ÁKK has published Hungary's 2026 Financing Plan

December 10, 2025 – **The Ministry for National Economy and the Government Debt Management Agency Pte. Ltd. ("ÁKK") have presented Hungary's 2026 financing plan. ÁKK intends to continue its balanced and diversified debt management activities on the HUF institutional, retail and FX markets. On the HUF institutional market, net bond issuance is expected to decrease compared to this year, while the participation of the retail investors is expected to be similar to this year's level. On the FX market, beside the planned use of the EU SAFE loan facility, net international bond issuance will decrease. The risk profile of the government debt portfolio remains stable and the financing structure balanced.**

Summary of financing in 2025

In 2025 ÁKK implemented an optimal financing structure using a flexible and pragmatic approach. This was based on the balance of the three main pillars of financing (institutional market, retail market, FX debt market), which made it possible to develop a government debt portfolio that is in line with the economic environment. The three pillars contributed steadily to the financing of the central government, ensuring high budget liquidity throughout the year. The average bid-to-cover ratio of the HUF institutional market auctions was close to two-fold, which meant strong investor demand and financing security for the whole year. In the retail segment, following large interest payments and maturities in the first half of the year, an intensive shift from variable rate to fixed rate securities occurred – also due to ÁKK's amendments in October –, while the stock of government securities held by households increased compared to the previous year. The outstanding demand for FX bonds enabled three successful bond issues on the international market, which not only secured the state's financing but also significantly increased the central bank's foreign exchange reserves. Overall, it can be said that investor confidence has remained strong and unbroken in all three financing pillars this year, providing a stable foundation for debt management activities in 2026.

The 2026 financing plan

The total net funding requirement of the central government budget for 2026 is HUF 5,445 billion, which will be financed by a net issuance of the same amount. A significant proportion of financing is covered by institutional Hungarian Government Bonds (HGBs) of HUF 1,723 billion, while retail investors are expected to contribute HUF 1,000 billion net and net FX financing is set to amount to HUF 2,541 billion.

Total gross issuance is expected to be HUF 16,391 billion in 2026, of which 77 % (HUF 12,653 billion) will be in HUF and 23 % (HUF 3,738 billion or EUR 9.6 billion equivalents) in foreign currency.

ÁKK announces changes regarding four of the benchmarks in connection with the structure of the government debt: (1) In the case of the share of foreign currency debt within the total debt a medium-term target of 30% is set with a tolerance band of +/- 3 percentage points, which ÁKK considers to be a flexible approach to a changing market environment. (2) With regard to the ratio of fixed rate elements in the total debt portfolio, ÁKK sets a range of 70-90% within the total debt, which, compared to previous years, represents a shift towards more fixed-rate debt elements, thus strengthening the stability and predictability of financing. (3) The benchmark range for the share of government securities owned by households remains unchanged at 20-25% of total debt, but in response to changes in retail investment behavior, ÁKK will also take into account institutional government securities owned by the retail investors in this benchmark from 2026 onwards. (4) In line with ÁKK's preference shift towards more fixed rate instruments, the benchmark for the average time-to-refixing (ATR) of the total debt is increased to at least 4.5 years from at least 4 years.

ÁKK's objective remains to maintain an optimal debt structure, which requires flexibility and the continuous monitoring of the financing markets of debt management due to global volatility. ÁKK plans to maintain an at least 5.5-year average term-to-maturity (ATM) as regards the total debt (unchanged target).

Based on Hungary's Green Bond Framework ÁKK's strategic goals regarding sustainable finance are broadening the investor base and ensuring and strengthening international market presence by continuing green bond issuances also in 2026.

The fulfilment of the 2026 financing plan is to be realized along the lines of the following breakdown:

HUF Institutional Financing

In 2026 gross issuance and borrowing of HUF 7,318 billion in total is expected on the institutional HUF market, taking into account switch auctions.

The strategic goal of ÁKK is to increase the remaining maturity of the government debt, taking risks into account and to smooth the maturity structure. To this end, ÁKK plans a net issuance amounting to HUF 1,723 billion in case of HGBs in 2026. The plan includes a HUF 1,000 billion switch auction program with the aim of smoothing the maturity profile. ÁKK continues to support the strengthening of secondary market liquidity by further reducing the number of government bond series and, at the same time, increasing the outstanding stock of each series. The total year-end stock of discount treasury bills owned by institutional investors remains unchanged in 2026.

Retail Financing

The 20-25% benchmark range for the share of government securities held by households within total debt will remain unchanged in 2026, however, in response to changing investor behavior, ÁKK will also take into account their holdings of institutional government securities when calculating the benchmark.

ÁKK expects a total net government securities purchase of HUF 1,000 billion by households in 2026. Further restructuring in the retail market is also foreseen as a result of the October 2025 overhaul of the retail product range, which aimed to increase the share of fixed rate debt instruments within the retail portfolio.

