



FHB Mortgage Bank Co. Plc.

PUBLIC OFFERING

The FHB Mortgage Bank Co. Plc's (registration number: 01-10-043638, date of registration: 18 March 1998, head office: 1082 Budapest, Üllői út 48.) (hereafter: "Issuer", FHB Nyrt." or "Bank") Board of Directors has a regulation No. 106/2010. (15. December) to launch its Issue Program 2011-2012 with a HUF 200 billion total nominal value for issuance of Hungarian Covered Mortgage Bonds (jelzáloglevelek) and Notes, within the frameworks of it the Issuer is planning to issue different registered covered mortgage bonds' and bonds' series and within the series different tranches. Since there is no universal responsibility between the Issuer and the Managers, the securities issued under the auspices of the Base Prospectus have out of ordinary risks. The Issuer publishes its Base Prospectus on the website of its own and of the BSE, the hard copies are available at the selling places.

The number and date of the license granted by the Hungarian Financial Supervisory Authority (HFSA) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: KE-III-59/2011. 09. February 2011.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue **first** part of FHB Senior unsecured Bond series [FK14NF01](#).

The base of the issue: the resolution No. [183/2011. \(7. October\)](#) of the Assets/Liabilities Committee.

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| 1. | Issuer: | FHB Mortgage Bank Co. Plc. <i>(FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság)</i> |
| 2. | (a) Series Number: | 8 (Under Issue Program 2011-2012) |
| | (b) Tranche Number: | 1 |
| 3. | Aggregate Nominal Amount: | |
| | (a) Series: | Minimum HUF 100,000,000 |
| | (b) Tranche: | Minimum HUF 100.000,000 |
| 4. | Specified Currency or Currencies: | HUF |
| 5. | Issue Price (per Bond): | 76,7316% per Specified Denomination |
| 6. | Specified Denominations: | HUF 10,000 |
| 7. | Number of pieces | |
| | (a) Series: | Minimum 100,000 pieces |
| | (b) Tranche: | Minimum 100,000 pieces |
| 8. | (a) Issue Date: | 14.10.2011 |
| | (b) Interest Commencement Date: | Not Applicable |

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| 9. | Date of Settlement | 18.10.2011 |
| 10. | Value Date: | 18.10.2011 |
| 11. | Maturity Date: | 01.12.2014 |
| 12. | Tenor: | 18.10.2011-01.12.2014 |
| 13. | Interest Basis: | zero coupon |
| 14. | Redemption/Payment Basis: | Redemption at the Specified Denomination |
| 15. | Change of Interest Basis or Redemption/ Payment Basis: | Not Applicable |
| 16. | Put/Call Options: | Not Applicable |
| 17. | Method of the issuance: | Public offering |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 18. | Fixed Rate Bond Provisions | Not Applicable |
| 19. | Floating Rate Bond Provisions | Not Applicable |
| 20. | Zero Coupon Bond Provisions | Not Applicable |
| | (i) Accrual Yield: | 8.85 per cent. per annum |
| | (ii) Reference Price: | 3 Y AKK |
| | (iii) Any other formula/basis of determining amount payable: | Not Applicable |
| | (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: | Not Applicable |
| | (v) Gross Yield | 8.85 per cent. per annum |
| 21. | Index Linked Interest Bond Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 22. | Issuer Call: | Not Applicable |
| 23. | Final Redemption Amount: | HUF10,000 per Specified Denomination |

24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(c)): Condition 5(c) is applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. The type of the Notes: Registered Notes
26. Details relating to the appearance of Notes: Dematerialised Notes and the Deed
27. Representation of the Notes Holders: Non
28. Planned dates of the issuance of new tranches: According to the decision of the Issuer's Asset/Liability Committee
29. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
30. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
31. Change of denomination: Not Applicable
32. Other final terms: Not Applicable

DISTRIBUTION

33. If syndicated, names of Managers: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
34. Stabilising Manager (if any): Not Applicable
35. Market Makers: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
36. Methods of public issuance: Subscription
- (i) Date of Subscription: [12.10.2011 10:00-14.10.2011 11:00 CET](#)
- (ii) Place of Subscription: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
- (iii) Manager: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
- (iv) Upper limit: Not applicable

