ÁKK: Fulfilment of the 2026 Financing Plan in the first three quarters of 2026

Budapest, 2 October 2026.

During the third quarter of the year, strong auction demand and increasing yield level were the general characteristics of the government securities market in spite of Hungarian yields shifting upwards in parallel to yields on developed markets. As a result, the fulfilment of the Financing Plan of the Government Debt Management Agency Pte. Ltd. ("ÁKK") announced in September 2026 exceeded the prorated amount until the end of September.
According to the bill handed in to the Parliament amending the 2026 budget, the 2026 government deficit will increase. As a result of the higher deficit and the increase of liquid reserves linked to among others EU funding ÁKK increased the gross planned issuance to HUF 20,414 billion. 78% of this gross financing need was completed exceeding the prorated basis.
Regarding the three main pillars of funding, 77% of gross planned retail securities issuance was completed. In case of HUF institutional financing, the completion rate was close to 82%. As a result of the EUR 3 billion July issuance, the total FX bond issuance planned for this year was completed. The 69% completion rate in case of the third pillar is slightly lower than the prorated because RRF funding of close to EUR 3 billion will only be available in December
Strong auction demand and the decrease of Hungarian spreads in spite of turbulent external environment are clear signs of market trust. The structure of financing is balanced; the funding of the state is stable. As a result of adequate demand for government securities and favourable cash-flow balance of the budget, the liquid reserves of the state increased to HUF 5,500 billion, an all-time high in July, and will remain high until the end of the quarter.

During the first nine months of the ongoing year, demand for government securities was outstanding and yield levels decreased significantly relative to the beginning of the year. As a result, the fulfilment of the 2026 financing plan exceeded the prorated amount. On the institutional market, positive market sentiment and strong investor demand enabled ÁKK to cover the financing need of the state in the third quarter at yield levels well below the previous level at stable spread level relative to yields on developed economies in spite of turbulent external environment. As a result of strong investor demand, the debt manager accumulated ample liquid reserves for the remainder of the year. Consequently, the financial situation of the operation of the state is safe and sound, financing of the state is stable.

According to the amendment of the 2026 budget, the net financing need increased from HUF 5,445 billion to HUF 7,110 billion. In order to increase liquid reserves, the Financing Plan announced in September 2026 contemplates a net issuance of HUF 8,717 billion – exceeding the net financing need – and a gross issuance of HUF 20,414 billion. Retail securities, HUF institutional government securities and loans, FX institutional securities and loans will cover the state deficit and maturing debt as described in Table 1 below:

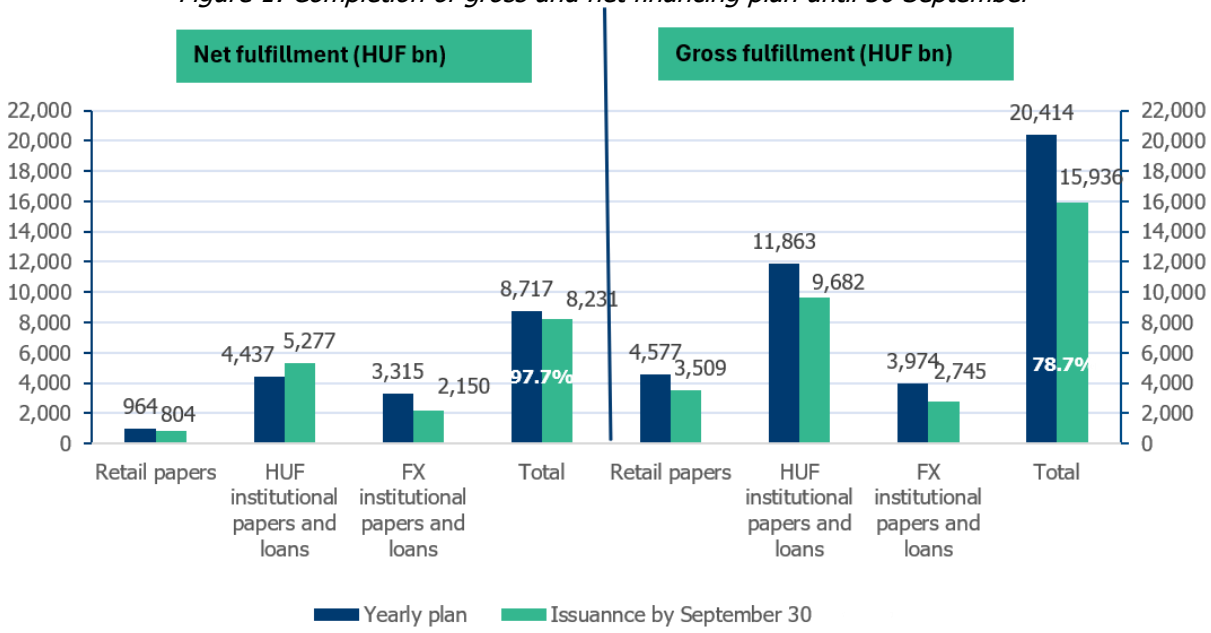
Table1.: Distribution of the three financing pillar in the 2026 Financing Plan announced in September

