

1<sup>st</sup> Supplement dated May 11, 2009  
to the Base Prospectus dated April 24, 2009



**FHB Mortgage Bank Co. Plc.**  
(FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság)  
(Incorporated with limited liability in the Republic of Hungary)

**€3,000,000,000**  
**Euro Mortgage Securities and Euro Medium Term Note Programme**  
**For the issuance of**  
**Hungarian Mortgage Bonds and Mortgage Notes (jelzáloglevelek) and Notes**

This Supplement (the “*Supplement*”) to the Base Prospectus dated April 24, 2009 (the “*Base Prospectus*”), constitutes a supplement to the Base Prospectus for the purposes of Article 13 of the Luxembourg act dated 10 July 2005 on prospectuses for securities and is prepared in connection with the €3,000,000,000 Euro Mortgage Securities and Euro Medium Term Note Programme for the issuance of Hungarian Mortgage Bonds and Mortgage Notes (jelzáloglevelek) and Notes (the “*Programme*”) established by FHB Mortgage Bank Co. Plc. (FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság) (the “*Issuer*”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus dated 24 April 2009.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Copies of all documents incorporated by reference in the Base Prospectus and this Supplement can be obtained from, and are available on the Luxembourg Stock Exchange’s website at ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer, ([www.fhb.hu](http://www.fhb.hu)) and may be inspected free of charge at the specified office of the Paying Agent. This Supplement No.1 can be obtained from, and are available on the Luxembourg Stock Exchange’s website at ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer, ([www.fhb.hu](http://www.fhb.hu)) and may be inspected free of charge at the specified office of the Paying Agent.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors who have already agreed to purchase or subscribe for the securities before the supplement is published have the right, exercisable within a time limit which shall not be shorter than two working days after the publication of the supplement, to withdraw their acceptances.

## Responsibility Statement

The Issuer is solely responsible for the information given in this Supplement. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best knowledge, in accordance with the facts and contains no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Base Prospectus have the same meaning in this Supplement.

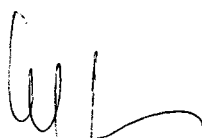
This Supplement shall only be distributed in connection with the Base Prospectus.

The Issuer confirms that the Base Prospectus, as supplemented contains all information with regard to itself and the Hungarian Mortgage Securities (jelzáloglevelek) which is material in the context of the Euro Mortgage Securities Programme and the issue and offering of Hungarian Mortgage Securities (jelzáloglevelek) thereunder; that the information contained therein with respect to the Issuer and the Hungarian Mortgage Securities (jelzáloglevelek) is accurate in all material respect and is not misleading; that any opinions and intentions expressed therein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in the Base Prospectus or this Supplement misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Base Prospectus or this Supplement or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorized by or on behalf of the Issuer or any of the Dealers. The delivery of the Base Prospectus and/or this Supplement at any time does not imply that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in either of them is correct at any time subsequent to its date.

None of the Dealers nor any person mentioned in the Base Prospectus or this Supplement (save for the Issuer) is responsible for the information contained in the Base Prospectus or this Supplement or any document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of those persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

No action has been taken or will be taken to permit the distribution of this Supplement. The distribution of this Supplement in certain jurisdictions may be restricted by law. Persons into whose possession of this Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.



.....  
Gyula Köbli  
CFO

FHB Mortgage Bank Co. Plc.



.....  
János Szuda  
Managing Director

Pursuant to the General Meeting dated 28 April 2009, the Issuer amended its Articles of Association due to the capital increase by issuance of 46.153.999 pieces of special dividend preference shares in accordance with Act CIV of 2008 on the strengthening of the financial intermediation system, by the government. The amendments included changes to the following: classification of the registered capital; sphere of activities of the Issuer; manner of adoptions of resolutions; manner of exercising voting rights; and changes in the members of the Supervisory Board. The new version of the Statutes will be registered by the Court of Registry and will be available on the website of the Issuer ([www.fhb.hu](http://www.fhb.hu)) and may be inspected free of charge at the specified office of the Paying Agent.

This 1<sup>st</sup> Supplement has been produced for the following purposes:

- (1) Updating the list of FHB Mortgage Bank Co. Plc.'s members of Board of Directors and members of the Supervisory Board on page 150 of the Base Prospectus;
- (2) Updating FHB Mortgage Bank Co. Plc.'s structure of the registered capital on pages 152-153 of the Base Prospectus.
- (3) Incorporating by reference the FHB Mortgage Bank Plc.'s Annual Report for 2008 dated 30 April, 2009;

Pursuant to the above the Issuer publishes the following supplement:

### **1. FHB Mortgage Bank Co. Plc.'s members of the Supervisory Board**

The following additional wording shall be added to the text under "Administrative, management and supervisory bodies" on page 150 of the Base Prospectus:

"Ms. Monika Kék resigned from his post as Member of the Supervisory Board at the General Meeting on 28 April 2009. The General Meeting resolved to elect Mr. Csaba Lantos as member of the Supervisory Board as of 29 April, 2009, for a period of five years, until 29 April, 2014, with identical remuneration as the other members of the Supervisory Board."

### **2. FHB Mortgage Bank Co. Plc's structure of the registered capital**

The following additional wording shall be added to the text below "Major Shareholders" on pages 152-153 of the Base Prospectus:

The General Meeting of the Issuer held on 29 April 2009 has amended the Articles of Association of the Issuer in order to reflect the transformation of the series "B" preference shares to series "A" ordinary shares and the establishment of series "C" special dividend preference shares and a series "D" voting preference share with special veto right.

