

**16 December 2011**

**Extraordinary announcement**

FHB Mortgage Bank Co. Plc. (registered seat: Üllői út 48., 1082 Budapest, Hungary; hereinafter the "**Company**" or "**FHB**" or the "**Bank**") in compliance with its obligation pursuant to section 55 of the Act CXX of 2001 on the Capital Markets on the rules relating to extraordinary announcements and with reference to the extraordinary announcement of the Company dated 16 December 2010 as background to this extraordinary announcement, hereby notifies its Investors as follows:

As it was also disclosed in the extraordinary announcement of the Company dated 16 December 2010, an agreement was concluded between the Hungarian State and the FHB on 28 October 2010 on the basis of the Act XC of 2010 amending the Act CIV of 2008 on promoting the stability of the financial intermediary system (hereinafter the "**Stabilisation Act**") on consideration for the state capital injection (meaning the capital increase approved by the Annual General Meeting of FHB on 28 April 2009 and executed by the Hungarian State pursuant to the agreement on capital increase and interest acquisition concluded between the Hungarian State and FHB on 31 March 2009) which consideration and default interest were paid by the Bank to the Hungarian State on 28 October 2010.

Meanwhile, on 24 January 2011 proceedings were initiated by the European Commission against the Hungarian State on the basis of Article 108 (2) of the Treaty on the Functioning of the European Union concerning the state capital injection and because of these circumstances a new agreement was concluded by the Hungarian State and FHB on 15 December 2011. By virtue of this agreement further consideration and default interest were paid by FHB to the Hungarian State in value of 1,744 million Hungarian Forints on 15 December 2011.

This payment shall be accounted for by the Company as a current year expenditure in 2011.

FHB's expectation is that by means of the additional consideration and default interest paid on the basis of the new agreement above, the proceedings announced by the European Commission can be terminated as soon as possible in such a way that it will be declared that the consideration paid in return for state aid provided by the Hungarian State in the form of capital injection is in accordance with the relevant regulations of the European Union.

**FHB Mortgage Bank Co. Plc.**