	7,560,382	181.0%
Total Shareholders' Equity	20,844,500	17,213,377	121.1%
Total Liabilities and Shareholders' Equity	467,954,933	403,192,578	116.1%

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Cash Flow

(consolidated, non-audited data as at 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	30 September 2005	30 September 2004
Cash flows from operating activities		
Net profit	6,501,197	5,780,413
Non cash adjustments to net income to net cash from operating activities:		
Depreciation	313,922	199,866
Provision for losses	125,938	126,533
Loss/(profit) on sale of fixed assets	-1,794	32
Stock option reserve	65,515	
Cash flow hedge reserve	-233,422	
Operating profit / (loss) before changes in operating assets		
<i>Increase (decrease) in operating assets:</i>		
Refinancing of mortgage loans	-14,140,148	-45,959,161
Loans	-25,998,013	-19,147,951
Accrued interest receivable	-460,100	-197,381
Other assets	-16,071,927	-619,957
<i>Increase (decrease) in operating liabilities:</i>		
Due to other banks	12,590,988	-3,443,395
Accrued interest payable	647,704	6,202,279
Other liabilities	-819,142	941,921
Net cash used in operating activities	-37,479,283	-56,116,801
Cash flows from investing activities		
Increase in available for sale securities	-137,673	490,021
Proceeds from sale of property and equipment	2,021	4
Purchase of property and equipment	-741,775	-302,794
Net cash used in investing activities	-877,427	187,231
Cash flows from financing activities		
Sale/(purchase) of own shares		0
Cash flow hedge reserve	-265,816	
Installment from mortgage bonds	-23,888,700	-8,196,260
Proceeds from issue of mortgage bonds	57,490,020	92,596,432
Net cash from financing activities	33,335,504	84,400,172
Net increase in cash and cash equivalents	-5,021,206	28,470,602
Cash and cash equivalents at beginning of year	28,908,493	3,077,224
Cash and cash equivalents at end of period	23,887,287	31,547,826
Cash and cash equivalents comprises of:		
Cash	2,376	1,373
Due from Central Bank	5,698,330	22,593,242
Placements with other banks, with a maturity of less than 90 days	18,186,581	8,953,211
Cash and cash equivalents at end of period	23,887,287	31,547,826
Supplemental information		
Interest received	38,930,608	33,335,270
Interest paid	-26,478,044	-16,602,521
Tax paid	-710,792	-281,519

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Statement of Shareholders' Equity

(consolidated, non-audited data as at 30 September, 2005 and 30 September, 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
30 September 2004	6,600,001	0	1,709,014	1,024,879	319,101		7,560,382	17,213,377
Transfer to general reserve				132,657			-132,657	0
Adjusted change of cash flow hedge reserve					-1,458,74			-1,458,174
Creation of stock option reserve						220,393	-220,393	0
Change of retained earnings							1,742,100	1,742,100
31 December 2004	6,600,001	0	1,709,014	1,157,536	-1,139,073	220,393	8,949,432	17,497,303
Transfer to general reserve				604,254			-604,254	0
Adjusted change of cash flow hedge reserve					-1,632,700		-87,641	-1,720,341
Treasury share repurchased								
Shares granted		-2,849	-262,967			-224,208	0	-490,024
Creation of stock option reserve						128,183	161,544	289,727
Dividends for 2004							-1,320,000	-1,320,000
Profit for the period							6,588,835	6,588,835
30 September 2005	6,600,001	-2,849	1,446,047	1,761,790	2,771,773	124,368	13,687,916	20,845,500

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Loans

(consolidated, non-audited data as at 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	30 September 2005	30 September 2004
Real estate purchase	90,023,191	75,026,407
Real estate construction	38,003,604	30,832,783
Real estate reconstruction	2,459,561	1,547,811
Real estate extension	12,933,089	12,113,156
Other loans secured by real estate	13,819,144	4,994,488
Employee loans	1,148,804	928,019
Loans, gross	158,387,393	125,442,664
from this: retail loans	158,105,900	125,313,120
other	281,493	129,544
Loan loss provision	-498,620	-373,416
Loans, net	157,888,773	125,069,248