	Net Planned Amounts		Gross Planned Amounts	
	HUF Billions	**%**	**HUF Billions**	**%**
(1) Retail Securities	964	11.1	4,577	22.4
(2) HUF Institutional Securities and Loans	4,437	50.9	11,863	58.1
(3) FX Institutional Securities and Loans	3,315	38.0	3,974	19.5
Total	8,717	100.0	20,414	100.0

Note: For methodological remarks, see the text box at the end of the document!
Source: ÁKK

Until the end of the third quarter, gross issuance reached HUF 15,936 billion equalling 78.1% of the planned amount increased to HUF 20,414 billion. Until the end of September, 76.7% of the planned amount for the whole year was completed. The completion rate is 81.6% in case of HUF institutional financing and 69.1% in case of FX institutional financing. Consequently, completion rates exceeded the prorated value planned for the first nine months of the year in case of aggregate level and the local currency segment. FX financing lagging behind the prorated amount is the result of Hungary drawing down RRF loans in the amount of close to EUR 3 billion in December 2026 in line with the agreement between the Government and the EU. As a result of the EUR 3 billion FX bond issuance in early July, institutional FX bond issuance planned for 2026 was completed by the end of the third quarter.

Figure 1: Completion of gross and net financing plan until 30 September



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Source: ÁKK

Of the HUF 8,717 billion planned net financing for the ongoing year, HUF 8,231 billion was completed until 30 September, equalling 97.7% of the planned amount for the first nine months of the year covering 94.4% of the net financing need for the whole year. (Figure 1) In case of net financing, the contribution of HUF and FX institutional instruments amounted to HUF 5,277 billion and HUF 2,150 billion, respectively. In case of retail securities, the net issuance amounted to HUF 804 billion in the first nine months of the year.

HUF Institutional Market

Demand was strong for the first two quarter of the year overall, but uneven during the third quarter. The significant drop of Hungarian yield levels even relative to regional peers is the positive effect of the Hungarian Government's strong commitment to euro adoption. During the first half of the year, the 10-year government bond yield dropped from the 7.0%-7.5% level (similar to Romania) to below-6% level (below the level of Poland). During the third quarter, Hungarian yields increased in line with the yield increase on developed market with stable spread level. **On HUF institutional market, net issuance amounted to HUF 5,277 billion and gross issuance amounted to HUF 9,682 billion during the first three quarters of the year.** As a result, 81.0% of the planned gross issuance for the whole year was completed until the end of September in case of institutional HUF bonds. Until the end of September, 87.1% of the planned gross issuance for the whole year was completed in case of treasury bills maturing after December 31, 2026 (serving primarily as liquidity management tool). ÁKK has not taken HUF loans until the end of the third quarter.

Beginning with the second quarter, investor sentiment improved significantly on the institutional market. As a result, auction demand for HUF government bonds and treasury bills increased during the past six months amid yield level below that of the first quarter of the year. On government bond auctions, total demand amounted to HUF 7,904 billion against an offered amount of HUF 1,805 billion during the first three quarters of the year. Of this amount, ÁKK accepted HUF 3,578 billion. Including non-competitive tenders, ÁKK issued institutional government bonds in the amount of HUF 4,193 billion. In addition, the debt manager exchanged securities with shorter maturities in the amount of HUF 1,402 billion for securities with longer maturities (exceeding one year) on switch auctions during the first nine months of 2026. Average bid-to-cover ratio amounted to 1.65 in case of treasury bill auctions. Until the end of the third quarter of the year, bid-to-cover ratio for bonds amounted to 2.21 exceeding on aggregate level and all maturities the two times oversubscription level equalling the average of previous years indicating healthy investor demand. (Figure 2)

