Press release

Mandate to organise Panda bond issuance

Budapest, 18 July 2025 - Based on the Financing Plan modified on 9 July 2025, Government Debt Management Agency (ÁKK) mandated Bank of China and three other financial institutions to organise the issuance of Hungarian Panda bonds intended primarily for Chinese institutional investors.

On 16 June 2025, ÁKK completed a successful USD denominated bond issuance. Driven by strong demand, total issued amount reached USD 4 billion exceeding the planned amount. As a result of the successful transaction, FX bond issuance planned for the full-year was completed. Consequently, the amendment of the Financing Plan was necessary in order to facilitate the Panda bond issuance included in the original Financing Plan. The Financing Plan approved by the board of directors of ÁKK on 9 July 2025 takes into account the outcome of the USD denominated bond issuance exceeding the originally planned amount and includes the Panda bond issuance unaltered.

Both the USD and the Panda bond issuances serve two purposes: enhancing the flexibility and security of financing. Because of the Panda bond issuance, reserves will temporarily increase. As a result, FX bond buy-back in the amount exceeding the originally planned will take place by the end of the year in case of favourable market conditions. Consequently, the full-year net FX bond issuance will not change relative to the Financing Plan approved in June 2025. Issuance and pricing will be determined depending on market conditions.