



FHB Jelzálogbank Nyrt.

## 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 21 November 2014 the first part of FHB Senior unsecured Bond FHB Optimum Bond series FK17NV02.

The base of the issue: the resolution No. 190./2014. (29. October 2014) of the Assets/Liabilities Committee.

This document is the Final Terms of the 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 bonds set forth in the Base Prospectus dated 11 February 2014 (Base Prospectus). This document constitutes the Final Terms of the 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:	7 (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):	98,9732% 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:	21.11.2014
	(b) Interest Commencement Date:	24.11.2014
9.	Date of Settlement	24.11.2014
10.	Value Date:	24.11.2014
11.	Maturity Date:	24.11.2017
12.	Tenor:	24.11.2014-24.11.2017

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| 13. Interest Basis:  | Variable Rate: in the first interest period (24.11.2014-24.11.2015) the interest rate is fix 4.15%, from the second interest period the annual interest rate is 2.10% or equal to the Base rate of National Bank of Hungary depends on the higher 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**

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| 18. <b>Fixed Rate Bond Provisions</b>  | Not Applicable   |
| 19. <b>Floating Rate Bond Provisions</b>   | Applicable   |
| (i) Specified Period(s)/Specified Interest Payment Dates:                          | In the first interest period (24.11.2014-24.11.2015) the interest payment day is 24.11.2015, from the second interest period the interest payment day is falling on 24 <sup>th</sup> November each year (24.11.2016; 24.11.2017). The first coupon for the first interest period (24.11.2014-24.11.2015) is 4.15% annually, HUF 415 per Specified denomination. From the second interest period the minimum rate is 2.10% annually: HUF 210  |
| (ii) Business Day Convention:  | Following Business Day Convention  |
| (iii) Additional Business Centre(s):   | Not Applicable   |
| (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: | Other  |
| (v) Party responsible for calculating the Rate of Interest and Interest Amount:    | Agent: FHB Bank Zrt (1082 Budapest, Üllői út 48)   |
| (vi) Screen Rate Determination:  | Applicable   |
| Reference rate:  | Base rate of National Bank of Hungary (if applicable)  |
| Interest rate determination day(s)   | Two working days in Budapest before the commencement of the interest period. In case the interest rate determination date falling on bank holiday, the applicable Business day convention is the Preceding Business Day Convention.  |
| Interest rate calculation  | In the first interest period the interest rate is 4.15% annually, HUF 415 per Specified denomination.<br><br>From the second interest period the Bond pays variable rate annually falling on 24 <sup>th</sup> November each year. The interest rate calculation method is the following: in case the base rate of NBH (fixing two working days before the commencement of the interest period) is higher than 2.10% the annual rate is equal to the base rate, in case the base rate lower than 2.10%, the annual rate is equal to 2.10%<br><br>In case there is no base rate of NBH available, the Issuer applies the interest rate of the previous period. |
| Screen page:   | <a href="http://www.mnb.hu">www.mnb.hu</a>   |
| (vii) ISDA Determination:  | Not Applicable   |
| (viii) Other Determination   | Not Applicable   |
| (ix) Margin(s):  | Not Applicable   |
| (x) Minimum Rate of Interest:  | From the second interest period is 2.10% annually  |

(xi)	Maximum Rate of Interest:	Not Applicable
(xii)	Day Count Fraction:	Actual/365
(xiii)	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.	<b>Zero Coupon Bond Provisions</b>	Not Applicable
21.	<b>Index Linked Interest Bond Provisions</b>	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 BONDS**

25.	The type of the Bonds:	Registered Bonds
26.	Details relating to the appearance of Bonds:	Dematerialised Bonds and the Deed
27.	Representation of the Covered Bonds Holders:	Non
28.	Planned dates of the issuance of new tranches:	According to the decision of the Issuer's Asset/Liability
29.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
30.	Other special provisions relating to Payment Dates:	The principal of the bonds will be paid at maturity (24.11.2017) in one sum.
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 Description:	19.11.2014 09:30-21.11.2014 10:00 CET
(ii)	Place of Description:	FHB Bank Zrt. 1082 Budapest, Üllői út 48.
(iii)	Manager:	FHB Bank Zrt. 1082 Budapest, Üllői út 48.
(iv)	Upper limit:	The Issuer has the right to accept oversubscription.
(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/ Issue price:	98.9732% per specified denomination

(vii) Auction bid / subscription lower and/or upper limit:	the minimal bid value is HUF 100,000,000
(viii) Method and date of allocation:	In case of oversubscription the Issuer has the right to accept totally or partially the subscribed volume. In case of partial acceptance the allocation is on the basis of card distribution method, which is taken place by the following way: in the first round the Issuer accepts the total subscription of the FHB Bank Zrt. and in the following rounds each subscriber receives 10,000 piece of bond, until the bonds run out. The date of allocation is 21.11.2014.
(ix) The ratio of the non competitive bids and the total bids on the total market basis:	Not Applicable
(x) The ratio of the non competitive bids and the competitive bid by section members	Not applicable
(xi) Date and place of the allocation:	21.11.2014. on the obligatory websites
37. Place of the issuance:	Hungary
38. Potential investors:	Hungarian and foreign 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 of the Managers:	FHB Commercial Bank: 18200009-09000000-65010715 The Issuer: FHB: 16801680-09905005 36-1-452-9245 <a href="mailto:treasuryfo@fhb.hu">treasuryfo@fhb.hu</a> (FHB Bank Zrt.)
Fax:	
E-mail:	
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 2014-2015.
48. ISIN code:	HU0000355763
49. Ticker code:	FK17NV02
50. Other:	FHB Optimum Bond

#### 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 ([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: Not applicable

(b) Listing Agent: Not applicable

(c) Decision on listing: Not applicable

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 FK17NV02: the resolution No190./2014. (29 October) 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, 18 November 2014.

FHB Jelzálogbank Nyrt.  
Issuer