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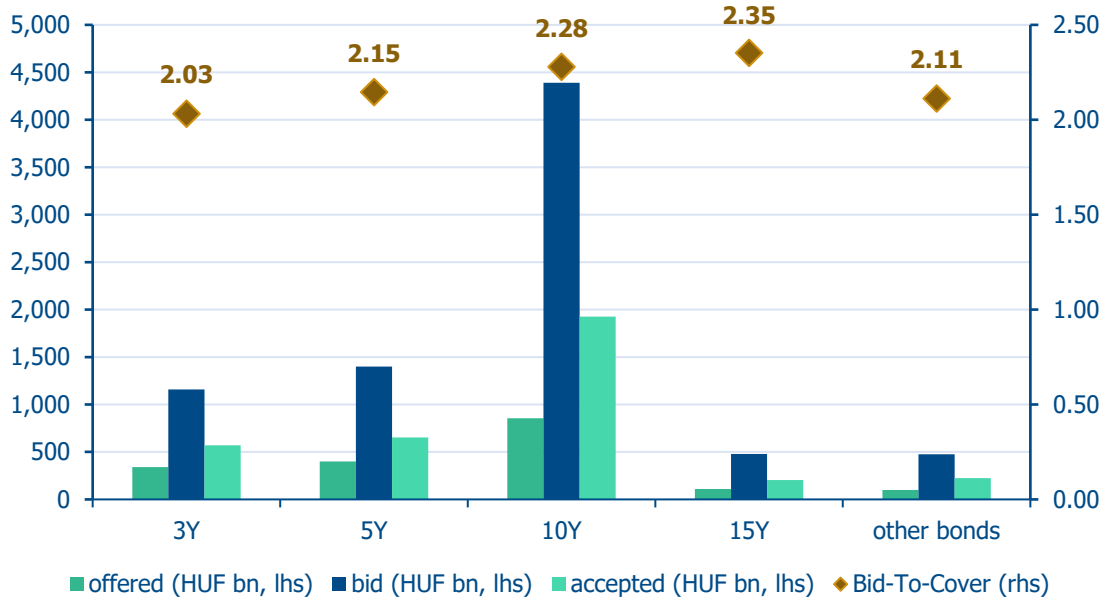
Figure 2: Auction demand and bid-to-cover ratios on each tenor during the first nine months of 2026



Source: ÁKK

Retail Market

Based on the experience of the first nine months, demand on the retail market remained strong in spite of the yield decreases. Government securities remained one of the most important investment assets of households. The stock of government securities owned by households grows steadily, the pricing of retail securities was adjusted to the institutional securities market yield level. In the Financing Plan announced in September 2026, the debt manager increased the whole year net planned issuance of government securities to households from HUF 1,000 billion to HUF 1,227 billion. The stock of retail and institutional government securities owned by households reached HUF 14,663 billion indicating an increase of HUF 1,088 billion that is close to the planned level.

In addition to retail securities, households are buying institutional government securities, too. The stock of institutional government bonds owned by households decreased by HUF 25 billion, but the stock of treasury bills owned by households increased by HUF 8 billion until the end of the third quarter. As a result, these transactions decreased the stock of government securities investments of households by HUF 17 billion.

This year, the rebalancing of the retail portfolio into fixed-rate instruments continued supporting the stabilisation of debt financing costs. As a result of strengthening demand for fixed-rate government securities, the stock of FixMÁP increased by HUF 1,549.9 billion. (Figure 3) The share of fixed rate instruments relative to total retail government securities grew from 44.1% at the beginning of the year to 57.9% by the end of September. Regarding the two floating-rate HUF government securities, the stock of PMÁP decreased by HUF 1,026.4 billion to HUF 2,683 billion, and the stock of PMÁP declined by HUF 339.8 billion to HUF 1,731 billion.

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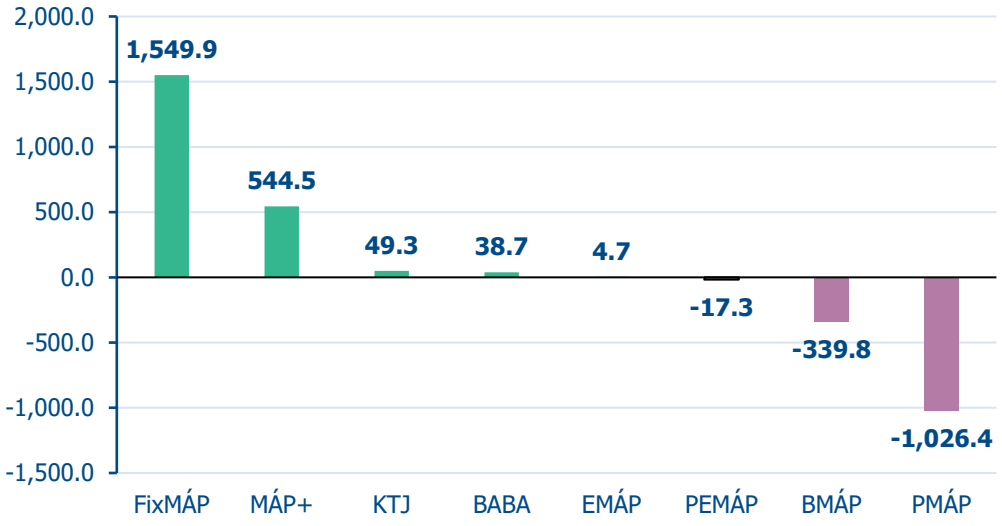
During the third quarter, ÁKK bought back retail securities previously issued from Distributors in order to decrease the debt service costs. The debt manager bought back retail securities with yield levels of at least 6% from Distributors in the amount of HUF 384.4 billion. ÁKK reduced interest expenditures significantly by buying back securities with yield above market level. The debt manager will utilise buy-backs in the future in case market and liquidity situation make it feasible. Moreover, ÁKK suspended the government securities exchange program introduced in April 2025 that enabled Distributors to exchange the government securities they bought back from households for on-the-run retail government securities.

