

## 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. 108/2009. (17. December) to launch its Issue Program 2010 with a HUF 200 billion total nominal value for issuance of Hungarian Covered Bonds (jelzáloglevelek) and Notes, within the frameworks of it the Issuer is planning to issue different registered covered bonds' and bonds' series and within the series different tranches and to initiate to introduce the series into the Hungarian Stock Exchange (BSE). 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: EN-III./KK-3/2010. 04. February 2010.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue [second](#) part of FHB Senior unsecured Bond series [FK12NI01](#) and the FHB will initiate to introduce the series into the BSE.

The base of the issue: the resolution No. [55/2010. \(30. April \)](#) of the Assets/Liabilities Committee.

1.	Issuer:	FHB Mortgage Bank Co. Plc. ( <i>FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság</i> )
2.	(a) Series Number:	3
	(b) Tranche Number:	<a href="#">2</a>
3.	Aggregate Nominal Amount:	
	(a) Series:	HUF 1,00,000,000
	(b) Tranche:	Minimum HUF 250,000,000
4.	Specified Currency or Currencies:	HUF
5.	Issue Price (per Bond):	102,6712% per specified denomination
6.	Specified Denominations:	HUF 10,000
7.	Number of pieces	
	(a) Series:	160,000 pieces
	(b) Tranche:	Minimum 25,000 pieces
8.	(a) Issue Date:	<a href="#">05.05.2010</a>
	(b) Interest Commencement Date:	09.04.2010
9.	Date of Settlement	<a href="#">07.05.2010</a>
10.	Value Date:	<a href="#">07.05.2010</a>
11.	Maturity Date:	09.04.2012

12. Tenor:	09.04.2010-09.04.2012
13. Interest Basis:	Variable 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 Bond Provisions** Not Applicable

19. **Floating Rate Bond Provisions** Applicable

(a)	Specified Period(s)/Specified Interest Payment Dates:	Quartely in arrear on the interest payment dates falling on or nearest to 9 July, October, January and April each year, subject in each case to adjustment in accordance with the applicable Business Day Convention. First coupon for the first period (09.April 2010-09 July 2010) 8.75% annually
(b)	Business Day Convention:	Following Business Day Convention
(c)	Additional Business Centre(s):	Not Applicable
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Other
(e)	Party responsible for calculating the Rate of Interest and Interest Amount:	Agent ING Bank N.V. Magyarországi Fióktelepe (1068 Budapest, Dózsa György út. 84/b)
(f)	Screen Rate Determination:	Not Applicable
(g)	ISDA Determination:	Not Applicable
(h)	Other Determination	Applicable

- Reference:
- Interest Determination
- Date(s):

CPI published by CSO

Interest Determination Dates	Interest paying dates	y/y CSO CPI
first coupon (8,75%)	2010.07.09.	
2010.07.01.	2010.10.09.	2010. April
2010.10.01.	2011.01.09.	2010. July
2011.01.01.	2011.04.09.	2010. October
2011.04.01.	2011.07.09.	2011. January
2011.07.01.	2011.10.09.	2011. April
2011.10.01.	2012.01.09.	2011. July
2012.01.01.	2012.04.09	2011. October

- Interest calculation method Y/y CSO CPI relating to the relevant coupon paying (if positive, if negative it is 0%) + 325 bp. If there is not available CPI index the Issuer will pay minimum interest rate (see below)
- Screen Rate Determination: Homepage of CSO: ([www.ksh.hu](http://www.ksh.hu))

- (i) Margin(s): +3.25 per cent. per annum
- (j) Minimum Rate of Interest: The 3 month AKK on the interest determination date, or the last one
- (k) Maximum Rate of Interest: Not Applicable
- (l) Day Count Fraction: Actual/Actual
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Mortgage Notes, if different from those set out in the Conditions: Not Applicable

20. **Zero Coupon Bond Provisions** Not Applicable

21. **Index Linked Interest Bond Provisions** 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(c)): Condition 5(c) is applicable

#### GENERAL PROVISIONS APPLICABLE TO THE BONDS

26. The type of the Bonds: Registered Bonds
27. Details relating to the appearance of Bonds: Dematerialised Bonds and the Deed
28. Representation of the Covered 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. Change of denomination: Not Applicable
32. Other final terms: Not Applicable

#### DISTRIBUTION

33. If syndicated, names of Managers: FHB Commercial Bank 1082 Budapest, Üllői út 48.
34. Stabilising Manager (if any): Not Applicable
35. Market Makers: FHB Commercial Bank 1082 Budapest, Üllői út 48.
36. Methods of public issuance: Description
- (i) Date of Description: [03.05.2010 10:00-05.05.2010. 9:30 CET](#)
- (ii) Place of Description: FHB Commercial Bank 1082 Budapest, Üllői út 48.
- (iii) Manager: FHB Commercial Bank 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: Not applicable
- (vii) Method and date of allocation: Pursuant to the section III.6 (Rules of the Auction) of the Base Prospectus of the Issue Program 2010, on [05.05.2010](#).

(viii) The ratio of the non competitive bids and the total bids:	Not Applicable
(ix) Date and place of the allocation:	05.05.2010. 13:30 CET on the obligatory websites
37. Place of the issuance:	Hungary
38. Potential investors:	Hungarian and foreigner retail and institutional investors
39. Additional selling restrictions:	Not Applicable
<b>PROCEDURE</b>	
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:	FHB Commercial Bank: 18200009-09000001-82010085 The Issuer: FHB: 16801680-09901001
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 2010.
48. ISIN code:	HU0000345558
49. Ticker code:	FK12NI01
50. Other:	Not Applicable

#### **GENERAL INFORMATION**

51. 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.
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 ( <a href="http://www.fhb.hu">www.fhb.hu</a> ), of the HFSA ( <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a> ) and of the BSE ( <a href="http://www.bse.hu">www.bse.hu</a> ). The Issuer does its best to pass all the necessary information to the broadest possible publicity in the shortest possible period of time.
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)). The Issuer does its best to pass all the necessary information to the broadest possible publicity in the shortest possible period of time.

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 55/2010 (30.04.2010) of the Issuer's Asset/Liability Committee

58. Rating: The Issuer's 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: EN-III./KK-3/2010. 04. February 2010.

The base of the issue of the series FK12NI01: the resolution No. 55/2010. (30. April) 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: The yield is calculable on the issue price basis

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2010) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

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

Budapest, 30.04.2010.

.....  
Rita Bozzai  
Director

FHB Jelzálogbank Nyrt.  
Issuer

.....  
Károly Herczegh  
Director