



FHB Mortgage Bank Co. Plc.

**FHB MORTGAGE BANK CO. PLC.**  
**(FHB JELZÁLOGBANK NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG)**

(incorporated with limited liability in the Republic of Hungary)

**EUR 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 first supplement (the **First Supplement**) constitutes a supplement for the purposes of Directive 2003/71/EC (the **Prospectus Directive**) and for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law of 10 July 2005 on Prospectuses for Securities (the **Prospectus Act**) implementing the Prospectus Directive. This first Supplement is supplemental to, forms part of, and must be read in conjunction with, the Base Prospectus dated 15 May 2013 (the **Base Prospectus**) prepared by FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*) (the **Issuer**) with respect to the EUR 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**). Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement.

This First Supplement has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the CSSF) in its capacity as competent authority for the purposes of the Prospectus Act. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated under the Programme or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

The Issuer accepts responsibility for the information contained in this First 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 First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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

Copies of this First Supplement and the Base Prospectus and all documents incorporated by reference into the Base Prospectus and in this First Supplement are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.fhb.hu](http://www.fhb.hu)), and such documents are available free of charge from the specified office of any paying agent or the principal office in Luxembourg of Deutsche Bank Luxembourg S.A., being 2, boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg.

## **The purpose of this First Supplement**

This First Supplement has been prepared for the purposes of, *inter alia* (i) incorporating by reference into the Base Prospectus the unaudited IFRS financial statements of the Issuer's Interim Management report for the first quarter of 2013; and (ii) updating the relevant section of the Base Prospectus with recent announcements in respect of the issuer's letter of intent with the shareholders representing more than 76% stake in Díjbeszedő Holding Ltd. (DBH) on long term exclusive strategic cooperation and the change of ownership of DBH; and with recent announcements in respect of the issuer's successful tap of Euro-denominated perpetual floating rate bond (ISIN Code XS0867086042) originally issued on 20 December 2012.

By virtue of this First Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described in the section headed "Information Incorporation by Reference" and "Additions and Amendments to the Base Prospectus" of this First Supplement below and consequential amendments shall be deemed to have been made to page numbering and all cross-references to page numbering in the Base Prospectus.

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### INFORMATION INCORPORATED REFERENCE

In addition to the information incorporated by reference into the Base Prospectus, the following information, which has been previously published or is simultaneously published with this First Supplement and has been submitted to, and filed with, the CSSF shall, by virtue of this First Supplement, be incorporated in, form part of, and complete the list of documents incorporated by reference set out at pages 52 to 53 in, the Base Prospectus.

- (i) Interim Management Report for the first quarter of 2013 dated 17 May 2013 including the information set out at the following pages in particular:

Document	Section incorporated
Interim management report for the first quarter of 2013 (English translation of the original report submitted to the Budapest Stock Exchange) dated 17 May 2013	Pages 1 to 30
Consolidated, unaudited Income Statement "A" version (The table includes the special banking tax for the period of reporting pro rata) and "B" version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 20 to 21
Consolidated, unaudited Financial Position Statement "A" version (The table includes the special banking tax for the period of reporting pro rata) and "B" version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 22 to 23
Consolidated unaudited, Cash Flow Statement "A" version (The table includes the special banking tax for the period of reporting pro rata) and "B" version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 24 to 25
Consolidated, unaudited Statement of Shareholders' Equity Statement "A" version (The table includes the special banking tax for the period of reporting pro rata) and "B" version (The table includes the special	Pages 26 to 27

banking tax for the entire business year) as at 31 March 2013.	
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The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

## ADDITIONS AND AMENDMENTS TO THE BASE PROSPECTUS

This section „Additions and Amendments to the Base Prospectus” details certain amendments that shall be deemed to have been made to the relevant sections of the Base Prospectus organised under the headings as follows:

- I. amendments to the section headed “*Documents Incorporated by Reference*” of the Base Prospectus;
- II. amendments to the section headed “*Description of the Issuer*” of the Base Prospectus;
- III. amendments to the section headed “*General Information*” of the Base Prospectus.

**I. Amendments to the section headed “Documents Incorporated by Reference” of the Base Prospectus at pages 52 to 53**

**1. The list set out in paragraphs (c) to (f) at page 53 shall be deemed to have been deleted in its entirety and replaced with the following list:**

(c) Interim Management Report for the first quarter of 2013 dated 17 May 2013 including the information set out at the following pages in particular:

Document	Section incorporated
Interim management report for the first quarter of 2013 (English translation of the original report submitted to the Budapest Stock Exchange) dated 17 May 2013	Pages 1 to 30
Consolidated, unaudited Income Statement “A” version (The table includes the special banking tax for the period of reporting pro rata) and “B” version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 20 to 21
Consolidated, unaudited Financial Position Statement “A” version (The table includes the special banking tax for the period of reporting pro rata) and “B” version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 22 to 23
Consolidated unaudited, Cash Flow Statement “A” version (The table includes the special banking tax for the period of reporting pro rata) and “B” version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 24 to 25
Consolidated, unaudited Statement of Shareholders’ Equity Statement “A” version (The table includes the special banking tax for the period of reporting pro rata) and “B” version (The table includes the special banking tax for the entire business year) as at 31 March 2013.	Pages 26 to 27
Ownership Structure of FHB Mortgage Bank Co. Plc.	Page 29
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The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

