GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

ÁKK

GOVERNMENT SECURITIES MARKET

QUARTERLY REPORT
Q3 2023

Summary

The deficit of the central government amounted to HUF 3,264.9 billion (about EUR 8.3 billion) in Q3 2023. The negative balance of EU transfers and other resources increased the financing needs by HUF 10.1 billion, thus the total net financing need amounted to HUF 3,275.0 billion. Net issuance was HUF 4,884.8 billion, out of which net HUF denominated issuance was HUF 2,461.6 billion and net foreign currency denominated issuance was HUF 2,423.2 billion. The total amount of other liabilities decreased by HUF 209.5 billion in 2023.

ÁKK had set up benchmarks to maintain the optimal cost-risk characteristics of public debt. The 90-day moving average values of those benchmarks at the end of Q3 2023 were as follows:

- The share of foreign currency denominated debt within the total debt was 25.8%.
- 100% of the foreign currency debt was denominated in euro.
- The fixed-floating mix of the total (foreign currency and HUF-denominated) debt portfolio was 68.9% and 31.1%.
- The average time to refixing (ATR) of the total debt portfolio was 5.0 years.
- The average term to maturity (ATM) of the total debt was 6.1 years.
- The share of retail government securities held by the households within total debt was 19.9%.

All benchmark targets were met in Q3 2023, apart from the share of retail government securities held by the households within total debt. The target value was not met during the third quarter, as the large amount of foreign currency issuance during the year significantly reduced the benchmark value. The amount of total debt increased relative to the stock of retail government securities held by retail investors, and the purchase of discount Treasury bills by retail investors had also a negative impact on the benchmark. Daily value was temporarily above 20% in mid-August but fell back as a result of foreign exchange transactions and the weakening of the forint against the euro in September thus it was below 20% at the end of the quarter.

The short term and the long term 3-5 year secondary market yields decreased, but the 10-15-20 year long secondary market yields increased in Q3. The 3-6 month yields decreased by 186-150 basis points and the 12 month yield decreased by 177 basis points compared to June. The 3-5 year yields decreased by 43-11 basis points, but the 10 year yield increased by 42 basis points and the 15-20 year yields decreased by 54-49 basis points. At the end of September the 1-year benchmark yield stood at 8.69%, the 5-year yield at 7.54% and the 10-year yield at 7.40% respectively. The yield of 20-year government bond was 7.31% at the last day of the third quarter.

In January 2023 5-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion) and 10-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion), and 30-year foreign currency bond in the amount of 1.25 billion USD (HUF 465.1 billion HUF) foreign currency bonds were issued. The foreign currency debt was further increased by the private placement in March. The 5- and 10-year foreign currency bonds issued in January were increased in the amounts of USD 150 million (HUF 54.3 billion) and USD 300 million (HUF 108.6 billion). A part of the January's issuance was used to repurchase two USD bonds maturing between 2023-24, together with the closing of the related swaps, at a face value of USD 1.0 billion (HUF 289.9 billion). Further EUR 1.75 billion (HUF 673.2 billion) of 10-year foreign currency bond was issued in September. Foreign currency securities issued under the ECP (Euro Commercial Paper) programme amounted to USD 500 million (HUF 180.3 billion) at the end of September. However, exchange rate appreciation has reduced the share of foreign currency debt.

The liquidity in the secondary market was higher by 14% in Q3 compared to the previous quarter. OTC turnover of government securities amounted to HUF 33,768.0 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 68% of their secondary government securities deals with non-resident investors.

The volume of non-resident holdings of Hungarian government securities decreased by HUF 351.1 billion from end-June and amounted to HUF 6,172.8 billion at the end of September. This amount represented 17.5% of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 391.25 on the last working day of September.

The credit rating of the long-term foreign currency denominated debt of Hungary was: BBB- (Standard & Poor's); BBB (Fitch); Baa2 (Moody's) as at 30 September 2023.