Figure 3: Change of stock of retail securities
(HUF billions, between January 1, 2026. and Septemeber 30, 2026.)



Source: ÁKK

FX Market

Regarding international FX financing, 64.9% of the HUF 3,315 billion whole year net financing was completed until September 30, 2026. Net issuance in the amount of HUF 2,150 billion was completed through the EUR 3 billion January FX bond issuance, the USD 1.2 billion tap issue and the EUR 3 billion July FX bond issuance. The oversubscription rate of over three and decreasing spreads indicate sustained and strong trust towards Hungary among international investors.

The completion rate of gross issuance is also favourable. During the first three quarters of the year, international debt issuance was completed in the amount of HUF 2,745 billion equalling 69.1% of the full year planned amount of HUF 3,974 billion. Within this, 100% of the planned international bond issuance was completed. In case of FX loans, only 9.9% of gross planned issuance was completed by the end of September, significantly lower than the whole year planned amount, mainly because the majority of the full year planned amount consists of the draw-down of RRF loans scheduled for December 2026. By the end of the ongoing year, the EU will reimburse the prefinancing provided to comply with the RRF agreement in the form of grants and loans.

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International funding contributed to the increase of liquid reserves enhancing the stability of financing and the budget even in uncertain international and geopolitical environment. The completed transactions support the diversification goal of ÁKK. As a result of hedging transactions, 100% of FX debt is effectively denominated in euros. FX funding enhances the flexibility of debt management and increases intra-year liquid reserves. These steps create opportunities to optimise the debt portfolio depending on market movements.

Debt Management Indicators

The risk profile of the debt is in line with the main benchmark indicators derived from the internal risk model of ÁKK. The benchmark targets remained unchanged during the 2026 September revision of the Financing Plan. As of September 30, debt owned by households amounted to 22.1% of total debt. The FX share of the central government debt is currently 28.4%, remaining below the long-term historical average and within the optimal tolerance band determined by ÁKK. Within total debt, the share of fixed-rate instruments is 75.8%. Regarding total debt, average remaining time to maturity (ATM) reached 5.4 years. This indicator will temporarily fall slightly below the target due to the prefinancing of EU funds until the arrival of these funds. The average remaining time to re-pricing (ATR) amounted to 4.9 years, this is in line with the target. ÁKK pays extra attention to sustainable financing; the share of green bonds relative to total debt was 5.2% by the end of the third quarter.

Regarding FX debt share, ÁKK set the medium-term target at 30% (implying no change) that is close to historical average with a +/- 3 percentage points tolerance band granting the stability of the debt financing and the necessary flexibility in order to be able to react efficiently to the changes of global market environment. Regarding the share of government securities owned by households relative to total debt, the benchmark band remains 20%-25%. The stock of institutional government securities owned by households will be included starting with the ongoing year.

Table 2.: Fulfillment of the debt management benchmarks as of September 30, 2026

Benchmark	90 days moving avg.	Criteria	Fulfilment
Share of Fixed-rate Debt	75.8%	between 70%-90%	✓
Average Time-to-Maturity (years)	5.4	>= 5.5	
Average Time-to-Refixing (years)	4.9	>=4.5	✓
Share of FX Debt	28.4%	between 27%-33%	✓
EUR Share of FX Debt (after swaps)	100.0%	>= 95%	✓
Share of Securities owned by Households	22.1%	>= 20%	✓

ÁKK welcomes any questions related to this topic at email address press@akk.hu, and will respond each in writing.

ÁKK Zrt.

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Methodological Remarks

Net financing means the required new funding of the central government for a given time period (typically for one year). It can be realised in the form of government securities issuance or loans. In case of a net financing need, expenditures exceed revenues necessitating new fuds to be raised. Net financing capacity in turn implies a surplus in the budget; consequently, the state debt can decrease.

Gross financing consists of the net financing and the funds needed to cover the refinancing of maturing state debt (that is renewing of government securities and loans falling due). Gross financing tells how much government securities the state has to issue and/or how much loans the government has to take in a given year in order to cover the actual deficit in addition to the maturing elements of existing debt stock.

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