



**Stock Market Preliminary Report
of FHB Land Credit and Mortgage
Bank Ltd. for the 1st quarter of
2006**

Budapest, 10 May 2006

The preliminary report of FHB Land Credit and Mortgage Bank for the first quarter of 2006 on the activities and results of the Company

The preliminary report of FHB Land Credit and Mortgage Bank for the first quarter of 2006 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 a contributor agent in selling, as well as FHB Kereskedelmi Bank Zrt, a private limited company 90% of which is owned by the Bank and FHB Ingatlan Zrt., a private limited company of which 95% is owned by the Bank. The remaining business shares in each company are owned by FHB Szolgáltató Rt. These companies did not perform specific activities in the first quarter of 2006. As the balance sheet and the P/L account of the companies involved in the consolidation have no significant bearing on the Bank's data, the preliminary report contains consolidated figures throughout. The narratives compare the non-audited figures as of 31 March 2005 and 31 March 2006 and the audited figures as of 31 December 2005.

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

FHB closed a successful quarter on 31 March 2006. **In the first quarter of 2006 earnings before taxation under IFRS were 2.7 billion forints**, 394 million forints (or 16.8%) up from the figure for the fourth quarter in 2005, and only 3.7% lower than the all-time highest profit after tax in the first quarter of 2005. Earnings before taxation in the first quarter is in line with the 2006 plans. The Bank has calculated with the expenses of the implementation of the new business strategy announced in its 2006 financial plan, however the impact of these expenses has not yet affected the results of the first quarter of 2006.

The **average net interest margin** – in accordance with the market tendencies – dropped by 0.5 percentage points, from 3.9% on 31 March 2005 to 3.4% over the period of a year.

The Group's **cost-income ratio** increased to 41.4% as a result of the strategic investments and costs that emerged during the reporting period.

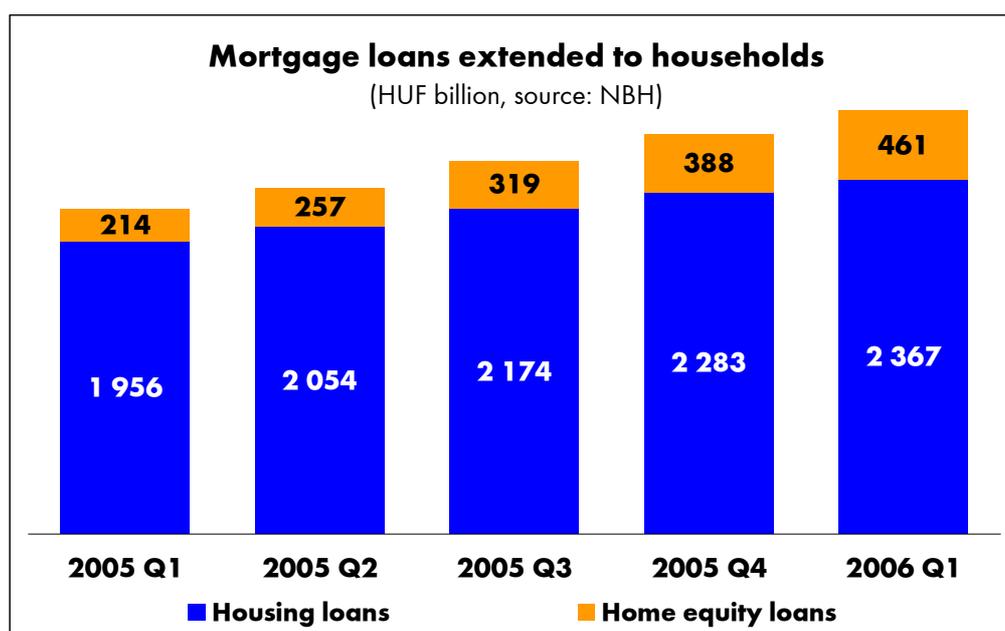
Retail mortgage loan market

The advent, in 2004, of loans denominated in foreign exchange triggered fundamental changes in the market of mortgage loans extended to retail customers. **Home equity loans**, a portfolio that was insignificant in terms of its size in previous years, saw a particularly **strong increase** last year due primarily to soaring FX-based loans. Over a period of a year the mortgage loan portfolio grew by 657.4 billion forints of which 156.5 billion were contributed in the last quarter. While over the past year housing loans contributed 62.5% to the increase in the total loan portfolio in the first quarter of 2006 their contribution dropped to 53.2% and 46.8% of the

increase in the first quarter was contributed by home equity mortgage loans. There was also a significant change in the entire mortgage loan portfolio. While as of 31 March 2005 only 14.9% of mortgage loans were denominated in foreign exchange, the **contribution of FX-based loans** at the end of March 2006 was **34.4%**.

In the first quarter of 2006 the **growth in housing loans** extended to households was far more dynamic than in the same period of 2005. Growth was particularly spectacular in March, when the monthly growth exceeded that of the whole first quarter of 2005, although it lagged behind the growth of the fourth quarter of 2005. Average monthly growth almost doubled, reaching 27.8 billion forints in the first quarter of 2006 as opposed to 15.4 billion forints in the same period of 2005. The entire housing loan portfolio amounted to 2,366.5 billion forints as of 31 March 2006.

Foreign exchange-denominated loans continued to increase within the portfolio. As of 31 March 2006 FX-denominated loans contributed 23.9% to home loans extended to households compared to 9.6% as of 31 March 2005 and 20.7% as of 31 December 2005. At the same time there was a decline in the contribution of home loans denominated in forint, particularly for subsidized home loans to the extent that there was even a nominal decrease in the forint loan portfolio in the first quarter of 2006 due to prepayment.



The substantial increase in the portfolio of home equity loans that started in 2005 not only continued in 2006 but the trend has gradually become stronger. In 2005 the average monthly growth was 18 billion forints as opposed to over 24 billion forints in the first quarter of 2006. Of the total amount of home equity loans 88.2% was disbursed in foreign exchange. The total outstanding portfolio exceeded 460 billion forints as of 31 March 2006, which is 115.0% higher than in the reference period.

Own lending

Over the past year up to 31 March 2006 the net amount of **loans sold by the Bank grew by 45.2 billion forints or 32.9%**. The increase in the first quarter of 2006 was 11.2 billion forints, 6.5% up from the 31 December 2005 figure. **In the first quarter of 2006** the Bank **disbursed loans directly to customers in the amount of 13.7 billion forints**, 60.2% of which was contributed by foreign exchange-based loans.