H-1013 Budapest, Krisztina tér 2. | Postal address: H-1253 Budapest, PO BOX. 85. | E-mail: press@akk.hu
Registered at the Budapest Capital City Court (Hungary), Registration No.: 01-10-044549

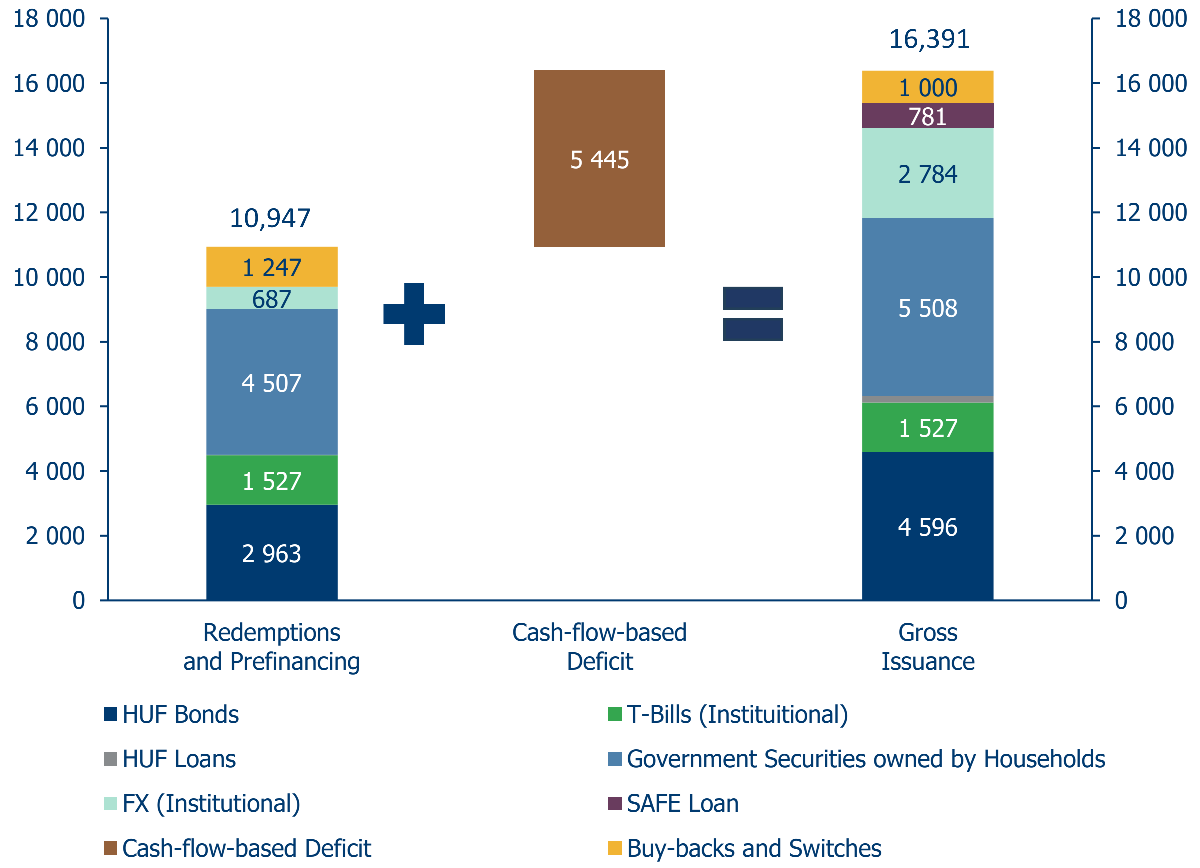
The costs of debt management are significantly influenced by the structure and volatility of the retail portfolio, so ÁKK has set the goal of increasing the shock resistance capability of the retail portfolio in addition to maintaining the stability and predictability of the retail market and strengthening households' engagement, which will enable a more stable and predictable financing.

Foreign Currency Financing

ÁKK continues to set the medium-term target for the share of FX debt within the total debt at close to the historical average of 30% with a tolerance band of +/- 3 percentage points in order to also provide sufficient flexibility while maintaining stability in response to the volatility of the global environment, enabling ÁKK to respond effectively to potential changes in the external environment.

Taking into account that in 2026 there will be EUR 3.1 equivalent of FX debt redemptions and buy-backs the EUR 9.6 billion equivalent gross FX borrowing will result in EUR 6.5 billion equivalent (or HUF 2,541 billion equivalent) net FX issuance. Within that net amount EUR 2 billion is planned to be drawn as pre-financing from the European Union's new security loan program (SAFE).

Financing Need for 2026
(HUF Billions)



H-1013 Budapest, Krisztina tér 2. | Postal address: H-1253 Budapest, PO BOX. 85. | E-mail: press@akk.hu
Registered at the Budapest Capital City Court (Hungary), Registration No.: 01-10-044549