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| (v) Lower limit: | Not applicable. If the Notes offered by the Issuer for sale are not purchased because no appropriate purchase price is received on the above mentioned accounts the Issuer might decide not to issue any notes. The mode of refunding will be discussed under the heading 'Refunding'. |
| (vi) Issue price: | 76,7316% per Specified Denomination |
| (vii) Method and date of Subscription: | Pursuant to the section III.6 (Rules of the Subscription) of the Base Prospectus of the Issue Program 2011-2012, on 14.10.2011 . |
| (viii) The ratio of the non competitive bids and the total bids: | Not Applicable |
| (ix) Date and place of the allocation: | 14.10.2011 . on the obligatory websites |
| 37. Place of the issuance: | Hungary |
| 38. Potential investors: | Hungarian and foreigner institutional investors, limited partnerships |
| 39. Additional selling restrictions: | Not Applicable |

PROCEDURE

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| 40. Clearing and Settlement: | KELER Zrt. 1075 Budapest, Asbóth u. 9-11. |
| 41. Any clearing system(s) other than KELER and the relevant identification number(s): | Not Applicable |
| 42. Delivery: | DVP |
| 43. Effectuation: | Hungary |
| 44. Crediting: | On security accounts |
| 45. Other paying Agent(s): | Not Applicable |
| 46. Isolated deposit accounts of the Managers and the Issuer: | FHB Bank: 18200009-09000001-82010085 FHB Mortgage Bank: 16801680 09902002 |
| 47. Disbursements, place of payments: | Pursuant to the point 4. (Disbursements) of the section III.3 (Terms and conditions of the notes) of the Base Prospectus of the Issue Program 2011-2012. |
| 48. ISIN code: | HU0000348842 |
| 49. Ticker code: | FK14NF01 |
| 50. Other: | FHB Forte 2014 Zero Coupon Bond |

GENERAL INFORMATION

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| 51. Use of Proceeds: | The Bank uses the proceeds for the sources of mortgage lending. |
| 52. Market making: | Not Applicable |
| 53. Notices, place of disclosure of information | The Public Offering, the Final Terms, the Base Prospectus, an all ordinary and extraordinary notices to Investors with respect to the Notes issued through a public issue shall be published on the website of the Issuer (www.fhb.hu), of the HFSA (www.kozzetetelek.hu) and of the BSE (www.bse.hu). Pursuant to the Decree of Ministry of Finance No. 24/2008 (VIII. 15) the Issuer publishes the regulated information at homepages of the media called Portfolio. The hard copies of the Base Prospectus are available at the selling points. |
| 54. Notes: | The Public Offering, the Final Terms, the Base Prospectus, an all ordinary and extraordinary notices to Investors with respect to the Notes issued through a public issue shall be published on the website of the Issuer (www.fhb.hu), of the HFSA (www.kozzetetelek.hu) and of the BSE (www.bse.hu). Pursuant to the Decree of Ministry of Finance No. 24/2008 (VIII. 15) the Issuer publishes the regulated information at homepages of the media called Portfolio. |
| 55. Governing law: | Hungarian law |

OTHER CONDITIONS

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| 56. Listing and admission to trading application: | |
| (a) Listing: | The Issuer will initiate the listing of the series on the BSE |
| (b) Listing Agent: | Not Applicable |
| (c) Decision on listing: | Resolution 183/2011 (07. October) of the Issuer's Asset/Liability Committee |
| 57. Rating: | The Issuer's rating: Ba1 (Moody's) |
| 58. Licence: | |
| | The number and date of the license granted by the Hungarian Financial Supervisory Authority (HFSA) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: KE-III-59/2011. 09. February 2011. |
| | The base of the issue of the series FK14NF01: the resolution No. 183/2011. (7. October) of the Assets/Liabilities Committee. |
| 59. Interest of the natural and legal entities taking part in the issuance. | None |
| 60. Cost of the issuance: | Less, than 1 per cent. of the total volume to be issued |

61. Yield:

8,85% The yield is calculable on the issue price basis

These Final Terms comprise the final terms required to have admitted to trading the issue of Mortgage Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2011-2012) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

Selling points:

FHB Bank Zrt. 1082 Budapest, Üllői út 48.

Budapest, 11.10.2011.

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Szuda János
Managing Director

FHB Jelzálogbank Nyrt.
Issuer

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Bozzai Rita
Director