By the first quarter of 2006 home equity loans became the Bank's leading product contributing 44.7% to total disbursement in the first quarter. The overwhelming majority of these loans were disbursed in foreign exchange, mainly in Swiss francs (94.7%). With a contribution of 37.1%, loans extended for the purchase of homes dropped to second place. The realignment of loan products started in the fourth quarter of 2005, but the change in structure is most conspicuous in comparison with the first quarter of 2005. In the reference quarter construction loans contributed 20.7% to own lending, the contribution of purchase loans was 54.4%, and of home equity loans, 17.7% (92.8% of the latter was denominated in foreign exchange).

There was a substantial change in the performance of the various channels of own lending in the first quarter of 2006 compared to the same period of the preceding year. As a result of the dynamic development of the network of agents as well as the expansion of promotional services extended to agents, disbursements in the first quarter contributed by the network of agents was substantially, **194.0%, or 6.1 billion forints**, higher than in the same period of 2005 (3.1 billion forints). Accordingly, 67.1% of all disbursements were extended through the network of agents with lending through the Bank's own network contributing 30.5% and consortial loans contributing 2.4% to own lending. By contrast, in the same period of 2005 the breakdown of the same item was 41.2% contributed by agents, 1.1% by consortial loans and 57.7% by the Bank's own branch network.

The portfolio of housing project loans amounted to 0.6 billion forints as of 31 March 2005. This contributed 0.9% to disbursements, similarly to subsidized land development loans, which contributed 1.0%. The first disbursement of land development loans took place in February.

Refinancing

The **portfolio of refinanced loans** showed a 8.9% year-on-year increase and amounted to **264.4 billion forints** as of 31 March 2006. Newly refinanced mortgage loans amounted to 11.4 billion forints, 64.2% higher than the figure for the same period in the preceding year.

Within the refinancing portfolio the proportion of FX-based loans continued their steady increase: while in the first quarter of 2005 only 17.0% of refinancing was denominated in foreign exchange in the fourth quarter of 2005 its contribution was 70.6%, and in the first quarter of 2006, it reached 71.7%. The great majority of the first quarter refinancing was denominated in Swiss francs.

Mortgage bond issues

In the first quarter of 2006 FHB issued new mortgage bond series in both the Hungarian and the international market. Organized by BNP Paribas, series FJ12NV02 of a total face value of 100 million euros was issued in the context of a public offering in early February under the EMTN programme, which was re-launched in December 2005 in accordance with the new EU Prospectus Directive. The maturity of the 14th international series is six and a half years with floating interest rate set according to the six-month Euribor. The series was listed at the Luxembourg Stock Exchange. Also in February, the Bank launched mortgage bond FJ11ZF02 in the context of public placement in the Hungarian capital market, a series of five-year maturity and fixed interest rate with 500 million forints total face value.

The aggregate nominal value of the outstanding mortgage bonds in circulation, issued by the Bank in the context of the international EMTN programme registered in Luxembourg, was 790 million euros at issue price, this means 210 million euros remaining of the original one billion euros.

Long-term funds involved by the Bank in the first quarter of 2006 amounted to 25.5 billion forints consisting exclusively of mortgage bonds. This is almost eight billion forints higher than in the same period of the previous year.

In the first quarter the Bank fully repaid two mortgage bond series and partially repaid three additional series. Mortgage bond repayments amounted to a total of 2.6 billion forints in the first quarter of 2006. No repurchase was effected in the first quarter.

Trading of FHB's mortgage bonds in the secondary stock exchange market was around 24 billion forints in the first quarter of 2006, substantially higher than the total 2005 trading (15 billion forints). The bulk of transactions were concluded in January and February. The period was dominated by trading in fixed interest rate mortgage bonds. The most sought securities were bonds of the FJ10NF01, FJ08NF06 and FJ08NF03 series.

The aggregate mortgage bond portfolio of the three Hungarian mortgage banks amounted to 1,307.8 billion forints as of 31 March 2006. The **Bank's share of the mortgage bond market continues to be around a stable 32-33%.**

Changes in the legislative environment

The first quarter of 2006 brought significant changes in the statutory provisions pertaining directly and indirectly to lending.

Under Act CXXII of 2005 amending **Act CXLI of 1997 on Real Estate Registration** and related Decree 117 of 2005 (19 December) of the Minister of Agriculture and Rural Development on its implementation, creation, modification or termination of the right or fact may be registered if the relevant application is submitted using the form specified by law. The amendment also provides for the rules of legal representation and narrows the scope of duties of legal counsel in this connection. A new provision protecting the interests of clients prescribes that

the Land Title Office must notify the client whose title of ownership is requested to be cancelled from the Land Register or against whom right of purchase is requested to be entered therein.

A novel feature of **Decree 118 of 2005 (19 December) of the Minister of Agriculture and Rural Development** on the Administrative Charges and Fees of the Real Estate Registration Procedure is that the former duties of registration procedure have been transformed into administration service fees of real estate registration, and as such they are handled by the land title offices as own income. The Decree provides for the rules of registration and handling of such fees and the Act on Duties and Fees (Act LXXXV of 1996) provides for their magnitude.

The latest amendment of the **Act on Credit Institutions and Financial Enterprises (Hpt by its Hungarian abbreviation)** provides for the introduction of a Central Credit Information System (KHR by its Hungarian acronym) instead of the former Interbank Debtor and Credit Information System known as the BAR system whose detailed rules are incorporated in the Act under a separate chapter. The rules of transfer of data to the KHR in the event of default have also been amended. The new rules are aimed primarily at default exceeding the minimum wage. In addition, the rules of data handling and management have also been changed. Important provisions are aimed at information in the interest of client protection. In special cases the law grants the persons on record the right to sue the provider of reference data and the financial enterprise managing the KHR.

Introduction of the rules pertaining to the state guarantee fee payable in conjunction with the **first home owners' scheme titled Fészekrakó (Nest Building)**, was deferred to 1 January 2007 from the originally envisioned date of 1 January 2006.

Decree 40 of 2005 (9 December) of the Minister of Finance mandated by virtue of the Act on Mortgage Loan Companies and Mortgage Bonds (Jht. by its Hungarian abbreviation) contains definitions and provides for the rules of establishing the present value and sensitivity analysis as well as the internal regulation of calculations and changes in the formula.

Restructuring and staff figures

Staff figures

The Bank had 315 staff as of 31 March 2006, 38.7% higher than a year earlier and 45 persons (16.7%) more than at the end of the fourth quarter of 2005. The consolidated headcount was 320 as of 31 March 2006, which means a 7.0% increase over the previous quarter's figure of 299 persons and a 25.0% increase compared to 256 in the first quarter of 2005.

Officers

Péter Heim resigned from his post as member of the Supervisory Board with effect of 23 March 2006. At the Bank's annual General Meeting of 21 April 2006 Pablo Arnoldo Fritz Sepulveda resigned from his position as member of the Supervisory Board. Ádám Terták and Dr. Gyula Czok both resigned from their seat on the Board of Directors. The General Meeting elected Károly Salamon and Gábor Borsányi, former members of the Supervisory Board, to serve on the

Board of Directors. The General Meeting elected Dr. Gyula Czok and from among the Bank's employees, Dr. Erik Landgraf, Márta Szántó and Nguyen Viet to serve on the Supervisory Board.

