



FHB Mortgage Bank Co. Plc.

PUBLIC OFFERING

Pursuant to the regulation of Board of Directors No. 2/2017. (20. January) 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 regulation No. IG-W-6/2017 of Board of Directors of the Bank of Hungarian Savings Cooperatives Co. Ltd. (head office: 1122 Budapest, Pethényi köz 10.) the Issuer launches its Issue Program 2017-2018 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 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-208/2017 30. March 2017.

Pursuant to the Issue Program referred above the Issuer publicly offers to issue on 10 May 2017 the first part of FHB Covered Mortgage Bond series FJ20NV03 and the FHB will initiate to introduce the series into the BSE.

The base of the issue: the resolution No. 88/2017. (25 April 2017) 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 3 March 2017 (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.

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|-----|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Issuer: | FHB Mortgage Bank Co. Plc.
(FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság) |
| 2. | (a) Series Number: | 1 (Under Issue Program 2017-2018) |
| | (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 Mortgage 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: | 10.05.2017 |
| | (b) Interest Commencement Date: | 12.05.2017 |
| 9. | Date of Settlement | 12.05.2017 |
| 10. | Value Date: | 12.05.2017 |
| 11. | Maturity Date: | 12.05.2020 |
| 12. | Tenor: | 12.05.2017-12.05.2020 |
| 13. | Interest Basis: | Floating interest rate, in the first interest period (12.05.2017-12.08.2017) the coupon is: 0.36% annually. From the second interest period the covered bond pays variable rate falling on 12 February, May, August and November. |
| 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 Mortgage Bond Provisions	Not Applicable
19. Floating Rate Mortgage Bond Provisions	Applicable
(i) Specified Period(s)/Specified Interest Payment Dates:	12.08.2017., 12.11.2017., 12.02.2018., 12.05.2018., 12.08.2018., 12.11.2018., 12.02.2019., 12.05.2019., 12.08.2019., 12.11.2019., 12.02.2020., 12.05.2020.
(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:	3 Month BUBOR
- Interest Rate calculation	In the first interest period the initial interest rate is 0.36% annually. From the second interest period the Bond pays variable rate falling on 12th February, May, August, November 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 + 0.20%. 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. For the first interest period: 26.04.2017, 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.
- Interest rate determination day(s)	www.mnb.hu
- Screen page:	www.mnb.hu
(vii) ISDA Determination:	Not Applicable
(viii) Other Determination	Not Applicable
(ix) Margin(s):	3 Month BUBOR + 0.20%
(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 Mortgage Bond Provisions	Not Applicable
21. Index Linked Interest Mortgage 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(d)):	Condition 5(d) is applicable

GENERAL PROVISIONS APPLICABLE TO THE MORTGAGE BONDS

26.	The type of the Covered Mortgage Bonds:	Registered Covered Mortgage Bonds
27.	Details relating to the appearance of Mortgage Bonds:	Dematerialised Covered Mortgage Bonds and the Deed
28.	Representation of the Covered Mortgage Bonds Holders:	None
29.	Planned dates of the issuance of new tranches:	According to the decision of the Issuer's Asset/Liability Committee
30.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
31.	Details relating to Partly Paid Mortgage Bonds: 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 Mortgage Bonds and interest due on late payment:	Not Applicable
32.	Change of denomination	Not Applicable
33.	Other final terms:	Not Applicable

DISTRIBUTION

34.	If syndicated, names of Managers:	Concorde Értékpapír Zrt. 1123 Budapest, Alkotás u. 50., Erste Befektetési Zrt. 1138 Budapest Népfürdő utca 24-26., FHB Bank Zrt. 1082 Budapest, Üllői út 48., MKB Bank Zrt. 1056 Budapest, Váci utca 38., Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.,
35.	Stabilising Manager (if any):	Not Applicable
36.	Market Makers:	Concorde Értékpapír Zrt. 1123 Budapest, Alkotás u. 50., Erste Befektetési Zrt. 1138 Budapest Népfürdő utca 24-26., FHB Bank Zrt. 1082 Budapest, Üllői út 48., MKB Bank Zrt. 1056 Budapest, Váci utca 38., Magyar Takarékszövetkezeti Bank Zrt. 1122 Budapest, Pethényi köz 10.
37.	Methods of public issuance:	Auction
	(i) Date of auction/ Subscription:	10.05.2017. 10:00-11:00 CET
	(ii) Place of auction/ Subscription:	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 Covered Mortgage Bonds 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 bonds. 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 allocation:	Pursuant to the point (Allocation) of the section IV.5.2 (Rules of the auctions) 5.2.1.6 Allocation sub-point of the Base Prospectus of the Issue Program 2017-2018, on 10.05.2017 .
	(ix) The ratio of the non competitive bids and total bids	Not applicable
	(x) The ratio of the non competitive bids and the competitive bids by members of BSE sections:	Not applicable
	(xi) Date and place of the allocation:	10.05.2017 12:30 CET BSE
38.	Place of the issuance:	Hungary
39.	Potential investors:	Hungarian and foreigner 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 and fax numbers, and e-mail address of the Managers:
- Concorde Értékpapír Zrt. 14400018-12281248-10060012
fax: 36-1-4892201 e-mail: a.vidovszky@con.hu
Erste Befektetési Zrt. 14400018-10361966-10060012 fax:
2355190 e-mail. norbert.siklosi@erstebroker.hu
FHB Bank Zrt. 1082 Budapest, Üllői út 48.: 18200009-
09000000-65011015 fax:36-1- 4529245, e-mail:
treasuryfo@fhb.hu
MKB Bank Zrt. 10300002-20191196-70383285, fax. 36-1-
2687019 e-mail.treasurytrading@mkb.hu
Magyar Takarékszövetkezeti Bank Zrt. 19017004-00201153
fax: 36-1-2012576, e-mail: konya.peter@tbank.hu
FHB Nyrt: 16801680-09012204
48. Disbursements, place of payments: Pursuant to the point 4. (Disbursements) of the section IV.4/A (Terms and conditions of the covered mortgage bonds) of the Base Prospectus of the Issue Program 2017-2018.
49. ISIN code: HU0000653027
50. Ticker code: FJ20NV03
51. Other: Not Applicable

GENERAL INFORMATION

52. 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.
53. Market making: Manager (see above) applies market making on Bloomberg (FHBC)
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 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.
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 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.
56. Governing law: Hungarian law

OTHER CONDITIONS

57. 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 [88/2017 \(25.04.2017\)](#) of the Issuer's Asset/Liability Committee (GALCO)

58. Rating:

The Issuer's long and short term FX and HUF denominated deposits rating: B2 (Moody's), review for further upgrade
The Covered Mortgage Bonds' rating: Baa2 (Moody's)

59. Licence:

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-208/2017. 30. March 2017.](#)

The base of the issue of the series FJ20NV03: the resolution No. [88./2017. \(25. April 2017\)](#) 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 list and have admitted to trading the issue of Mortgage Bonds described herein pursuant to the HUF 200,000,000,000 Mortgage Bond and Note Program (2017-2018) of FHB Mortgage Bank Co. Plc. (*FHB Jelzálogbank Nyilvánosan Működő Részvénytársaság*).

The date of the Statement of the Property Supervisor: 25.04.2017.

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, 09.05.2017.

FHB Jelzálogbank Nyrt.
Issuer