



FHB Mortgage Bank Co. Plc.

## PUBLIC OFFERING

Pursuant to the regulation of Board of Directors No. 88/2015. (15. December) of 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") and to the regulation No. IG-W-5/2016 of Board of Directors of the Bank of Hungarian Savings Cooperatives Co. Ltd. (head office: 1122 Budapest, 1122 Budapest, Pethényi köz 10.) the Issuer launches its Issue Program 2016-2017 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. The Issuer at its own discretion, may introduce the series into the Budapest Stock Exchange. 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 National Bank of Hungary (NBH) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: H-KE-III-319/2016 1. April 2016.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue on 12 April 2016 the first part of FHB Covered Mortgage Bond series FJ26NF01 and the FHB will initiate to introduce the series into the BSE.

The base of the issue: the resolution No 59./2016 (06 April 2016) of the Assets/Liabilities Committee.

This document is the Final Terms of the covered mortgage bond series detailed below. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the covered mortgage bonds set forth in the Base Prospectus dated 16 February 2015 (Base Prospectus). This document constitutes the Final Terms of the covered bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the Prospectus Directive) and must be read in conjunction with the Base Prospectus. The Base Prospectus and the Supplements will be publishes on the basis of Article 14 of the Prospectus Directive 2003/71/EC.

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|----|-----------------------------------|--|
| 1. | Issuer:                           | FHB Mortgage Bank Co. Plc.<br>(FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság) |
| 2. | (a) Series Number:                | 1 (Under Issue Program 2016-2017)  |
|    | (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 Mortgage Bond):  | Not Applicable   |
| 6. | Specified Denominations:          | HUF 10,000   |
| 7. | Number of pieces                  |  |
|    | (a) Series:                       | Minimum 10,000 pieces  |
|    | (b) Tranche:                      | Minimum 10,000 pieces  |
| 8. | (a) Issue Date:                   | 12.04.2016   |

(b)	Interest Commencement Date:	14.04.2016
9.	Date of Settlement	14.04.2016
10.	Value Date:	14.04.2016
11.	Maturity Date:	14.04.2026
12.	Tenor:	14.04.2016-14.04.2026
13.	Interest Basis:	Fix interest rate
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

18.	<b>Fixed Rate Mortgage Bond Provisions</b>	Applicable
(i)	Rate(s) of Interest:	3.75 per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	14 April in each year up to and including the Maturity Date.
(iii)	Fixed Coupon Amount per Mortgage Bond:	HUF 375 per Specified Denomination
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Business Day Convention:	Following Business Day Convention
(vii)	Determination Date(s):	14 April in each year thereafter
(viii)	Party responsible for calculating amounts payable:	Paying Agent FHB Bank Zrt. (1082 Budapest, Üllői út 48.)
(ix)	Compound interest:	0 per cent on 14.04.2016
(x)	Other terms relating to the method of calculating interest for Fixed Rate Mortgage Bonds:	None
(xi)	Gross yield	Not Applicable

19.	<b>Floating Rate Mortgage Bond Provisions</b>	Not Applicable
20.	<b>Zero Coupon Mortgage Bond Provisions</b>	Not Applicable
21.	<b>Index Linked Interest Mortgage Bond Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

22.	Issuer Call:	Not Applicable
23.	Investor Put:	Not Applicable
24.	Final Redemption Amount:	HUF 10,000 per Specified Denomination
25.	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(d)):	Condition 5(d) is applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE MORTGAGE BONDS**

26.	The type of the Covered Mortgage Bonds:	Registered Covered Mortgage Bonds
27.	Details relating to the appearance of Mortgage Bonds:	Dematerialised Covered Mortgage Bonds and the Deed
28.	Representation of the Covered Mortgage Bonds Holders:	None
29.	Planned dates of the issuance of new tranches:	According to the decision of the Issuer's Asset/Liability
30.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
31.	Details relating to Partly Paid Mortgage Bonds: 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 Mortgage Bonds and interest due on late payment:	Not Applicable
32.	Change of denomination	Not Applicable
33.	Other final terms:	Not Applicable

## DISTRIBUTION

34. If syndicated, names of Managers: CIB Bank Zrt. 1027 Budapest, Medve u. 4-14., Concorde Értékpapír Zrt. 1123 Budapest, Alkotás u. 50., Erste Befektetési Zrt. 1138 Budapest Népfürdő utca 24-26., FHB Bank Zrt. 1082 Budapest, Üllői út 48., MKB Bank Zrt. 1056 Budapest, Váci utca 38., Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10., UniCredit Bank Hungary Zrt. 1056 Budapest, Szabadság tér 5-6.
35. Stabilising Manager (if any): Not Applicable
36. Market Makers: CIB Bank Zrt. 1027 Budapest, Medve u. 4-14., Concorde Értékpapír Zrt. 1123 Budapest, Alkotás u. 50., Erste Befektetési Zrt. 1138 Budapest Népfürdő utca 24-26., FHB Bank Zrt. 1082 Budapest, Üllői út 48., MKB Bank Zrt. 1056 Budapest, Váci utca 38., Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10., UniCredit Bank Hungary Zrt. 1056 Budapest, Szabadság tér 5-6.
37. Methods of public issuance: [Auction](#)
- (i) Date of auction/ Subscription: [12.04.2016 11:00-12:00 CET](#)
- (ii) Place of auction/ Subscription: Budapest Stock Exchange
- (iii) Manager: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
- (iv) Upper limit: Not applicable
- (v) Lower limit: Not applicable. If the Covered Mortgage Bonds 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 bonds. The mode of refunding will be discussed under the heading 'Refunding'.
- (vi) Auction limit/ Subscription price: Not applicable
- (vii) Auction bid / subscription lower and/or upper limit: Not applicable
- (viii) Method and date of allocation: Pursuant to the point (Allocation) of the section IV.5.2 (Rules of the auctions) of the Base Prospectus of the Issue Program 2016-2017, on [12.04.2016](#).