Restructuring

There were no major structural changes in the first quarter of 2006, the changes implemented were all related to the new business strategy.

Activities aimed at the development of FHB Group

The Board of Directors of FHB provided for the development of the following institutional framework necessary for the implementation of medium-term strategy:

- Establishment of FHB Kereskedelmi Bank Zrt. (FHB Commercial Bank Private Limited Company) with six billion forints shareholders' equity including two billion forints registered capital and four billion forints share premium: FHB Commercial Bank's deposit account was opened as of 2 March 2006 and the first instalment of the registered capital amounting to one billion forints was duly transferred by the founding members. The application for a license to establish a financial institution was submitted to the Hungarian Financial Supervisory Authority PSZÁF on 2 March 2006.
- Establishment of FHB Ingatlan Zrt. (FHB Real Estate Private Limited Company) with 100 million forints registered capital: FHB Real Estate Plc.'s deposit account was opened as of 21 February 2006 and 30% of the registered capital amounting to 30 million forints was duly transferred by the founding members. The application for incorporation was submitted to the Metropolitan Court of Budapest on 31 February 2006.
- Increase of the capital of FHB Szolgáltató Rt. (FHB Services Plc.) by 1,435 billion forints: The capital increase took place in the form of pecuniary contribution. Thirty percent of the face value of shares and the difference between the face value and the issue price of new shares were duly transferred by the Bank to the account of FHB Services Plc. on 21 February 2006.

Five percent of the newly established FHB Real Estate Plc. shall be owned by FHB Services Plc., which duly transferred the amount of its share to FHB Estate's deposit account on 17 February 2006.

The Bank passed a decision that FHB Services Plc. also participate in the newly established FHB Commercial Bank Plc. as a founding member holding a share of 10%. 100 million forints of FHB Service's share were paid to FHB Commercial Bank Plc.'s deposit account.

II. Summary figures of the latest period (IFRS)

Based on the International Financial Reporting Standards the year-on-year **consolidated balance sheet total increased** from 420.5 billion forints to 503.2 billion forints or **by 19.7%**. The growth was mainly generated by the increase in the mortgage loan portfolio.

Shareholders' equity grew by 33.7% to exceed 25.1 billion forints, due primarily to an increase in retained earnings.

The **profit before taxation was 16.8%**, almost 400 million forints higher since the previous year. **After-tax profit was 2,082 million forints** as of 31 March 2006, 3.7% less than as of 31 March 2005. The narrowing margins and the temporary increase of expenses due to the strategic transformation are the major reasons for the decline.

Major financial indicators	Consolidated figures by IFRS		
	31 March 2005	31 March 2006	2006 I. / 2005 I.
Balance sheet total (HUF million)	420,482	503,244	19.7%
Book value of mortgage loans (HUF million)	380,315	447,039	17.5%
Book value of mortgage bonds (HUF million)	390,864	447,784	14.6%
Shareholders' equity (HUF million)	18,799	25,127	33.7%
Earnings before taxation (HUF million)	2,895	2,736	-5.5%
After tax profit (HUF million)	2,161	2,082	-3.7%
Net interest margin (NIM)	3.9%	3.4%	-12.5%
CIR (operating expenses / gross operating income)	33.2%	41.4%	24.7%
EPS (HUF) ¹	133	132	-0.7%
P/E (share price/EPS)	9.6	10.7	11.2%
P/BV (share price/equity/number of shares)	4.5	3.7	-17.8%
Tier 1 **	20,321	26,881	32.3%
Capital adequacy ratio	15.2%	15.6%	2.6%
ROAA (return on average assets)	2.1%	1.7%	-18.3%
ROAE (return on average equity)	44.6%	31.6%	-29.2%

¹ Adjusted due to the share split

III. Analysis of FHB Land Credit and Mortgage Bank's financial statements prepared according to the IFRS

P/L structure¹

Data in HUF million

DESCRIPTION	Q1 2005 (Jan-Mar)	Q4 2005 (Oct-Dec)	Q1 2006 (Jan-Mar)	Q1 2006 / Q1 2005	Q1 2006 / Q4 2005
Net interest income	4,059	4,305	4,188	3.2%	-2.7%
Net fees and commissions income	130	76	134	3.1%	76.3%
Net profit from financial transactions	116	-22	275	137.1%	-
Other income and expenditure	140	202	117	-16.4%	-42.1%
Gross operating income	4,445	4,561	4,714	6.1%	3.4%
Operating expenses	-1,474	-2,164	-1,949	32.2%	-9.9%
Net operating income	2,971	2,397	2,765	-6.9%	15.4%
Losses from lending	-76	-55	-29	-61.8%	-47.3%
Profit before taxation	2,895	2,342	2,736	-5.5%	16.8%
Taxes	-734	-377	-654	-10.9%	73.5%
After tax profit	2,161	1,965	2,082	-3.7%	6.0%

In the first quarter of 2006 the Bank realised **2,082 million forints consolidated after-tax profit under the IFRS**, 6.0% higher than in the fourth quarter of 2005, but 3.7% less than in the same period of 2005. **Profit before tax exceeded 2.7 billion forints** but was 5.5% down from the figure in the same period of the previous year.

Net income from interest

The balance of the first quarter's **13.6 billion forints interest income** (106.5% of the figure in the first quarter of 2005) and **9.4 billion forints interest expense** (108% of the figure in the first quarter of 2005) was 4.2 billion forints net interest income. Net interest income was 2.7% down from the figure of the fourth quarter of 2005 but the year-on-year increase was still 3.2%. Interest income in the first quarter of 2006 was contributed mainly by interest on own lending (42.0%) and refinanced mortgage loans (47.0%). The aggregate interest income on interbank deposits and securities contributed 3.9%, while the contribution of interest income from derivatives was 7.1%. The breakdown of interest income showed no significant changes compared to the first quarter of 2005: the contribution of income from refinanced loans decreased by approximately 3.2 percentage points while interest income from derivatives increased by 4.1 percentage points. Within the line item of interest income, the proportion of interest subsidy (subsidy of interest on mortgage bonds and supplementary interest subsidy) was 66.7% in the first quarter of 2005 and was 59.1% in the first quarter of 2006.

In the period of reporting 84.3% of interest expense was incurred in conjunction with mortgage bonds. The contribution of interbank loans received was negligible. The contribution of derivative hedges was 14.9% related to mortgage bonds. Of expenditures on interest in the first quarter of 2005, 89.0% was related to mortgage bonds and 10.9% to derivative transactions.

