



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. 89/2011. (14. December) to launch its Issue Program 2012-2013 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-55/2012. 03. February 2012.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue first part of FHB Senior unsecured Bond series FK14ND01.

The base of the issue: the resolution No. 26/2012. (10. February) of the Assets/Liabilities Committee.

1. Issuer: FHB Mortgage Bank Co. Plc.  
(*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*)
2. (a) Series Number: 1 (Under Issue Program 2012-20132)  
(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): 83,4626% per Specified Denomination
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: 17.02.2012  
(b) Interest Commencement Date: Not Applicable

9.	Date of Settlement	21.02.2012
10.	Value Date:	21.02.2012
11.	Maturity Date:	10.01.2014
12.	Tenor:	21.02.2012-10.01.2014
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

18.	<b>Fixed Rate Bond Provisions</b>	Not Applicable
19.	<b>Floating Rate Bond Provisions</b>	Not Applicable
20.	<b>Zero Coupon Bond Provisions</b>	Applicable
	(i) Accrual Yield:	10.05 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) Day count fraction	Actual/365
	(vi) Gross Yield	10.05 per cent. per annum
	(vii) Party responsible for calculating amounts payable	Paying Agent: FHB Bank Zrt. 1082 Budapest, Üllői út 48.
21.	<b>Index Linked Interest Bond Provisions</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

22.	Issuer Call:	Not Applicable
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|-----|--|---------------------------------------|
| 23. | Final Redemption Amount:   | HUF 10,000 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:         | 15.02.2012 10:00-17.02.2012 10:00 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
(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:	83,4626% 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 2012-2013, on 17.02.2012.
(viii) The ratio of the non competitive bids and the total bids:	Not Applicable
(ix) Date and place of the allocation:	17.02.2012. 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

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: 18200009-09000000-65010014 FHB Mortgage Bank: 16801680-09902404
47. Disbursements, place of payments:	Pursuant to the point 4. (Disbursements) of the section III.4 (Terms and conditions of the notes) of the Base Prospectus of the Issue Program 2012-2013.
48. ISIN code:	HU0000349766
49. Ticker code:	FK14ND01

50. Other: Not Applicable

### GENERAL INFORMATION

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](http://www.fhb.hu)), of the HFSA ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and of the BSE ([www.bse.hu](http://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](http://www.fhb.hu)), of the HFSA ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and of the BSE ([www.bse.hu](http://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

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 26/2012 (10. February) of the Issuer's Asset/Liability Committee

57. Rating: The Issuer's rating: Ba3 (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-55/2012. 03. February 2012.

The base of the issue of the series FK14ND01: the resolution No. 26/2012. (10. February) 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: 10,05% 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 (2012-2013) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

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

Budapest, 14.02.2012.

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Szuda János  
Managing Director

FHB Jelzálogbank Nyrt.  
Issuer

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Bozzai Rita  
Director