- (ix) The ratio of the non competitive bids and total bids 30%
- (x) The ratio of the non competitive bids and the competitive bids by members of BSE sections: 30%
- (xi) Date and place of the allocation: [12.04.2016](#)
38. Place of the issuance: Hungary
39. Potential investors: Hungarian and foreigner institutional investors, limited partnerships
40. Additional selling restrictions: Not Applicable

#### PROCEDURE

41. Clearing and Settlement: KELER Zrt. 1074 Budapest, Rákóczi út 70-72.
42. Any clearing system(s) other than KELER and the relevant identification number(s): Not Applicable
43. Delivery: DVP
44. Effectuation: Hungary
45. Crediting: On security accounts
46. Other paying Agent(s): Not Applicable
47. Isolated deposit accounts and fax numbers, and e-mail address of the Managers:
- CIB Bank Zrt. 10700017-00861104-59900005 fax: 36-1-2125162, e-mail: [verzar.zoltan@cib.hu](mailto:verzar.zoltan@cib.hu)  
 Concorde Értékpapír Zrt. 14400018-12281248-10060012 fax : 36-1-4892201 e-mail: [a.vidovszky@con.hu](mailto:a.vidovszky@con.hu)  
 Erste Befektetési Zrt. 14400018-10361966-10060012 fax: 2355190 e-mail: [norbert.siklosi@erstebroker.hu](mailto:norbert.siklosi@erstebroker.hu)  
 FHB Bank: 18200009-09000000-65010894 fax: 36-1-4529245, e-mail: [treasuryfo@fhb.hu](mailto:treasuryfo@fhb.hu)  
 Magyar Takarékszövetkezeti Bank Zrt. 19017004-00201153 fax: 36-1-2012576, e-mail: [konya.peter@tbank.hu](mailto:konya.peter@tbank.hu)  
 MKB Bank Zrt. 10300002-20191196-70383285 fax: 36-1-2687019 e-mail: [schneider.peter@mkb.hu](mailto:schneider.peter@mkb.hu)  
 UniCredit Bank Hungary 19017004-00201098 fax: 36-1-354-2585 e-mail: [gabor.motyovszki@unicreditbank.hu](mailto:gabor.motyovszki@unicreditbank.hu)  
 FHB: 16801680-09011605
48. Disbursements, place of payments: Pursuant to the point 4. (Disbursements) of the section IV.4/A (Terms and conditions of the covered mortgage bonds) of the Base Prospectus of the Issue Program 2016-2017.
49. ISIN code: [HU0000652888](#)
50. Ticker code: [FJ26NF01](#)
51. Other: Not Applicable

#### GENERAL INFORMATION

52. Use of Proceeds: The Bank uses the proceeds for the sources of mortgage lending and for the financing of the Bank Group led by

	the Issuer.
53. Market making:	Managers are entitled but not obliged to act as a market maker for one year from the first day of the listing
54. 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 ( <a href="http://www.fhb.hu">www.fhb.hu</a> ), of the NBH ( <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a> ) and of the BSE ( <a href="http://www.bse.hu">www.bse.hu</a> ). 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.
55. 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 ( <a href="http://www.fhb.hu">www.fhb.hu</a> ), of the NBH ( <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a> ) and of the BSE ( <a href="http://www.bse.hu">www.bse.hu</a> ). 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.
56. Governing law:	Hungarian law

#### OTHER CONDITIONS

57. 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 <a href="#">59./2016 (06.04.2016)</a> of the Issuer's Asset/Liability Committee (GALCO)
58. Rating:	The Issuer's HUF and FX denomination long and short term deposit rating: Caa1 (Moody's) The Covered Mortgage Bonds' rating: Ba1 (Moody's)
59. Licence:	
	The number and date of the license granted by the National Bank Of Hungary (NBH) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue H-KE-III-319/2016. 1. April 2016.
	The base of the issue of the series FJ26NF01: the resolution No. <a href="#">59./2016 (06 April, 2016)</a> of the Assets/Liabilities Committee.
60. Interest of the natural and legal entities taking part in the issuance.	None
61. Cost of the issuance:	Less, than 1 per cent. of the total volume to be issued
62. Yield:	Not Applicable

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Mortgage Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2016-2017) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

The date of the Statement of the Property Supervisor: [31.03.2016](#).

Annex: the Summary of the given Issue, which is identical to the Summary of the Base Prospectus is available only in the Hungarian version of the Final Terms.

Budapest, [08.04.2016](#).

FHB Jelzálogbank Nyrt.  
Issuer