¹ Consolidated non-audited data by IFRS

The **net interest margin (NIM)** was 3.89% as of 31 December 2005 and **3.40%** as of 31 March 2006. The year-on-year figure is almost 50 base points below the figure as of 31 March 2005. The drop in NIM is according to plan and is caused by the changes in the Bank's loan portfolio structure. The contribution of subsidized loans within the refinanced portfolio has been steadily decreasing and replaced by foreign exchange refinanced loans with lower interest margins. A similar process is going on in the portfolio of own lending although here the relative difference between the margins is less compared to refinanced loans. The drop in margins on loans is partially compensated by improving costs of funds.

Net income from fees and commission

The balance of **income from and expenditures of fees and commissions** in the first quarter of 2006 was a **net income amounting to 134 million forints**, similarly to the reference period of 2005 and double the 76 million forints realised in the fourth quarter of 2005. In the first quarter of 2006 net income from fees contributed 2.8% to gross operating profit as opposed to 1.7% in the fourth quarter of 2005.

In the period of reporting 42.2% of income from fees and commission was contributed by commission, 43.4% by fees from credit institutions, and 14.4% by fees paid by customers. More than the half (56.9%) of the paid fees was commission paid to acquisition agents and 23.6% was contributed by fees related to mortgage bond issues. In parallel with the dynamism of own lending, and the stronger role of the agents' distribution channel the amount of commissions paid to agents has become almost three times higher in a year.

Net profit from securities and currency transactions

Profit from foreign exchange transactions had an increasing positive balance in the first quarter of 2006 compared to the fourth quarter of 2005, which followed the changes in exchange rates within the period. The net profit from FX transactions amounted to **178 million forints** in the period of reporting, 42.7% up from the fourth quarter of 2005.

In the first quarter of 2006 **profit from securities transactions amounted to 52 million forints**, which emerged as a balance of exchange gains and losses on mortgage bonds issued.

Other income and expenditures

As of 31 March 2006 the balance of **other income and expenditure was 117 million forints**, arising from 134 million forints income netted of 17 million forints expenditure. Of the other income item, 97.5% was contributed by valuation fees invoiced to customers.

Operating expenses

Data in HUF million

DESCRIPTION	Q1 2005 (Jan-Mar)	Q4 2005 (Oct-Dec)	Q1 2006 (Jan-Mar)	Q1 2006 / Q1 2005	Q1 2006 / Q4 2005
General administrative costs	1,390	2,028	1,821	31.0%	-10.2%
Personnel expenses	485	1,074	682	40.6%	-36.5%
- wages	292	649	386	32.2%	-40.5%
- other personnel expenses	82	191	156	90.2%	-18.3%
- social security expenses	111	234	140	26.1%	-40.2%
Other administrative costs	905	954	1,139	25.9%	19.4%
- incl. special mortgage banking costs	310	304	340	9.7%	11.8%
Depreciation	84	136	128	52.4%	-5.9%
TOTAL OPERATING EXPENSES	1,474	2,164	1,949	32.2%	-9.9%

The Bank's **operating costs amounted to 1.9 billion forints** in the first quarter of 2006, 9.9% less than in the fourth quarter of 2005 but 32.2% higher than in the first quarter of 2005. In accordance with the Bank's new business strategy the processes aimed at creating the FHB Group have been started. As a result of infrastructure investments and restructuring the cost/income ratio (CIR) was 41.4% as of 31 March 2006.

The contribution of **personnel expenses** to operating costs in the first quarter of 2006 was similar to the reference quarter of 2005 (32.9% and 35.9% respectively). No comparison of this item is reasonable with the fourth quarter of 2005 because of the year-end incentive bonus payments. There was no general salary increase in the Bank for 2006. The year-on-year increase in **other administrative costs** was 25.9%. The contribution of property valuation fees increased from 14.9% to 17.4%, rents contributed 13.9% in the first quarter of 2005 and 12.1% in the first quarter of 2006 while that of consulting fees dropped from 13.7% in the first quarter of 2005 to 11.1% in the reporting period. Conversely, there was a considerable increase in the contribution of marketing and advertising costs, from 10.8% to 20.7%. Another important component is the item of other taxes (including primarily municipality taxes), with a contribution of 12.0% in the first quarter of 2005 and 10.3% in the reference period of 2006.

About one-third of other administrative costs were contributed by **special mortgage banking costs** (34.2% in the first quarter of 2005 and 29.8% in the reference period). The two major components of special mortgage banking costs are property valuation fees and loan coverage life insurance with a joint contribution of 87.9%. The contribution was similar in the first quarter of 2005 (84.1%).

In the first quarter of 2006 **depreciation** amounted to 128 million forints, 52.4% more than in the same period of 2005. Depreciation of machines and equipment and real estate contributed 49.3%, the contribution of intangible goods was 50.7%.

Portfolio quality, loss in value and provisions

Data in HUF million

Breakdown of classified portfolio by loss in value and provisions									
CLASSIFICATION	31 March, 2005			31 December, 2005			31 March, 2006		
	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	452,367	-	0.0%	533,247	-	0.0%	568,405	-	0.0%
Watch	2,479	-	0.0%	3,788	2	0.1%	3,375	3	0.1%
Substandard	440	47	10.6%	535	58	10.8%	665	73	10.9%
Doubtful	1,236	389	31.4%	1,617	491	30.4%	1,363	503	36.9%
Bad	18	17	95.7%	1	1	100.0%	1	1	100.0%
TOTAL	456,540	453	0.1%	539,188	552	0.1%	573,809	580	0.1%

The structure of the Bank's **portfolio retained its excellent quality** in the past quarter. Moreover, the rate of problem-free accounts receivable was up from figure of the fourth quarter of 2005 in both the entire portfolio and specifically the loan portfolio (receivables from customers and commitments). Accordingly, 99.1% of the rated portfolio was problem free (as opposed to 98.9% as of 31 December 2005 and 99.1% as of 31 March 2005).