Mortgage bonds

(consolidated, non-audited data as at 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	Carrying amount	Nominal value	Carrying amount	Nominal value
	30 September 2005		30 September 2004	
Non-listed mortgage bonds				
Fixed	175,686,909	175,067,250	140,628,657	140,038,750
Floating	24,295,590	24,319,250	5,600,000	5,600,000
Listed mortgage bonds				
Fixed	184,846,636	184,225,080	200,367,743	199,910,350
Floating	16,114,879	16,349,180	16,075,300	16,349,180
Total	400,944,013	399,960,760	362,671,700	361,898,280

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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 30 September, 2005 and 30 September, 2004, according to IFRS, data in thousand HUF)

DESCRIPTION	30 September 2005	30 September 2004
Total Shareholders' Equity per Hungarian Statutory Financial Statements	23,426,244	17,325,491
Loan origination fee	-501,442	-487,861
General risk reserve	328,237	
Cash-flow hedge reserve	-2,771,773	319,101
Fair value changes of derivatives (trading)	233,423	
Deferred tax asset	115,625	80,864
Mark to market of available for sale securities	15,186	-24,218
Total Shareholders' Equity per IFRS Financial Statements	20,845,500	17,213,377

DESCRIPTION	30 September 2005	30 September 2004
Profit per Hungarian Statutory Financial Statements	6,084,375	5,796,894
Loan origination fee	-14,986	-30,599
Deferred tax benefit	4,598	2,508
Derivative deals in income statement	233,423	
Items related to the sale of treasury shares	262,967	
Stock option reserve	-65,517	
Mark to market of available for sale securities	-3,663	11,610
Profit per IFRS financial statements	6,501,197	5,780,413

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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 ¹ (%)	Classification ²
FHB Service Ltd.	65,000	100.00	100.00	L

¹ Voting ratio valid on the general meeting of the business enterprise subject to consolidation

² Full (L); Joint management (K); Affiliated (T)

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PK6. Major off-balance sheet items

Description	30 September 2005 (million HUF)
Pending obligations	8,820
- available credit facility on credits extended	1,106
- loans committed in contract but not yet extended	7,665
- credit to be purchased from partner bank	49
Future obligations	87,380
Total	96,200

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 ¹					
	Beginning of target year (01.01.2005)		End of period (30.09.2005)		Beginning of target year (01.01.2005)			End of period (30.09.2005)		
	% ²	pcs	% ²	pcs	% ²	% ³	pcs	% ²	% ³	pcs
Domestic institutional / company	12.20%	805,906	12.85%	8,482,062	3.75%	3.29%	217,336	4.48%	3.94%	2,596,362
Foreign institutional / company	33.09%	2,184,092	32.07%	21,171,502	37.66%	33.09%	2,184,092	36.50%	32.07%	21,171,502
Domestic private individual	1.34%	88,621	1.68%	1,107,189	1.52%	1.34%	88,621	1.91%	1.68%	1,107,189
Foreign private individual	0.00%	0	0.01%	5,255	0.00%	0.00%	0	0.01%	0.01%	5,255
Employees, office holders	0.16%	9,850	0.18%	116,622	0.17%	0.16%	9,850	0.20%	0.18%	116,622
Treasury bond	0.00%	0	0.00%	2,060	0.00%	0.00%	0	0.00%	0.00%	2,060
Owner part of state budget ⁴	53.21%	3,511,532	53.21%	35,115,320	56.90%	50.00%	3,300,102	56.90%	50.00%	33,001,020
International Development Institutes ⁵	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
TOTAL	100.00%	6,600,001	100.00%	66,000,010	100.00%	87.88%	5,800,001	100.00%	87.88%	58,000,010

