# BUSINESS CONDITIONS

## FOR REPO TRANSACTIONS CONCLUDED IN THE FRAMEWORK OF THE STAND-BY REPO FACILITY PROVIDED FOR THE PRIMARY DEALERS, NON-PD MARKET MAKERS AND KELER ZRT. BY ÁKK ZRT.

**Date of entry into force: 23 April 2026**

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## 1. The purpose of the stand-by repo facility

The Government Debt Management Agency Private Limited Company by Shares (hereinafter as: ÁKK), pursuant to the general authorisation in Article 13 (1) of Act No. CXCIV of 2011 on the economic stability of Hungary, concludes repo transactions in line with the business conditions set out in this documentation („stand-by repo facility”), primarily in order to reduce the settlement risk in the government securities market and to support the secondary market price quotation of government securities denominated in HUF to be issued or issued publicly in Hungary via auction by the Hungarian State (hereinafter as: Government Securities).

## 2. Partners

The current Primary Dealers, Non-PD Market Makers, legal entities belonging to the same ownership group as the given Primary Dealer or the given Non-PD Market Maker approved in advance by ÁKK (collectively hereinafter as: Partners), as well as KELER Zrt. are eligible for the stand-by repo facility, i.e. exclusively these partners may initiate transactions with ÁKK in the framework of the stand-by repo facility.

## 3. Regulation of the contractual relationship

The requirement for the use of the stand-by repo facility is the acceptance, mutual signature and observance of the European Master Agreement (EMA) framework agreement and its relevant annexes supported by the European Banking Federation (FBE) and recognised by the Hungarian Banking Federation (hereinafter as: the „Contract”).

## 4. The time frame of the stand-by repo facility

ÁKK provides the opportunity for using the stand-by repo facility on working days as follows (a working day is the day on which the banks are open for the public in Hungary, and KELER Group holds a clearing and settlement day for MTS Hungary market and the National Bank of Hungary (NBH) holds a settlement date):

<u>For 1-day and 1-week repos:</u>

Monday – Thursday (if it is not the last working day of the week):
Between 9.00-12.00 a.m. and 1.00-4.15 p.m.

Friday (or on the last working day of the week):
Between 9.00-12.00 a.m. and 1.00-2.15 p.m.



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## 5. Type of transaction to be concluded

In the framework of the stand-by repo facility ÁKK concludes delivery repo transactions with transfer of ownership of a government security and a repurchase obligation at a defined or to be defined future date, at a specified repurchase price, simultaneously with the conclusion of the contract, where the purchaser acquires the government security being the subject of the transaction and may freely dispose of it during the maturity of the transaction.

## 6. Maturity

In the framework of the stand-by repo facility ÁKK concludes 1-day (O/N and T/N) and 1-week (7-day) repo transactions.

## 7. The interest rate of repo transactions

In the framework of the stand-by repo facility ÁKK concludes transactions exclusively with a repo interest specified as follows:

interest rate of 1-week repos = central bank base rate minus 100 basis points

interest rate of 1-day (O/N and T/N) repos = central bank base rate minus 150 basis points

Central bank base rate: central bank base rate in force on the day of the transaction, as defined in the list of interest rate conditions published by NBH.

## 8. Government Securities being the subject of repo transactions

Exclusively Government Securities issued publicly and included in the Primary Dealer and Non-PD Market Maker price quotation, with a term-to-maturity exceeding 85 days at the time of the conclusion of the transaction, subject to the restriction in Section 11.3. These Government Securities, included in the price quotation may be the subject of a repo transaction at the earliest on the value date of the issue as the deal date, as set out in the Rules of Procedure for the fixing of the best bid and ask yields/prices of Government Securities, after the publication of the ask price determined by ÁKK for the given series of Government Securities within 30 minutes of the Compulsory Quotation Period between 9.15 - 9.30 a.m.

ÁKK may terminate or suspend the inclusion of certain Government Security series into the framework of the stand-by repo facility at any time without giving a reason. ÁKK shall inform the Partners of the fact of termination and suspension without delay after the relevant decision.

## 9. Determination of funds (calculating the starting price of the government security)

The determination of funds takes place on the basis of the best **ask price,** as set out in the Rules of Procedure for the fixing of the best bid and ask yields/prices of Government Securities, as determined for the given Government Security series and published by ÁKK at the latest in time (as these prices are displayed on the Bloomberg


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GDMA/9 and GDMA/10 pages as well as on the LSEG (previously: Refinitiv Eikon) HUBONDAKK, HUBONDAKK2, HUBONDAKK3 and HUBONDAKK4 pages between 9.30 – 10.00 a.m. as well as between 2.00 – 2.30 p.m. on the trade. If there is no price quotation for the given Government Security series on the trade date, the determination of funds shall take place on the basis of the best ask price published by ÁKK at the latest in time, applying the following premium (margin):

In case of Government Securities not under price quotation the starting price is the price determined between the last HUFONIA rate available on the website of NBH at the time of the call for asks and the average of the best bid and ask prices for the current 3-month benchmark Discount Treasury Bill published by ÁKK at the latest in time, based on the term-to-maturity of the given government security, based on the yield calculated by the linear interpolation method and applying the haircuts (considered as a percentage point) below.

| **ÁKK margin** | | | | |
|---|---|---|---|---|
| Term-to-maturity of fixed-rate bond/ interest period of floating-rate bond | <1 year | 1-3 years | 3-7 years | >7 years |
| 1-day repo | 0,0% | 0,5% | 0,75% | 1,0% |
| 1-week repo | 0,0% | 1,0% | 1,5% | 2,0% |

The level of the starting price shall be the gross price corresponding to the sum of the net price, the margin (considered as a percentage point) and the accrued interest for the starting day of the repo transaction.