The total of classified loans (loans classified as substandard, doubtful or bad) decreased by 124 million forints compared to the previous quarter, resulting in a 29 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

MEGNEVEZÉS	31.03.2005.	31.12.2005.	31.03.2005	31.03.2006 / 31.03.2005	31.03.2006/ 31.12.2005
Cash	2	1	2	0.0%	100.0%
Receivables from NBH	13,214	29,128	24,958	88.9%	-14.3%
Interbank deposits	15,576	11,403	9,943	-36.2%	-12.8%
Available for sale securities	3,735	3,420	3,931	5.2%	14.9%
Refinanced mortgage loans	243,048	259,912	264,590	8.9%	1.8%
Loans	137,267	171,264	182,449	32.9%	6.5%
Fair value of derivatives	45	773	2,497	5,448.9%	223.0%
Tangible assets	1,227	1,793	1,850	50.8%	3.2%
Other assets	6,368	4,181	13,024	104.5%	211.5%
Assets total	420,482	481,875	503,244	19.7%	4.4%
Payables total	401,683	458,134	478,117	19.0%	4.4%
- Interbank borrowings	5,180	31,496	25,892	399.8%	-17.8%
- Mortgage bonds	390,864	421,113	447,784	14.6%	6.3%
- Fair value of derivatives	3,733	3,199	1,799	-51.8%	-43.8%
- Other liabilities	1,906	2,326	2,642	38.6%	13.6%
Shareholders' equity	18,799	23,741	25,127	33.7%	5.8%
- Subscribed capital	6,600	6,600	6,600	0.0%	0.0%
- Repurchased own shares	-251	-3	-3	-98.8%	0.0%
- Premium	1,709	1,446	1,446	-15.4%	0.0%
- General reserve	1,392	1,897	2,108	51.4%	11.1%
- Cash-flow hedge reserve	-1,833	-1,907	-2,631	43.5%	38.0%
- Stock option reserve	306	210	244	-20.3%	16.2%
- Changes in fair value of available for sale financial assets	0	-1	-7	100.0%	600.0%
- Accumulated assets	10,876	15,499	17,370	59.7%	12.1%
Liabilities total	420,482	481,875	503,244	19.7%	4.4%

As of 31 March 2006 the Bank's consolidated **balance sheet total under IFRS amounted to 503.2 billion forints**, which is 82.7 billion forints, or about one-fifth, higher than in the first quarter of 2005 and 21.4 billion forints, or 4.4%, higher than the balance sheet total as of 31 December 2005. Compared to the 31 March 2005 base period, 80.6% of the increase in assets was generated by the expansion of the loan portfolio. Interbank and NBH deposits jointly contributed 7.4% to the increase in assets. On the liabilities side, 68.8% of the increase was generated by a 56.9 billion forints expansion of outstanding mortgage bonds. The increase in both assets and liabilities over the figure in the fourth quarter of 2005 was due predominantly to an expansion in loans and mortgage bonds.

Interest earning assets

As of 31 March 2006 the Group's **interest earning assets amounted to 485.9 billion forints**, exceeding the first quarter 2005 figure by 17.7%. Loans to retail customers disbursed by

² Non audited, consolidated data by IFRS

the Bank were 32.9% higher on 31 March 2006 compared to the same period of the previous year and 6.5% higher than in the fourth quarter of 2005. Loss in value to cover for losses from lending increased from 449 million forints to 575 million forints over a year, in line with the expansion of the loan portfolio. Refinancing showed a year-on-year increase of 8.9%. At the end of the first quarter of 2005, refinancing and the Bank's own loans contributed 92.1% to interest earning assets. This contribution dropped to 90.7% in the fourth quarter of 2005, then picked up again to reach 92.0% at the end of the first quarter of 2006.

The **loan collateral value of real estate** covering ordinary collateral amounted to **1,112.2 billion forints** in the first quarter of 2006, which exceeded the figure as of 31 December 2005 by 3.5%. **The LTV ratio** (loan principal receivable to collateral value) **was 39.1%** as of 31 March 2006, similar to the same period of 2005, and 0.3 percentage points lower than on 31 December 2005.

The portfolio of **NBH and other interbank deposits** increased from 28,8 billion forint as of 31 March 2005 to 40.6 billion forints by the end of 2005, dropped to 34.9 billion forints as of 31 March 2006, which means its contribution to interest earning assets was 7.2%. Interbank deposits continue to serve primarily for the purpose of liquidity and supplementary collateral.

The value of the **securities portfolio** of the Bank grew from 3.7 billion forints at the end of the first quarter of 2005 to 3.9 billion forints as of 31 March 2006. The contribution of securities to interest earning assets stayed below 1.0% throughout the one-year period.

Own assets

The net value of **tangible and intangible assets** amounted to 1.2 billion forints as of 31 March 2005. This amount increased to reach 1.8 billion forints by 31 March 2006 due primarily to new hardware and software.

Other assets amounted to 13.0 billion forints as of 31 March 2006, double the figure of the first quarter of 2005. Over 90% of the other assets item was contributed by settlement of interest subsidies with the Hungarian State in both periods.

Interest bearing liabilities

The contribution of the Bank's **mortgage bonds portfolio** to interest bearing liabilities was 94.5% as of 31 March 2006 compared to 98.7% in the same period of the preceding year. The 447.8 billion forints book value of mortgage bonds as of 31 March 2006 was 14.6% higher than in the first quarter of 2005 the year-on-year increase was contributed by the combination of 69.9 billion forints new issues, 15.0 billion forints repurchases, and 5.3 billion forints repayments (including related exchange rate adjustment).

Mortgage bond collaterals

The value of assets used as **ordinary collateral** for the mortgage bonds issued by the Bank was **768.2 billion forints** as of 31 March 2006 which is a 7.3% increase over the figure as of 31 March 2005.

The value of the group of assets involved as collateral as of 31 March 2006 (HUF million)

Outstanding mortgage bonds in circulation	
face value:	432,428
interest:	178,598
total:	611,026
Value of the regular collateral	
principal:	439,335
interest:	328,837
total:	768,172
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 31 March 2006 the **25.9 billion forints interbank portfolio** contained 0.6 billion forints interbank deposits withdrawn in EUR and a syndicated loan instrument denominated in CHF equivalent to 25.3 billion forints. Available since September 2005, the syndicated loan facility is used as a supplementary funding instrument.

Other liabilities

The Bank's other liabilities amounting to 2.6 billion forints resulted, among others, from deferred loan credit rating fees (22.4% in 2006, 25.7% in 2005) as well as accruals (17.9% in 2006, 9.9% in 2005), taxes payable (15.7% in 2006, 34.2% in 2005) and liabilities to customers (15.1% in 2006, 8.9% in 2005).

Shareholders' equity

The year-on-year increase in shareholders' equity was 33.7% (6.3 billion forints), **reaching 25.1 billion forints** as of 31 March 2006. The increase was predominantly contributed by a 6,5 billion forints rise in accumulated profit, 11.3% of the increase was caused by the rise of the general reserve by 716 million forints, although the increase was net of 797 million forints cash-flow hedge reserve. Compared to the fourth quarter of 2005, shareholders' equity was 1.4 million forints higher at 31 March, 2006. Similarly to previous periods, shareholders' equity was mainly influenced by accumulated profit and general reserve while cash flow hedge reserve diminished the item by 723 million forints.

