



FHB Mortgage Bank Co. Plc.

PUBLIC OFFERING, FINAL TERMS

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 [second](#) part of FHB Covered Mortgage Bond series [FJ14NF03](#).

The base of the issue: the resolution No. [185/2011. \(7. October \)](#) of the Assets/Liabilities Committee.

1. Issuer: FHB Mortgage Bank Co. Plc.
(*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*)
2. (a) Series Number: [7 \(Under Issue Program 2011-2012\)](#)
(b) Tranche Number: [2](#)
3. Aggregate Nominal Amount:
(a) Series: HUF 500,000,000
(b) Tranche: Minimum HUF 100,000,000
4. Specified Currency or Currencies: HUF
5. Issue Price (per Mortgage Bond): 96,7305% (Gross Price) 96,2309% (Net price) per Specified denomination
6. Specified Denominations: HUF 10,000
7. Number of pieces
(a) Series: 50,000 pieces
(b) Tranche: Minimum 10,000 pieces
8. (a) Issue Date: 12.10.2011
(b) Interest Commencement Date: 20.09.2011

9.	Date of Settlement	13.10.2011
10.	Value Date:	13.10.2011
11.	Maturity Date:	14.11.2014
12.	Tenor:	20.09.2011-14.11.2014
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.	Fixed Rate Mortgage Bond Provisions	Applicable
	(a) Rate(s) of Interest:	25 per cent. non annual basis payable in one sum at maturity
	(b) Interest Payment Date(s):	14 November 2014
	(c) Fixed Coupon Amount per Mortgage Bond:	HUF 2500 per Specified Denomination
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	Actual/365
	(f) Business Day Convention:	Following Business Day Convention
	(g) Determination Date(s):	8 September 2011
	(h) Party responsible for calculating amounts payable:	Paying Agent ING Bank Zrt. (1068 Budapest, Dózsa György út 84/b.)
	(i) Compound interest:	0,4996 per cent. or HUF 50 per Specified Denomination on 13.10.2011
	(j) Other terms relating to the method of calculating interest for Fixed Rate Mortgage Bonds:	None
19.	Floating Rate Mortgage Bond Provisions	Not Applicable

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| 20. | Zero Coupon Mortgage Bond Provisions | Not Applicable |
| 21. | Index Linked Interest Mortgage Bond Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 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

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| 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: | Non |
| 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

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| 34. | If syndicated, names of Managers: | FHB Bank Zrt. 1082 Budapest, Üllői út 48., |
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35. Stabilising Manager (if any): Not Applicable
36. Market Makers: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
37. Methods of public issuance: subscription
- (i) Date of subscription: [10.10.2011 10:00-12.10.2011 11:00 CET](#)
- (ii) Place of auction: FHB Bank Zrt. 1082 Budapest, Üllői út 48.,
- (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 price: 96,7305% (Gross price) 96,2309% (net price) per Specified denomination
- (vii) Method and date of allocation: Pursuant to the point 5. (Allocation) of the section III.6 (Rules of the auctions) of the Base Prospectus of the Issue Program 2011-2012, on [12.10.2011](#).
- (viii) The ratio of the non competitive bids and the total bids: Not applicable
- (xi) Date and place of the allocation: [12.10.2011 on the obligatory websites](#)
38. Place of the issuance: Hungary
39. Potential investors: Hungarian and foreigner retail and institutional investors
40. Additional selling restrictions: Not Applicable

PROCEDURE

41. Clearing and Settlement: KELER Zrt. 1075 Budapest, Asbóth u. 9-11.
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 of the Managers: FHB Bank: 18200009-09000001-82010085
FHB: 16801680 09010109
SWIFT Code FHJB HU HB
48. Disbursements, place of payments: Pursuant to the point 4. (Disbursements) of the section III.3 (Terms and conditions of the covered mortgage bonds) of the Base Prospectus of the Issue Program 2011-2012.
49. ISIN code: [HU0000652656](#)
50. Ticker code: [FJ14NF03](#)
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 (see above) during one year period after the issuance.
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 (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.
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 (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.
56. Governing law: Hungarian law

OTHER CONDITIONS

57. Listing and admission to trading application:
- (a) Listing: Not applicable

(b) Listing Agent: Not applicable
(c) Decision on listing: Not applicable
58. Rating: The Issuer's rating: Ba1 (Moody's)
The Covered Mortgage Bonds' rating: Baa3 (Moody's)

59. 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 FJ14NF03: the resolution No. 185/2011. (07. October) 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: ~~8,65%~~ The yield is calculable on the issue price basis

Törölt: 9,22%

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 (2011-2012) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

The date of the Statement of the Property Supervisor: 30.09.2011

Selling points:
FHB Bank Zrt. 1082 Budapest, Üllői út 48.

Budapest, 07 October 2011.

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Szuda János
Managing Director

FHB Jelzálogbank Nyrt.
Issuer

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Bozzai Rita
Director