MACROECONOMIC INDICATORS

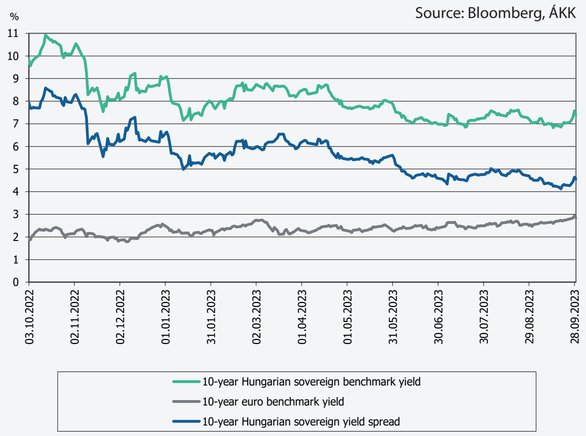
	2017	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
GDP growth (yearly average) [1]	4.3	5.4	4.6	-4.5	7.1	4.6	-1.1	-2.2	-0.3
Industrial production [1]	4.6	3.5	5.6	-6.0	9.5	5.8	4.3	5.5	4.8
Unemployment rate (%) (3-month average)	4.0	3.6	3.3	4.1	4.1	3.7	4.1	3.8	3.9
Consumer price index (yearly change) [2]	2.1	2.7	4.0	2.7	7.4	24.5	25.4	21.9	15.4
Consumer price index (yearly average)	2.4	2.8	3.4	3.3	5.1	14.5			
Producer price index (yearly change) [2]	3.9	4.7	2.4	6.8	22.3	34.9	28.1	11.2	-1.2
Producer price index (yearly average)	3.3	5.5	2.1	4.2	13.5	33.7			
Net lending position of housholds (HUF Bn) [3]	1,922.8	2,711.7	2,392.4	3,223.1	3,556.6	2,611.7	1,406.2	1,881.2	585.1
Current account of balance of payments (EUR M) [4]	2,535.9	215.9	-1,194.9	-1,543.4	-6,508.2	-13,896.5	-591.7	689.9	
Net direct investments (EUR M) [5]	-2,036.8	-2,611.8	-879.3	-2,175.1	-3,263.0	-4,685.2	2,567.5	1,270.3	
Balance of the central government budget (HUF Bn)	-1,763.0	-1,375.5	-1,023.8	-4,953.5	-4,662.3	-4,611.5	-2,019.0	-2,019.0	-2,019.0
Balance of the central government budget (GFS, per cent of GDP)[6]	-3.3	-2.8	-2.5	-11.2	-8.5	-7.2			
Balance of the state budget (ESA, percent of GDP)[6]	-2.5	-2.1	-2.0	-7.5	-7.1	-6.2			
Central government gross debt (HUF Bn)	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,375.9	47,927.5	49,961.4
Central government gross debt (per cent of GDP)	68.1	66.1	62.3	75.8	73.8	69.0			
Net foreign debt (EUR M) [7]	17,221.0	11,919.1	11,463.5	11,298.6	16,497.7	20,833.1			
Net foreign debt (per cent of GDP) [8]	13.6	8.8	7.8	8.3	10.7	12.2			
HUF/USD mid exchange rate at the end of period	258.82	280.94	294.74	297.36	325.71	375.68	349.85	342.40	368.76
HUF/EUR mid exchange rate at the end of period	310.14	321.51	330.52	365.13	369.00	400.25	380.99	371.13	391.25

Source: ÁKK, KSH, MNB, PM

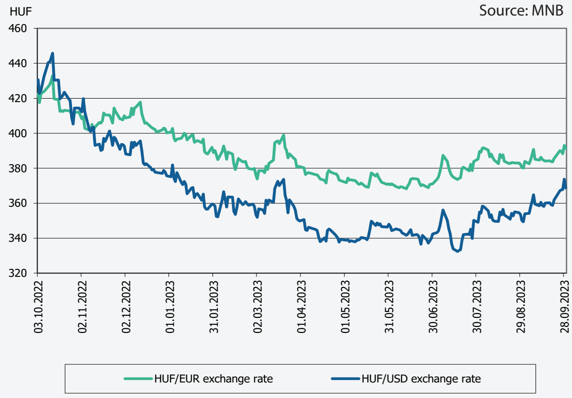
[1] Same period of previous year = 100%, working day adjusted
[2] In case of yearly data: December/previous December, otherwise month/same month of the previous year
[3] Non-consolidated data
[4] Data compiled in accordance with the methodology used by the NBH from 2004
[5] Including intercompany loans
[6] Proportion of seasonally adjusted GDP
[7] Excluding intercompany loans
[8] 2021 value based on HUF data

ÁKK - Government Debt Management Agency
KSH - Hungarian Central Statictical Office
MNB - National Bank of Hungary
PM - Finance Ministry

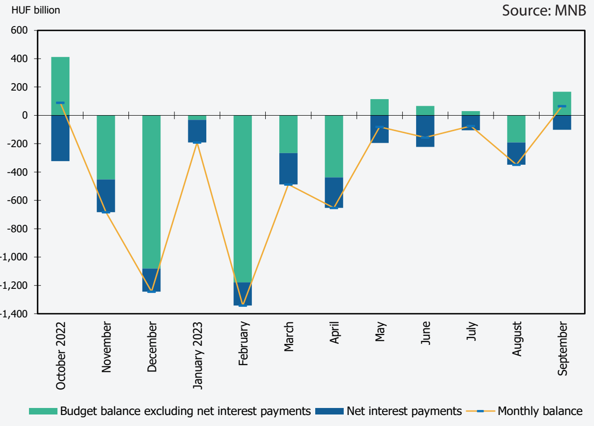
10-year Hungarian and eurozone benchmark yields during the last twelve months