(d) the Articles of Association of the Issuer;

(e) the section "Terms and Conditions of the Mortgage Bonds" from each of the Previous Base Prospectuses relating to the Programme as follows: (a) Base Prospectus dated 8 March 2007 (pages 42-67

thereof); (b) Base Prospectus dated 4 March 2008 (pages 48-74 thereof); (c) Base Prospectus dated 24 April 2009 (pages 48-74 thereof); (d) Base Prospectus dated 28 May 2010 (pages 52-78 thereof); and (e) Base Prospectus dated 31 May 2011 (pages 64-90 thereof);

(f) the section "Terms and Conditions of the Mortgage Notes" from each of the Previous Base Prospectuses relating to the Programme as follows: (a) Base Prospectus dated 4 March 2008 (pages 75-101 thereof); (b) Base Prospectus dated 24 April 2009 (pages 75-101 thereof); (c) Base Prospectus dated 28 May 2010 (pages 79-105 thereof); and (e) Base Prospectus dated 31 May 2011 (pages 91-117 thereof); and

(g) the section "Terms and Conditions of the Notes" from each of the Previous Base Prospectuses relating to the Programme as follows: (a) Base Prospectus dated 8 March 2007 (pages 84-110 thereof); (b) Base Prospectus dated 4 March 2008 (pages 116-144 thereof); (c) Base Prospectus dated 24 April 2009 (pages 116-142 thereof); (d) Base Prospectus dated 28 May 2010 (pages 120-146 thereof); and (e) Base Prospectus dated 31 May 2011 (pages 134-159 thereof).

## **II. Amendments to the section headed "Description of the Issuer" of the Base Prospectus at pages 186 to 216**

### **1. Subsection headed "Business Strategy of the Group" at page 189 shall be deemed to have been supplemented with the following text:**

*Long term exclusive strategic cooperation and the change of ownership of DBH*

FHB has signed a letter of intent with the shareholders representing more than 76% stake in Díjbeszedő Holding Ltd. (DBH) on long term exclusive strategic cooperation and the change of ownership of DBH.

To the letter of intent, that is ensures exclusive negotiating position and involvement of strategic partner for FHB, Magyar Posta Ltd. (hereinafter: "Magyar Posta") – using the option offered by FHB – has acceded on 10 May, 2013 as a strategic partner.

On the basis of the letter of intent Magyar Posta and FHB – those who wish to purchase the shares of DBH – and DBH develop a mid-term and renewable strategic cooperation that contains all the subsidiaries of the three groups of companies. The sphere of activities of the involved corporate groups, especially financial services, delivery, reading of meters and printing are overlapping each other and afterwards a successful transaction give them the opportunity to exploit their natural synergies and to deepen their cooperation based on their mutual advantages. The final contracts are expected to be signed through the summer of 2013 after the financial, legal and information technological due-diligence of DBH and its subsidiaries.

The parties involved have agreed that they do not disclose further details on the transaction in its current phase.

### **2. The last two paragraphs of Subsection headed "Funding, liquidity and capital resources" at page 210 shall be deemed to have been deleted in its entirety and replaced with the following text:**

In 2012, the Issuer issued a HUF-denominated series of Lower Tier 2 subordinated bonds (alárendelt kölcsöntőke) (as defined in section 19 of Schedule 5 to the Credit Institutions Act) with a total face value of HUF 15 billion and a EUR-denominated series of Lower Tier 2 subordinated bonds with a total face value of EUR 50 million. The Issuer repurchased each of these series prior to maturity with the permission of the Hungarian Financial Supervisory Authority on 20 February 2013.

In December 2012, the Issuer issued a EUR-denominated series of Non-core Tier 1 capital securities (alapvető kölcsöntőke) (as defined in section 11 of Schedule 5 to the Credit Institutions Act) with a total face value of EUR 102 million.

The Bank successfully closed a private placement subscription procedure on 13 May 2013 and, on 16 May 2013, tapped the series of Euro-denominated perpetual floating rate bonds (ISIN Code XS0867086042), which was issued with a total face value of EUR 102 million on 20 December 2012, in an aggregate nominal amount of EUR 10 million in a private placement for non-Hungarian investors. The total face value of this series is now EUR 112 million.

**III. Amendments to the section headed “*Generation Information*” of the Base Prospectus at pages 260 to 263**

**1. The subsection headed “*Significant or Material Change*” at page 262 shall be deemed to have been deleted in its entirety and replaced with the following text:**

There has been no significant change in the financial position of the Issuer or its group which has occurred since 31 March 2013 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2012.

## GENERAL INFORMATION

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.

### **Documents available**

The following documents shall be deemed to have been added to the documents listed in the subsection headed "*Documents available*" in the section headed "General Information" of the Base Prospectus at pages 260 to 261 the copies of which will, when published, be available for inspection for a period of 12 months following the date of Base Prospectus from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) Interim management report for the first quarter of 2013 (English translation of the original report submitted to the Budapest Stock Exchange) dated 17 May 2013