



FHB Jelzálogbank Nyrt.

PUBLIC OFFERING

Pursuant to the regulation of Board of Directors No. 127/2017. (02. November) of 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") and to the approval of Board of Directors of the Bank of Hungarian Savings Cooperatives Co. Ltd. (head office: 1122 Budapest, Pethényi köz 10.), and to the Statement as of 18. December 2017 the Issuer launches its Issue Program 2018-2019 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, pursuant to the section 38 subsection 4/b of Act CXX of 2001 on the Capital Market the securities issued under the auspices of the Base Prospectus have extraordinary 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 National Bank of Hungary (NBH) to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: H-KE-III-100/2018 23. February 2018.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue on 13 March 2018 the first part of FHB Senior unsecured Bond series FK20NV01. The base of the issue: the resolution No. 10./2018. (2 March 2018) 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 14 January 2013 (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:	2 (Issue Program 2018-2019)
	(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):	100.0000% 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:	13.03.2018
	(b) Interest Commencement Date:	14.03.2018
9.	Date of Settlement	14.03.2018
10.	Value Date:	14.03.2018
11.	Maturity Date:	12.03.2020
12.	Tenor:	14.03.2018-12.03.2020

13. Interest Basis:	Variable Rate, in the first interest period period (14 March 2018-12 June 2018) short first coupon 0.34% annually. From the second interest period the bond pays variable rate falling on or nearest to 12 March, June, September and December each year, determined on the basis of the 3M BUBOR + 0,32%.
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
(i) Specified Period(s)/Specified Interest Payment Dates:	12.06.2018, 12.09.2018, 12.12.2018, 12.03.2019, 12.06.2019, 12.09.2019, 12.12.2019, 12.03.2020
(ii) Business Day Convention:	Following Business Day Convention (unadjusted)
(iii) Additional Business Centre(s):	Not Applicable
(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(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:	3M BUBOR
Interest Rate calculation	In the first interest period the initial interest rate is 0.34% annually. From the second interest period the bond pays variable rate falling on or nearest to 12 March, June, September and December each year. From the second interest period the interest rate calculation method is the following: the annual rate is equal to the 3 month BUBOR + 0.32%. If the National Bank of Hungary publishes same type of interest rate instead of 3M BUBOR, that will be taken in to account, if there is not available 3M BUBOR, the Issuer will pay the rate of the previous coupon of the previous interest paying date.
Interest rate determination day(s)	For the first interest period: 28.02.2018, from the second interest periods the interest determination days are the followings: the second preceding calendar day from the last working day of the month preceding the month of re-pricing due in line with the interest rate period of the reference rate. In case the interest rate determination date falling on bank holiday, the applicable Business day convention is the Preceding Business Day Convention.
Screen page:	Reuters BUHUF3MD=
(vii) ISDA Determination:	Not Applicable
(viii) Other Determination	Not Applicable
(ix) Margin(s):	3M BUBOR +0.32 per cent. per annum

(x)	Minimum Rate of Interest:	0.01%
(xi)	Maximum Rate of Interest:	Not Applicable
(xii)	Day Count Fraction:	Actual/360
(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.	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)	Not Applicable
31.	Other special provisions relating to Payment Dates:	Not applicable
32.	Change of denomination	Not Applicable
33.	Other final terms:	Not Applicable

DISTRIBUTION

34.	If syndicated, names of Managers:	Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.,
35.	Stabilising Manager (if any):	Not Applicable
36.	Market Makers:	Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.,
37.	Methods of public issuance:	Subscription
(i)	Date of Description:	09.03.2018 10:00 CET-13.03.2018. 10:00 CET
(ii)	Place of Description:	Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.
(iii)	Manager:	Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.

(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:	100.0000% per specified denomination
(vii) Auction bid / subscription lower and/or upper limit:	Not applicable
(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 Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.. and in the following rounds each subscriber receives one piece of bond, until the bonds run out. The date of allocation is 13.03.2018.
(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:	13.03.2018. on the obligatory websites
38. Place of the issuance:	Hungary
39. Potential investors:	Hungarian and foreign institutional investors, limited partnerships
40. Additional selling restrictions:	Not Applicable

PROCEDURE

41. Clearing and Settlement:	KELER Zrt. 1074 Budapest, Rákóczi út 70-72.
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:	Magyar Takarékszövetkezeti Bank Zrt. 19017004-00201153 fax: 36-1-2012576, FHB Nyrt: 16801680-09905706
Fax:	
E-mail:	konya.peter@tbank.hu
48. 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 2018-2019.
49. ISIN code:	HU0000358239
50. Ticker code:	FK20NV01

51. Other: Not Applicable

GENERAL INFORMATION

52. Use of Proceeds: The Bank uses the proceeds for the sources of the refinancing activity.

53. Market making: A Takarékszövetkezeti Bank Zrt firm market making

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: The resolution No. 10/2018. (02 March) of the Assets/Liabilities Committee

58. Rating: The Issuer's long and short term FX and HUF denominated deposits rating: B1 (Moody's)

59. Licence:

The number and date of the license granted by the National Bank of Hungary to publish the Base Prospectus of the Issue Program and the disclosure of the public issue: H-KE-III-100/2018. 23 February 2018

The base of the issue of the series FK20NV01: the resolution No.10/2018. (02. March) 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: Not applicable

These Final Terms comprise the final terms required to have admitted to trading the issue of Senior Uncesured Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2018-2019) of FHB Mortgage Bank Co. Plc. (FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság).

Annex: the Summary of the given Issue is available only in the Hungarian version of the Final Terms.

Budapest, 08.03.2018.

FHB Jelzálogbank Nyrt.
Issuer