Capital structure

DESCRIPTION	Data in million HUF		
	31 March, 2006	31 December, 2005	31 March, 2005
Risk weighted assets (RWA)			
Balance sheet items	168,215	154,667	131,230
Off-balance sheet items	4,229	4,016	2,729
Total risk weighted assets	172,444	158,683	133,959
Tier 1			
Subscribed capital	6,600	6,600	6,600
Premium	1,446	1,446	1,709
General reserve	2,108	1,897	1,392
Stock option reserve	244	210	306
Changes in fair value of available for sale financial assets	-7	-1	0
Retained earnings	17,370	15,499	10,876
Cash-flow hedge reserve*	0	0	0
Intangible assets	-880	-908	-562
Total Tier 1 capital	26,881	24,743	20,321
Tier 2			
General risk reserve	0	0	0
Total Tier 2 capital	0	0	0
Total regulatory capital	26,881	24,743	20,321
Tier 1 capital adequacy (%)	15.6	15.6	15.2
Total capital adequacy (%)	15.6	15.6	15.2

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

The Bank's **risk weighted assets (RWA)** amounted to **172.4 billion forints** as of 31 March 2006, which is a 28.7% increase over the past year. A large portion (96.1%) of the growth was contributed by balance sheet items, in particular the change in the loan portfolio. Tier 1 and adjusted capital was 26.9 billion forints showing a year-on-year increase of 32.3%.

Accordingly, as of 31 March 2006 the **capital adequacy ratio was 15.6%**, including earnings for the period of reporting compared to 15.2% as of 31 March 2005 and 15.6% as of 31 December 2005.

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 8.3 billion forints as of 31 March 2006, 45.5% higher than the 5.7 billion forints in the same period of 2005.

The most important item among future liabilities includes derivative transactions, which mainly include hedge transactions relating to EUR-denominated mortgage bonds. As of 31 March 2006 liabilities from currency swaps amounted to 105.3 billion forints, and liabilities from interest rate swaps amounted to 3.7 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 in order to close FX positions and eliminate risks.

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, 10 May, 2006

Dániel Gyuris
CEO

Jenő Siklós
Deputy CEO

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Reporting period:	01.01.2006 - 03.31.2006	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 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2006	31 March, 2005	Change (%)
Interest income	13,626,505	12,796,240	6.5%
Interest expense	-9,438,135	-8,736,821	8.0%
Net interest income	4,188,370	4,059,419	3.2%
Fee and commission income	334,406	241,858	38.3%
Fee and commission expense	-200,470	-112,019	79.0%
Profit from FX transactions	177,718	137,134	29.6%
Profit from changes of fair value of derivatives	45,176	-87,641	-151.5%
Gain less losses from securities	52,041	66,195	-21.4%
Other operating income	134,193	142,348	-5.7%
Other operating expense	-17,243	-2,052	740.3%
Operating income	4,714,191	4,445,242	6.1%
Losses/provisions on loans and advances	-28,930	-75,729	-61.8%
General and administrative costs	-1,949,458	-1,473,880	32.3%
Profit before tax	2,735,803	2,895,633	-5.5%
Taxation expense	-653,821	-734,269	-11.0%
Profit for the period	2,081,982	2,161,364	-3.7%

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Balance Sheet

(consolidated, non-audited data as at 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2006	31 March, 2005	Change (%)
Assets			
Cash	2,253	2,160	4.3%
Due from National Bank of Hungary	24,958,485	13,213,670	88.9%
Placements with other banks	9,943,356	15,575,691	-36.2%
Available for sale securities	3,930,851	3,734,875	5.2%
Refinancing of mortgage loans	264,589,732	243,047,376	8.9%
Loans	182,449,221	137,267,303	32.9%
Fair value of derivatives	2,497,431	45,047	5,444.1%
Property and equipment	1,849,618	1,227,416	50.7%
Other assets	13,023,519	6,368,452	104.5%
Total Assets	503,244,466	420,481,990	19.7%
Liabilities			
Deposits from banks	25,891,729	5,180,548	399.8%
Mortgage bond liabilities	447,784,400	390,863,823	14.6%
Fair value of derivatives	1,799,034	3,733,285	-51.8%
Other liabilities	2,642,027	1,905,607	38.6%
Total Liabilities	478,117,190	401,683,263	19.0%
Shareholders' Equity			
Share capital	6,600,001	6,600,001	0.0%
Repurchased own shares	-2,849	-250,917	-98.9%
Share premium	1,446,047	1,709,014	-15.4%
General reserve	2,107,902	1,392,054	51.4%
Cash-flow hedge reserve	-2,630,436	-1,833,593	43.5%
Stock option reserve	244,141	305,890	-20.2%
Variation in fair value of tradable financial assets	-7,378	0	100.0%
Retained earnings/(deficit)	17,369,848	10,876,278	59.7%
Total Shareholders' Equity	25,127,276	18,798,727	33.7%
Total Liabilities and Shareholders' Equity	503,244,466	420,481,990	19.7%

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Cash Flow

(consolidated, non-audited data as at 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2006	31 March, 2005
Cash flows from operating activities		
Net profit	2,081,982	2,161,364
Non cash adjustments to net income to net cash from operating activities:		
Depreciation	128,345	83,797
Provision for losses	27,248	75,295
Loss/(profit) on sale of fixed assets	-70,096	-404
Stock option reserve	34,105	85,497
Derivatives	-3,847,201	310,498
Cash flow hedge reserve	0	0
Operating profit / (loss) before changes in operating assets	-1,645,617	2,716,047
<i>Increase (decrease) in operating assets:</i>		
Refinancing of mortgage loans	-4,677,281	-1,758,870
Loans	-11,213,320	-4,870,266
Accrued interest receivable	0	0
Other assets	-8,842,487	905,039
<i>Increase (decrease) in operating liabilities:</i>		
Due to other banks	-5,604,329	-3,815,138
Accrued interest payable	0	0
Other liabilities	230,661	434,851
Net cash used in operating activities	-31,752,373	-6,388,337
Cash flows from investing activities		
Increase in available for sale securities	-517,139	136,130
Proceeds from sale of property and equipment	0	404
Purchase of property and equipment	-115,297	-177,661
Net cash used in investing activities	-632,436	-41,127
Cash flows from financing activities		
Sale/(purchase) of own shares		-250,917
Instalment from mortgage bonds	-2,628,000	-8,388,700
Proceeds from issue of mortgage bonds	29,385,511	14,828,399
Net cash from financing activities	26,757,511	6,188,782
Net increase in cash and cash equivalents	-5,627,298	-240,682
Cash and cash equivalents at beginning of year	40,531,391	29,032,203
Cash and cash equivalents at end of period	34,904,093	28,791,521
Cash and cash equivalents comprises of:		
Cash	2,253	2,160
Due from Central Bank	24,958,484	13,213,670
Placements with other banks, with a maturity of less than 90 days	9,943,356	15,575,691
Cash and cash equivalents at end of period	34,904,093	28,791,521
Supplemental information		
Interest received	12,917,130	12,443,196
Interest paid	-10,585,192	-10,433,564
Tax paid	-317,234	-230,058

