



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. 79/2013. (12. December) to launch its Issue Program 2014-2015 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 predecessor of National Bank of Hungary (NBH) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: H-KE-III-179/2014. 24. February 2014.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue on **8 September** 2014 the **first** part of FHB Senior unsecured Bond series **FK14ND02** and the FHB will initiate to introduce the series into the BSE.

The base of the issue: the resolution No. **144/2014. (19. August)** 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 **11 February 2014** (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.

| | | |
|-----|--|--|
| 1. | Issuer: | FHB Mortgage Bank Co. Plc. (FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság) |
| 2. | (a) Series Number: | 6 (Under Issue Program 2014-2015) |
| | (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): | 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: | 08.09.2014 |
| | (b) Interest Commencement Date: | Not Applicable |
| 9. | Date of Settlement | 10.09.2014 |
| 10. | Value Date: | 10.09.2014 |
| 11. | Maturity Date: | 10.12.2014 |
| 12. | Tenor: | 10.09.2014-10.12.2017 |
| 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. | Fixed Rate Bond Provisions | Not Applicable |
|-----|----------------------------|----------------|

| | |
|---|---|
| 19. Floating Rate Bond Provisions | Not Applicable |
| 20. Zero Coupon Bond Provisions | Applicable |
| (i) Accrual Yield: | Not Applicable |
| (ii) Reference Price: | 3 months zero coupon treasury bill |
| (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 Actual/360 |
| (v) Day count fraction | |
| (vi) Gross Yield | Not Applicable |
| (vii) Party responsible for calculating amounts payable | Paying Agent: FHB Bank Zrt. 1082 Budapest, Üllői út 48. |
| 21. Index Linked Interest Bond Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

| | |
|--|---------------------------------------|
| 22. Issuer Call: | Not Applicable |
| 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: | Auction |
| (i) Date of Auction: | 08.09.2014 11:00-12:00 CET |
| (ii) Place of Auction: | 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 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) Auction limit/ Subscription price: | Not Applicable |
| (vii) Auction bid / subscription lower and/or upper limit: | Not applicable |
| (viii) Method and date of Subscription: | Not applicable |
| (ix) The ratio of the non competitive bids and the 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: | 08.09.2014. 14:30 CET BSE on the obligatory websites |
| 37. Place of the issuance: | Hungary |
| 38. Potential investors: | Hungarian and foreigner institutional investors |
| 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 and fax numbers, and e-mail address of the Managers:: | FHB Bank: 18200009-09000000-65010667 fax: 36-1-4529245, e-mail: treasuryfo@fhb.hu FHB: 16801680-09904808 |
| 47. Disbursements, place of payments: | Pursuant to the point 4. (Disbursements) of the section IV.4.B (Terms and conditions of the notes) of the Base Prospectus of the Issue Program 2014-2015. |
| 48. ISIN code: | HU0000355409 |
| 49. Ticker code: | FK14ND02 |
| 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), of the NBH (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 NBH (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

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 [144/2014 \(19. August\)](#) of the Issuer's Asset/Liability Committee
57. Rating: The Issuer's rating: B3 (Moody's)
58. Licence:
The number and date of the license granted by the predecessor of National Bank of Hungary (NBH) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: H-KE-III-179/2014. 24. February 2014
The base of the issue of the series FK14ND02: the resolution No. [144/2014 \(19. August\)](#) 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: Not Applicable

These Final Terms comprise the final terms required to have admitted to trading the issue of Senior Unsecured Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2014-2015) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

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, 05 September 2014.

FHB Jelzálogbank Nyrt.
Issuer