The text on pages 152 and 153 of the Base Prospectus in respect of the ownership structure of the Issuer shall be replaced with the following wording:

*Division of the registered capital* in a breakdown by share types and share classes:

There are 66,000,010 pieces of series "A" ordinary shares at nominal value of HUF 100 each, representing a total nominal value of HUF 6,600,001,000;

There are 46,153,999 pieces of series “C” special dividend preference shares representing rights as set out in the Financial Stabilisation Act (as *defined below on page 202 of the Base Prospectus*) with a nominal value of HUF 100 each; and

A single piece of series “D” voting preference share with special veto right as set out in the Financial Stabilisation Act, with a nominal value of HUF 100.

The registered capital of the Issuer is HUF 11,215,401,000, solely deriving from cash contribution.

### **Redemption of the series “C” and “D” shares by the Issuer**

Should the Issuer exercise its purchase right based on law pursuant to Section 12 of the Financial Stabilisation Act with respect to all of the outstanding shares of series “C” special dividend shares, all rights deriving from the above series “C” special dividend shares and from the series “D” voting preference share with special veto right will cease to exist.

Upon the above redemption by the Issuer of the above series of shares, the redeemed shares will be cancelled without any requirement for the General Meeting of the Issuer to decide on such cancellation and the registered capital of the Issuer will be simultaneously decreased.

Upon the redemption of the series “C” special dividend shares and the series “D” voting preference share with special veto right, the Board of Directors of the Issuer shall, within 30 days of the acquisition of the above shares, execute the cancellation of the redeemed shares and the decrease of the registered capital of the Issuer as well as the Board of Directors shall modify the relevant parts on the Articles of Association of the Issuer.

### **Disposal and transfer rights with respect to the series “C” and “D” shares**

Both the series “C” special dividend preference shares and the series “D” voting preference share with a special veto right can be exclusively owned and held by the Hungarian State and may be purchased by the Issuer exercising the purchase rights granted to it by the Financial Stabilisation Act on the terms as agreed in the agreement (as set out in Section 8 (2) (b) of the Financial Stabilisation Act) between the Issuer and the Hungarian State. The Hungarian State is not entitled to encumber and/or alienate the series “C” shares, except for the events set out in Section 12 of the Financial Stabilisation Act, which cover the events where the Issuer would be entitled or obliged to redeem such shares. The series “D” voting preference share with a special veto right is non-negotiable (i.e. not transferable), any agreement on its encumbrance and/or alienation is therefore, null and void.

### **Rights attached to the series “C” and “D” shares**

#### *Dividend preference rules*

The owner of the series „C” special dividend preference shares is entitled, subsequent to the issue and until sofar of the existence of such shares, to priority dividend right from the after-tax profit of the Issuer in the relevant financial year in an amount of 10.49 per cent. calculated on the issue price of such shares.

Should the dividend basis formed from the after-tax profit of the Issuer be insufficient to cover dividend payments, as set out in the above paragraph, to the owner of the special dividend preference shares, the full amount of the dividend basis shall be exclusively used for dividend payments to the owner of the series “C” special dividend preference shares.

As set out above, if such dividend basis in a respective year would not reach the extent sufficient to cover the amount of dividend payable to the owner of the special dividend shares (i.e. the Hungarian State) any such shortfall in the amount of dividend payable pursuant to the terms of the series “C” shares will not be reimbursed from the dividend bases of the forthcoming financial years.

On the other hand, if dividend basis payable from the after tax profit – after the creation of general reserve – would exceed the extent of dividend payable under the special dividend preference shares as set out above, the shareholders of the Issuer other than the owner of the series “C” and “D” shares shall be entitled to freely dispose over such “surplus” dividend basis free from any exercise of the special veto right under the series “D” share by the Hungarian State. The series “C” special dividend preference shares are non-voting shares.

#### *Rules on the Special Veto Right by the Hungarian State*

The owner of the series “D” voting preference share with special veto right, upon being present in the General Meeting, shall have the right to veto the following decisions of the General Meeting of the Issuer:

- a) decisions on the payment of dividend;
- b) decisions subject to the approval (i.e. 'yes' vote) of the simple majority of voting preference share; and,
- c) decisions subject to the 75 per cent. majority approval by the shareholders.

The voting preference share with special veto right do not entitle its holder for any dividend and the issuance thereof does not affect the rights of other shareholders for dividend.

The special veto right as set out in the present section cannot be exercised in the case of decisions on (i) the increase of the share capital of the Issuer, (ii) the issue of exchangeable notes, (iii) the issue of notes representing subscription rights or (iv) the issue of any other financial instruments as set out in the Act CXXXVIII of 2007 on Investment Enterprises and (v) any decision on the admission to trading on a regulated market or the delisting of the shares of the Issuer from such market.

The shares to be issued in the framework of the capital increase are to be subscribed by the Hungarian State. According to the resolution of the General Meeting the Hungarian State is to submit its declaration of commitment on the subscription of the newly issued shares and on the performance of the payment of the total issue price of the new shares to FHB's Board of Directors within 8 days from the date of the resolution of the General Meeting.

### **3. The FHB Mortgage Bank Plc.'s Annual Report for 2008 dated 30 April, 2009.**

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
Audit report	
Consolidated, audited Profit and Loss Statement as at 31 December 2008.	Page 5
Consolidated, audited Balance Sheet as at 31 December 2008.	Page 6
Consolidated, audited Cash Flow as at 31 December 2008.	Page 7-8
Consolidated, audited Statement of Shareholders' Equity as at 31 December 2008.	Page 9
Notes to the Consolidated Financial Statements	Page 10-60

Any information not listed in the above cross-reference list but included in the document incorporated by reference is given for information purposes only.