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Statement of Shareholders' Equity

(consolidated, non-audited data as at 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	Share Capital	Treasury Shares	Share Premium	General reserve	Cash-flow hedge reserve	Stock option reserve	Variation in fair value (financial assets)	Retained earnings (deficit)	Shareholders' Equity
31 March 2005	6,600,001	-250,917	1,709,014	1,392,054	-1,833,593	305,890		10,876,278	18,798,727
Transfer to general reserve				504,978				-504,978	0
Change of fair values cash flow hedge					-73,875				-73,875
Shares granted		248,068	-262,967			-224,208			-239,107
Dividends for 2004								-1,320,000	-1,320,000
Creation of stock option reserve						128,354		161,541	289,895
Changes in fair value of available for sale financial assets							-979	-18,849	-19,828
Profit for the period								6,304,744	6,304,744
31 December 2005	6,600,001	-2,849	1,446,047	1,897,032	-1,907,468	210,036	-979	15,498,736	23,740,556
Transfer to general reserve				210,870				-210,870	0
Change of fair values cash flow hedge					-722,968				-722,968
Dividends for 2005									0
Creation of stock option reserve						34,105			34,105
Changes in fair value of available for sale financial assets							-6,399		-6,399
Profit for the period								2,081,982	2,081,982
31 March 2006	6,600,001	-2,849	1,446,047	2,107,902	-2,630,436	244,141	-7,378	17,369,848	25,127,276

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Loans

(consolidated, non-audited data as at 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2006	31 March, 2005
Real estate purchase	97,675,260	80,621,481
Real estate construction	41,365,435	34,095,392
Real estate reconstruction	3,246,487	1,799,242
Real estate extension	12,770,163	12,733,984
Other loans secured by real estate	26,196,530	6,971,033
Employee loans	1,231,627	1,039,943
Loans, gross	182,485,502	137,261,075
from this: retail loans	181,764,872	137,186,945
other	720,630	74,130
Loan loss provision	-575,321	-449,089
Accrued interest	539,040	455,317
Loans, net	182,449,221	137,267,303

Mortgage bonds

(consolidated, non-audited data as at 31 March, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	Carrying amount	Nominal value	Carrying amount	Nominal value
	31 March, 2006		31 March, 2005	
Non-listed mortgage bonds				
Fixed	176,248,712	175,659,750	152,748,506	152,197,750
Floating	24,710,192	24,731,500	17,943,830	17,959,000
Listed mortgage bonds				
Fixed	189,319,471	189,133,640	189,889,928	188,984,080
Floating	42,688,615	42,903,180	16,095,051	16,349,180
Total	432,966,990	432,428,070	376,677,315	375,490,010

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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, 2006 and as at 31 March, 2005, according to IFRS, data in thousand HUF)

DESCRIPTION	31 March, 2006	31 March, 2005
Total Shareholders' Equity per Hungarian Statutory Financial Statements	26,892,679	20,768,300
Accrued loan disbursement fee	-591,587	-489,978
General risk reserve	1,190,115	328,237
Cash-flow hedge reserve	-2,630,436	-1,833,593
Fair value changes of derivatives (trading)	-132,665	-87,641
Deferred tax asset	141,217	117,340
Mark to market of available for sale securities	-7,377	-3,938
Total Shareholders' Equity per IFRS Financial Statements	25,127,276	18,798,727

DESCRIPTION	31 March, 2006	31 March, 2005
Profit per Hungarian Statutory Financial Statements	2,109,427	2,354,496
Accrued loan disbursement fee	-50,679	-3,522
Deferred tax benefit	12,163	6,314
Derivative deals in income statement	45,176	-87,641
Stock option reserve	-34,105	-85,497
Mark to market of available for sale securities	0	-22,786
Profit per IFRS financial statements	2,081,982	2,161,364

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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.	1,500,000	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, 2006 (HUF million)
Pending obligations	8,267
- available credit facility on credits extended	1,569
- loans committed in contract but not yet extended	6,653
- credit to be purchased from partner bank	45
Future obligations	109,050
Total	117,317

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 (01.01.2006)			End of period (31.03.2006.)			Beginning of target year (01.01.2006)			End of period (31.03.2006.)		
	% ²	% ²	Db	% ²	% ²	Db	% ²	% ²	Db	% ²	% ²	Db
Domestic institutional / company	17.73	17.73	11,703,852	17.82	17.82	11,760,451	10.03	8.82	5,818,152	11.16	9.81	6,474,751
Foreign institutional / company	25.44	25.44	16,790,459	24.42	24.42	16,109,681	28.95	25.44	16,790,459	27.78	24.42	16,109,681
Domestic private individual	3.41	3.41	2,252,337	3.46	3.46	2,284,343	3.88	3.41	2,252,337	3.94	3.46	2,284,343
Foreign private individual	0.04	0.04	24,050	0.04	0.04	28,833	0.05	0.04	24,050	0.05	0.04	28,833
Employees, office holders	0.17	0.17	111,932	0.15	0.15	99,322	0.19	0.17	111,932	0.17	0.15	99,322
Treasury bond	0.00	0.00	2,060	0.00	0.00	2,060	0.00	0.00	2,060	0.00	0.00	2,060
Owner part of state budget ⁴	53.21	53.21	35,115,320	54.11	54.11	35,715,320	56.90	50.00	33,001,020	56.90	50.00	33,001,020
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	66,000,010	100.00	100.00	66,000,010	100.00	87.88	58,000,010	100.00	87.88	58,000,010

¹If 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.	2,060	2,060			

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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	
Bear Stearns Securities Corporation	K	L	3,470,090	5.98	5.26	

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	
Bear Stearns Securities Corporation	K	L	3,470,090	5.26	5.26	

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 2005.)	Beginning of target year (1 January 2006.)	End of target period (31 March 2006.)
Bank	270	268	315
Consolidated	299	299	320

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	13,334
IT	dr. Gábor Borsányi	member	date of PSZÁF permission	5 years after PSZÁF permission	0
IT	Dr. Gyula Czok	member	05.05.2005	20.04.2006	
IT	Dr. Gábor Csányi	member	28.05.2005	28.05.2010	0
IT	Dániel Gyuris	member, CEO	11.01.1999	21.04.2011	20,000
IT	László Harmati	member, Deputy CEO	26.07.2002	21.04.2011	28,192
IT	dr. Károly Salamon	member	date of PSZÁF permission	5 years after PSZÁF permission	0
IT	Dr. Zoltán Szedlacskó	member	23.05.2003	23.05.2008	16,000
IT	Ádám Terták	member	07.06.2004	20.04.2006	
IT	Dr. Márton Vági	member	26.07.2002	21.04.2011	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. Gyula Czok	member	date of PSZÁF permission	5 years after PSZÁF permission	8,000
FB	dr. Gábor Borsányi	member	07.04.2004	20.04.2006	
FB	dr. Károly Salamon	member	07.04.2004	21.04.2006	
FB	Pablo Arnoldo Fritz Sepulveda	member	07.04.2004	21.04.2006	
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	23.03.2006	
FB	Dr. Erik Landgraf	member	date of PSZÁF permission	5 years after PSZÁF permission	0
FB	Mária Szántó	member	date of PSZÁF permission	5 years after PSZÁF permission	0
FB	Nguyen Viet	member	date of PSZÁF permission	5 years after PSZÁF permission	0
SP	Tamás Foltányi	Deputy CEO	01.11.2005	indefinite	0
SP	Jenő Siklós	Deputy CEO	21.10.1997	indefinite	32,810
Shares held (pcs) T O T A L :					123,336