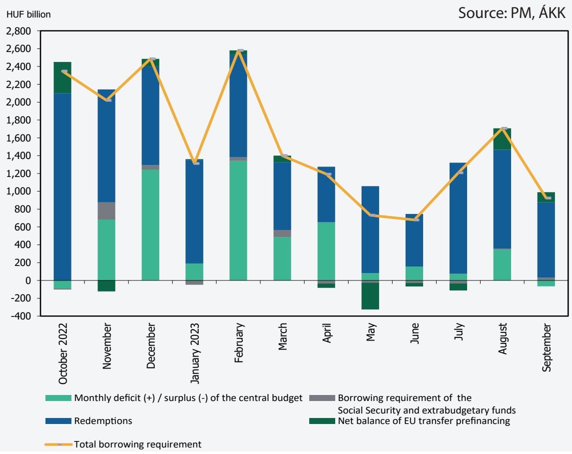
The exchange rate of the Hungarian Forint during the last twelve months



Monthly balance of the central government budget



Gross borrowing requirement



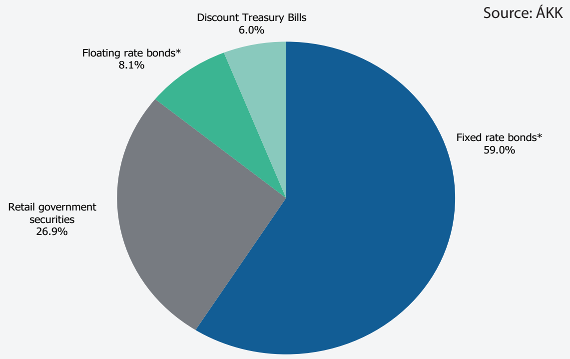
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2017	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	34,878.7	35,683.9	36,237.2
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	964.7	921.8	921.8
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	33,914.0	34,762.1	35,315.4
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	33,914.0	34,762.1	35,315.4
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,012.5	23,224.3	23,667.3
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	1,785.8	2,016.4	2,401.1	2,155.3
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	8,885.1	9,136.7	9,492.8
1.2.2. Private placements	39.2	39.2	39.2	39.2	0.0	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,782.5	5,724.8	5,121.2	7,318.2	8,395.2	11,397.3	12,177.0	12,067.4	13,544.3
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.7	2,093.4	2,259.8
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.7	2,093.4	2,259.8
2.1.2. Domestic loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	4,853.5	4,929.8	4,295.8	6,027.1	7,049.9	9,438.2	10,216.3	9,974.0	11,284.5
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,795.3	9,541.9	10,823.4
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	352.8	420.9	432.1	461.1
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	47,055.7	47,751.3	49,781.5
Other liabilities	274.2	167.4	203.7	128.8	180.6	389.4	320.2	176.2	179.9
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,375.9	47,927.5	49,961.4
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	12,845.5	14,112.6	14,075.0	18,904.0	20,803.2	24,132.1	25,028.9	25,625.4	25,822.6
Gross debt/GDP	68.1%	66.1%	62.3%	75.8%	73.7%	69.0%			

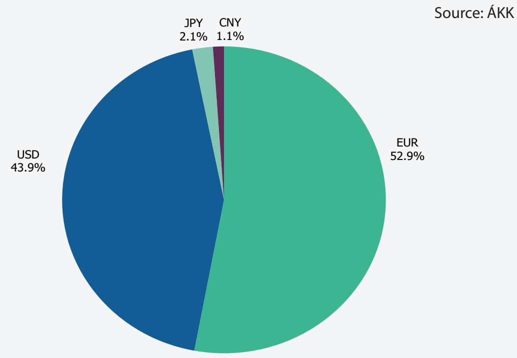
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.

Composition of HUF government securities as at 30.09.2023



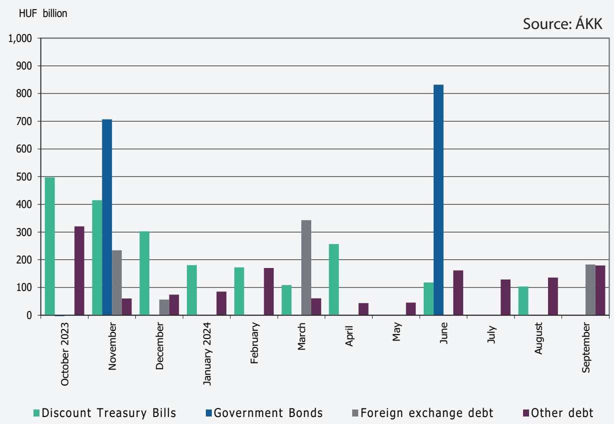
* Without retail government securities.