## 10. Determination of the repurchase price of the Government Security being the subject of the repo transaction

The determination of the repurchase price takes place on the basis of the starting price, such that the difference between the selling and repurchase price of the Government Security, being the subject of the repo transaction, comprises the interest rate of the repo, taking into account a 360-day year.

## 11. Special provisions for government securities with interest payments or interest rate fixing during the term of the repo term

If the subject of the repo transaction is a government security that pays interest during the term of the repo transaction, the partners must indicate to the ÁKK at the time of concluding the transaction which of the following methods they choose for the settlement of interest payments.

### 11.1. Payment on the interest payment day

In this case, on the interest coupon date, the repo partner transfers the full amount of the coupon corresponding to the nominal value specified in the repo transaction back to the ÁKK as a transaction independent of the repo transaction.

### 11.2. Payment at the maturity of the repo transaction

In this case, on the coupon payment date, the partner does not transfer the coupon amount back to the ÁKK, instead, it occurs at the maturity of the repo transaction,


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being applied to the repo transaction's maturity price. The amount payable by the ÁKK for repurchasing the government security - including the repo interest - shall be reduced by the coupon amount and the amount accrued from the coupon payment until the maturity of the repo transaction and shall be paid on the maturity date of the repo transaction. The interest accrued between the coupon payment and the maturity of the repo is calculated by ÁKK using the repo interest rate.

11.3. Exclusions

- Among the government securities subject to repo transactions, those government securities are excluded whose date of ownership identification carried out by KELER Ltd. prior to coupon payment (E-2. day) falls within the term of the repo transaction, but the coupon payment date itself falls after the maturity of the repo transaction.

- Among the government securities subject to repo transactions, those floating-rate government securities are excluded for which the interest rate for the next interest period is determined during the term of the repo.

## 12. Lot size, trading size

The minimum lot size is Government Security face value of HUF 50,000,000, i.e. fifty million Hungarian forints.

The trading size must correspond to a whole multiple of 1 million Hungarian forints.

## 13. Settlement date

1-week repo transactions are normally settled on the second working day following the day of the transaction (T+2). Upon the Partner's or KELER Zrt.'s request ÁKK may deviate from this in such a way that the transaction can be concluded with T+0 or T+1 settlement.

The 1-day repo transactions may be concluded with T+0 settlement (O/N repos) or T+1 settlement (T/N).

## 14. Limits

The following limits apply to repo transactions under these conditions, in each case in relation to the nominal value of the Government Security(s) being the subject of the repo transaction(s):

| | | |
|---|---|---|
| Global limit: | The total repo stock that can be concluded under these conditions by the Partners and KELER Zrt. together is maximized by ÁKK in a face value of HUF 150 billion. | |
| Partner limit*: | For total repo stock: | HUF 20 billion |
| Series limit*: | For benchmark Government Bond series: | HUF 5 billion |

* These limits apply to the Partners and per Partners, the limits applicable to KELER Zrt. may differ from these.



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| | |
|---|---|
| For other Government Bond series: | HUF 4 billion |
| For Discount Treasury Bill series: | HUF 4 billion |

Stock limit**: Repo transactions on benchmark and other Government Bond and Discount Treasury Bill series may be concluded up to the amount of stocks on the own account of ÁKK available for this purpose. The maximum amount of the latter stocks per type of series shall be as follows:

| | |
|---|---|
| For benchmark Government Bond series: | HUF 40 billion |
| For other Government Bond series: | HUF 40 billion |
| For Discount Treasury Bill series: | HUF 40 billion |

### 15. The procedure of the transaction

The transaction is always concluded at the initiative of the Partner or KELER Zrt.

Any Partner and KELER Zrt. may initiate a repo transaction within the framework of the stand-by facility at ÁKK during the time frame specified in Section 4, by indicating the Government Security series intended to be included in the transaction and the required amount, subject to these Business Conditions, in particular the conditions and limitations set out in Sections 8, 11 and 14.

Deals can be concluded in the manner specified by ÁKK on the following platforms: on Bloomberg, on LSEG FX Trading or by e-mail. The primary dealing platform is Bloomberg, the secondary platform is LSEG FX Trading. In other cases ÁKK shall inform Partners about the platform applied.

Transactions shall be confirmed in accordance with the provisions of the Contract.

If the transaction initiated as described above complies with these conditions in all respects (including the availability of free stock from the Stock Limit underSection 14.), ÁKK concludes the repo transaction.

### 16.Consequences of non-performance

In the event of non-performance the relevant provisions of the Contract as well as the Primary Dealer Contract and/or the Market Maker Contract are applicable, provided that in the case of transactions concluded with KELER Zrt. only the relevant provisions of the Contract are applicable.

### 17.Other provisions

ÁKK may suspend or restrict the stand-by repo facility at any time without giving a reason.

** This limit type represents the total stock of Government Securities of a given Series available to the Partners and KELER Zrt. together, regardless of whether the Partners or KELER Zrt. still have Partner limit or Series limit available for the given transaction.



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