

*1st Supplement dated July 28, 2010
to the Base Prospectus dated May 28, 2010*



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 May 28, 2010 (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 May 28, 2010.

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) and on the website of the Issuer, (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) and on the website of the Issuer, (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.



János Szuda
Managing Director

FHB Mortgage Bank Co. Plc.



Rita Bozzai
Director

Pursuant to the extraordinary announcement dated 5 July 2010 of the Issuer concluded a contract with Allianz Hungaria Insurance Co. Ltd. related to their long term exclusive strategic cooperation and the transfer of Allianz Bank Ltd to the Issuer.

This 1st Supplement has been produced for the following purpose:

Updating the chapter “Recent developments” of FHB Mortgage Bank Co. Plc.’s Base Prospectus on pages 181-183.

Pursuant to the above the Issuer publishes the following supplement:

Long term exclusive strategic cooperation between the Allianz Hungaria Insurance co. Ltd. and the FHB Mortgage Bank Co. Plc.

The following additional wording shall be added to the text under “Recent developments” on page 181-183 of the Base Prospectus:

“In in line with the letter of intent signed on June 16, 2010 by FHB Mortgage Bank Co. Plc. (“FHB”) and Allianz Hungaria Insurance Co. Ltd. (“Allianz Hungaria”) referred therein, on July 2, 2010 the parties have concluded the contracts related to their long term exclusive strategic cooperation and the sale and transfer of Allianz Bank Ltd (“Allianz Bank”) to the Company (the “Transaction”).

Completion of the Transaction is subject to several customary conditions precedent. The Parties intend to complete the Transaction until September 30, 2010.

With the conclusion of the contracts the basis for the long term exclusive strategic cooperation between FHB Banking Group and Allianz Hungaria Group has come into existence, namely the following:

On the basis of a share exchange agreement FHB will acquire from Allianz Hungaria 100 percent of the shares of Allianz Bank. As consideration for such acquisition Allianz Hungaria will receive treasury shares from FHB as consideration in kind (1,829,864 ordinary shares) and a cash consideration of approximately HUF 1.1 billion leading to total value of the consideration of appr. HUF 3.8 billion. The final amount of the consideration will be determined after completion of the Transaction based on the value of the own equity of Allianz Bank as at the date of completion.

As a result of such acquisition, the number of the branches of FHB Group will exceed 70.

In the framework of the strategic cooperation and the other agreements related thereof, the sales network of Allianz will participate in selling the dedicated banking, life annuity and investment products of FHB Banking Group, while through its branch network FHB will serve the nearly 2 million clients of Allianz and will distribute the insurance products, pension, health and investment funds of the Hungarian Allianz Group

The strategic cooperation between the two Groups covers a 20 year period and cannot be terminated before the end of the 5th year. In addition, both Allianz Hungaria Group and FHB Banking Group would undertake exclusivity for selling of each other’s products.

The purpose of the parties with the to-be-formed long terms strategic cooperation is to take the advantages of the selling and cross-selling potentials inherent in the clientele of FHB Banking Group and Allianz Hungaria Group – most significantly the costumer base of FHB and Allianz Hungaria - in order to operate their resources in the most effective way.”