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

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:	01.01.2006 - 03.31.2006	Investor relations:	Péter Bárdos

DATA FORMS RELATED TO PRIORITY NOTIFICATION

ST1. Priority notifications published in the period

Date	Published in/on	Subject, brief content
12.01.2006.	BSE web site	Update of the FHB Ltd's EMTN Programme
12.01.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Update of the FHB Ltd's EMTN Programme
19.01.2006.	Financial Times Tageblatt	Update of the FHB Ltd's EMTN Programme (English)
13.01.2006.	BSE web site	Base Prospectus relating to FHB Land Credit and Mortgage Bank Ltd's EMTN Program.
18.01.2006.	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	Current value of FHB's mortgage bonds and their collaterals as at 31.12.2005.
02.02.2006.	BSE web site	Another euro issue under the EMTN Program of FHB
02.02.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Another euro issue under the EMTN Program of FHB
08.02.2006.	Financial Times Tageblatt	Another euro issue under the EMTN Program of FHB
07.02.2006.	BSE web site	FHB's new strategic plan by has been approved by the Board of Directors
07.02.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB's new strategic plan by has been approved by the Board of Directors
08.02.2006.	BSE web site	Summary presentation of FHB's new strategic plan
13.02.2006	BSE web site	Stock Market Preliminary Report of FHB Land Credit and Mortgage Bank Ltd. for the 4th quarter of 2005
13.02.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Preliminary annual report of FHB Land Credit and Mortgage Bank Ltd. for the year 2005
14.02.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Adjustment of the preliminary annual report of FHB Land Credit and Mortgage Bank Ltd. for the year 2005
17.02.2006.	Financial Times Tageblatt	FHB's new strategic plan by has been approved by the Board of Directors
20.02.2006	BSE web site	FJ11ZF02 Mortgage bond series has been successfully issued
21.02.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FJ11ZF02 Mortgage bond series has been successfully issued
24.02.2006	BSE web site	Additional information to FHB Land Credit and Mortgage Bank Ltd's Mortgage Bond Issuing Program for 2005-2006
27.02.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Additional information to FHB Land Credit and Mortgage Bank Ltd's Mortgage Bond Issuing Program for 2005-2006
27.02.2006	BSE web site	Moody's changes outlook on 7 Hungarian banks' deposit ratings following a similar change on Hungary's sovereign ratings
02.03.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Moody's changes outlook on 7 Hungarian banks' deposit ratings following a similar change on Hungary's sovereign ratings

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Date	Published in/on	Subject, brief content
02.03.2006	BSE web site	Information about FHB signing a multicurrency revolving loan contract
03.03.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Information about FHB signing a multicurrency revolving loan contract
06.03.2006	BSE web site	Repricing the FJ12NV01 mortgage bond
08.03.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Repricing the FJ12NV01 mortgage bond
08.03.2006	BSE web site	Invitation to the Annual General Shareholder's Meeting of FHB Land Credit and Mortgage Bank Ltd.
09.03.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Invitation to the Annual General Shareholder's Meeting of FHB Land Credit and Mortgage Bank Ltd.
08.03.2006	BSE web site	Information on the decision of FHB Rt. to purchase own shares
09.03.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Information on the decision of FHB Rt. to purchase own shares
14.03.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	About the modification of the General Lending Rules
23.03.2006	BSE web site	Péter Heim resigned from its position from Supervisory Board with the effect of 23.04.2006.
27.03.2006	BSE web site Magyar Tőkepiac Napi Gazdaság Világgazdaság	Péter Heim resigned from its position from Supervisory Board with the effect of 23.04.2006.
04.04.2006	BSE web site	Purchase of ordinary shares of series 'A' on April 4, 2006 of FHB Land Credit and Mortgage Bank Ltd
06.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Purchase of ordinary shares of series 'A' on April 4, 2006 of FHB Land Credit and Mortgage Bank Ltd
06.04.2006.	Magyar Tőkepiac Népszabadság Napi Gazdaság Világgazdaság	Invitation to General Meeting for small investors
04.04.2006.	BSE website	Adjustments to the invitation to the General Annual Meeting of FHB
05.04.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Adjustments to the invitation to the General Annual Meeting of FHB
06.04.2006	BÉT web site	Proposals for the Annual General Meeting of FHB
06.04.2006	BSE web site	Extraordinary information of the purchase of FHB ordinary shares of series "A"
07.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Extraordinary information of the purchase of FHB ordinary shares of series "A"
11.04.2006	BSE web site	FHB purchased another 50,000 pieces of own ordinary shares of series „A”
13.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB purchased another 50,000 pieces of own ordinary shares of series „A”
11.04.2006	BSE web site	Quarterly report of FHB Land Credit and Mortgage Bank about the value mortgage bonds and collaterals

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Date	Published in/on	Subject, brief content
20.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Quarterly report of FHB Land Credit and Mortgage Bank about the value mortgage bonds and collaterals
20.04.2006	BSE web site	Resignations from the Board of Directors and the Supervisory Board
21.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Resignations from the Board of Directors and the Supervisory Board
21.04.2006	BSE web site	Resolutions of the 2006 Annual General Meeting
24.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Resolutions of the 2006 Annual General Meeting
21.04.2006	BSE web site	FHB Land Credit and Mortgage Bank purchased own shares
25.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	FHB Land Credit and Mortgage Bank purchased own shares
26.04.2006	BSE web site	Changes in the structure of FHB shares owned by the management due to the fulfilment of the criteria of the share option program for 2005
27.04.2006	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Changes in the structure of FHB shares owned by the management due to the fulfilment of the criteria of the share option program for 2005
28.04.2006.	BSE website	Declaration about FHB's company managing practice, based on the Responsible Company Management Recommendations, published by BSE
28.04.2006	BSE website	FHB's Annual report for the year 2005
28.04.2006.	Magyar Tőkepiac Napi Gazdaság Világgazdaság	Summary of FHB's Annual report for the year 2005