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

² Ownership share

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

⁴ E.g.: 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 ¹	2,060 ²	2,060 ²	

¹ HUF 1,000 Ft face value series „A” common shares

² HUF 100 Ft face value series „A” common shares

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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	33,000,010	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	35,114,310	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 (30 September 2005)
Bank	199	204	249
Consolidated	228	233	281

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	Ferenc Karvalits	Chairman	05.05.2005	05.05.2010	0
IT	Dr. Márton Vági	member	26.07.2002	26.07.2007	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
IT	Dániel Gyuris	member, CEO	11.01.1999	14.03.2007	4,000
IT	László Harmati	member, Deputy CEO	26.07.2002	26.07.2007	12,192
IT	Dr. Zoltán Szedlacskó	member	23.05.2003	23.05.2008	8,000
IT	Ádám Terták	member	07.06.2004	07.06.2009	0
FB	Róbert Somfai	Chairman	26.07.2002	26.07.2007	5,000
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 Sepulveda	member	07.04.2004	07.04.2009	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	Éva Baranyi	member	22.04.2005	22.04.2010	0
FB	Péter Heim	member	22.04.2005	22.04.2010	0
SP	Jenő Siklós	Deputy CEO	21.10.1997	indefinite	16,810
SP	Tamás Foltányi	Deputy CEO	01.11.2005	indefinite	0
Shares held (pcs) TOTAL:					49,810

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

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 Sector code: 6522
 Reporting period: 01.01.2005 - 09.30.2005

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 Fax: +36 1 320 - 4152
 E-mail: bardosp@fhb.hu
 Investor relations: Péter Bárdos

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
18.03.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	Purchase of own shares
19.03.2005	Web site of BSE	Invitation to the General Shareholders' Meeting of FHB Rt.
21.03.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	Invitation to the General Shareholders' Meeting of FHB Rt.
24.03.2005	Web site of BSE	Purchase of own shares
25.03.2005	Magyar Hírlap Népszabadság	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	Supplement to the Invitation to the General Shareholders' Meeting of FHB Rt.
07.04.2005	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.

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Date	Published in/on	Subject, brief contents
26.04.2005.	Magyar Hírlap Népszabadság Magyar Tőkepiac	Correction to the Resolutions passed by the 2005 General Shareholders' Meeting of FHB Rt.
26.04.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	Information on the value of mortgage bonds and collateral
26.04.2005	Magyar Hírlap Népszabadság	Information regarding the resignation of members of the Supervisory Board
27.04.2005	Web site of BSE	Information regarding the resignation of members of the Supervisory Board
28.04.2005	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
05.05.2005	Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac	Information on the repurchase of publicly issued FHB mortgage bonds before maturity on the secondary market
06.05.2005	Web site of BSE	Public, single-round tender to select a lead manager/adviser
10.05.2005	Web site of BSE	Information on the shares granted within the framework of FHB's share based management incentive scheme
11.05.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	Information on the shares granted within the framework of FHB's share based management incentive scheme
11.05.2005	Web site of BSE	New euro-denominated issue in the context of the EMTN scheme
12.05.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	New euro-denominated issue in the context of the EMTN scheme
12.05.2005	Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac	Information on the result of repurchase of publicly issued FHB mortgage bonds before maturity on the secondary market
18.05.2005	Web site of BSE	Stock Market Preliminary Report of FHB Rt. for the 1 st Quarter of 2004 extended with the Statement of Responsibility
18.05.2005.	Magyar Hírlap Népszabadság Magyar Tőkepiac	Information on dividend payment
20.05.2005	Web site of BSE	Report of FHB's Annual Shareholder's Meeting on 22 April, 2005
20.05.2005	Web site of BSE	Prolongation of multicurrency revolving loan facility on 19 May, 2005
23.05.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac	Prolongation of multicurrency revolving loan facility on 19 May, 2005
25.05.2005	Web site of BSE	Information on the change of FHB's publication placed

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Date	Published in/on	Subject, brief contents
25.05.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac Világgazdaság Napi Gazdaság	Information on the number of shares granted within the framework of FHB's share based management incentive scheme
26.05.2005	Web site of BSE	Information on the number of shares granted within the framework of FHB's share based management incentive scheme
26.05.2005	Magyar Hírlap Népszabadság Magyar Tőkepiac Világgazdaság Napi Gazdaság	Information on the change of FHB's publication placed
01.06.2005	Web site of BSE Magyar Tőkepiac Világgazdaság Napi Gazdaság	Public offering of FJ06NF02 and FJ10NF03SR2 Covered Mortgaged Bonds
03.06.2005	Web site of BSE Magyar Tőkepiac Világgazdaság Napi Gazdaság	Coupon of FJ06NF02 Covered Mortgage Bond
03.06.2005	Web site of BSE	Articles of Association of FHB amended by the Annual General Meeting
06.06.2005	Web site of BSE	Notice of FHB regarding the transformation of the Company's shares
07.06.2005	Magyar Tőkepiac Világgazdaság Napi Gazdaság	Notice of FHB regarding the transformation of the Company's shares
08.06.2005	Web site of BSE Magyar Tőkepiac Világgazdaság Napi Gazdaság	Information regarding the result of the mortgage bond auction on 6 June, 2005
15.06.2005	Web site of BSE	FHB executive sold FHB shares
16.06.2005	Magyar Tőkepiac Világgazdaság Napi Gazdaság	FHB executive sold FHB shares
24.06.2005	Web site of BSE	New euro-denominated issue in the context of the EMTN scheme
27.06.2005	Magyar Tőkepiac Világgazdaság Napi Gazdaság	New euro-denominated issue in the context of the EMTN scheme
01.07.2005	Web site of BSE	FHB executive sold FHB shares
04.07.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB executive sold FHB shares
26.07.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Information on the value of mortgage bonds and collateral as of 30 June 2005
28.07.2005	Web site of BSE	Information on the value of mortgage bonds and collateral as of 30 June 2005
29.07.2005	Web site of BSE Magyar Tőkepiac Napi Gazdaság Világgazdaság	Change in person responsible for investor relations
29.07.2005	Web site of BSE	Press announcement of ÁPV Rt. on FHB privatization tender
09.08.2005.	Web site of BSE	Stock Market Report of FHB Rt. for Q2 2005

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Date	Published in/on	Subject, brief contents
09.08.2005	Web site of BSE Magyar Hírlap Népszabadság Magyar Tőkepiac	Abstract of FHB's preliminary report for H1 2005 under the Capital Market Act (Tpt.)
07.09.2005	BSE web site	FHB signed a syndicated loan agreement
08.09.2005	BSE web site	Interest rate on mortgage bond FJ09NV01
09.09.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB signed a syndicated loan agreement
09.09.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Interest rate on mortgage bond FJ09NV01
09.09.2005	BSE web site	Announcement of the election of the new Chairman of FHB's Board of Directors
12.09.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Announcement of the election of the new Chairman of FHB's Board of Directors
29.09.2005	BSE web site	Confirmation of, and change in, Moody's rating
06.10.2005	BSE web site	Mortgage Bond and Bond Issues Programme of FHB for 2005-2006 - Prospectus and Annexes
07.10.2005	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	Public offering of mortgage bond FJ11NF01
10.10.2005	BSE web site	Information on FHB Rt.'s mortgage bonds auction of 10.10.2005
11.10.2005	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	Information on FHB Rt.'s mortgage bonds auction of 10.10.2005
21.10.2005	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB Rt.'s mortgage bonds and collaterals portfolio as at 30.09.2005
26.10.2005	BSE web site	Appointment of a new Deputy Chief Executive Officer
26.10.2005	BSE web site	FHB's statement on the language of disclosure
27.10.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Appointment of a new Deputy Chief Executive Officer
27.10.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB's statement on the language of disclosure
02.11.2005	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	Approval by the HFSA (PSZÁF) of the amendment of the Mortgage Bond and Bond Issues Programme of FHB for 2005-2006 - Prospectus and Annexes
07.11.2005	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Amendment of the Rules of Retail Lending