Currency composition of the foreign exchange debt portfolio before swaps as at 30.09.2023*

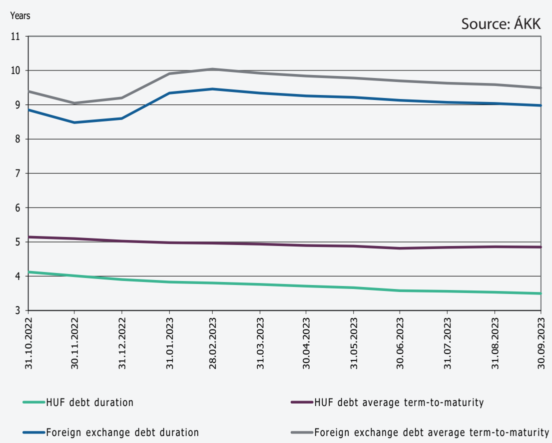


* Composition before swaps. By using cross-currency swaps, 100% of the actual foreign exchange debt of the central government was due in euros.

Maturity profile of the central government gross debt over the next 12 months, as at 30.09.2023



Average term-to-maturity of the HUF and foreign currency debt portfolios



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2027/B	2041/A	2026/H	2028/A	2032/A	2027/B	2026/H	2028/A	2032/A
ISIN code	HU0000404157	HU0000404165	HU0000406160	HU0000402532	HU0000405550	HU0000404157	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	3	20	3	5	10	3	3	5	10
Coupon	16.29%	3.00%	9.50%	6.75%	4.75%	15.02%	9.50%	6.75%	4.75%
Auction	42nd auction	44th auction	14th auction	61st auction	39th auction	43rd auction	15th auction	62nd auction	40th auction
Date of auction	06.07.2023	06.07.2023	13.07.2023	13.07.2023	13.07.2023	20.07.2023	27.07.2023	27.07.2023	27.07.2023
Date of financial settlement	12.07.2023	12.07.2023	19.07.2023	19.07.2023	19.07.2023	26.07.2023	02.08.2023	02.08.2023	02.08.2023
Redemption date	22.04.2027	25.04.2041	21.10.2026	22.10.2028	24.11.2032	22.04.2027	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	-	6.97	8.81	7.62	7.02	-	8.89	7.57	7.21
Minimum annual yield (%) - ISMA	-	6.90	8.71	7.57	6.98	-	8.83	7.52	7.15
Average annual yield (%) - ISMA	-	6.94	8.78	7.61	7.01	-	8.87	7.56	7.19
Maximum annual yield (%) - EHM	-	6.96	8.80	7.61	7.01	-	8.88	7.56	7.20
Minimum annual yield (%) - EHM	-	6.89	8.70	7.56	6.97	-	8.82	7.51	7.14
Average annual yield (%) - EHM	-	6.94	8.78	7.60	7.00	-	8.86	7.55	7.18
Maximum price (%)	100.8500	60.7118	102.1298	96.4993	85.0151	100.6000	101.7791	96.7300	84.0427
Minimum price (%)	100.4600	60.2070	101.8524	96.2935	84.7734	100.4200	101.6250	96.5249	83.6869
Average price (%)	100.6000	60.3910	101.9225	96.3463	84.8445	100.4600	101.6818	96.5691	83.8084
Amount offered for sale (HUF million)	15,000.00	10,000.00	10,000.00	15,000.00	10,000.00	12,000.00	10,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	72,560.52	16,330.00	28,410.00	97,625.50	38,250.00	23,860.00	22,350.00	40,945.00	39,801.00
Amount of bids accepted (HUF million)	34,500.00	8,999.99	15,000.00	36,000.00	10,000.00	12,000.00	10,000.00	26,999.98	17,999.97
Bid-to-cover ratio	2.10	1.81	1.89	2.71	3.83	1.99	2.24	1.52	2.21
Bids submitted (pcs)	37	38	23	59	50	29	27	34	40
Bids accepted (pcs)	22	20	15	20	12	18	15	23	24
Tail (average price - minimum price)	0.14	0.18	0.07	0.05	0.07	0.04	0.06	0.04	0.12
Market sales (HUF million)	34,500.00	8,999.99	15,000.00	36,000.00	10,000.00	12,000.00	10,000.00	26,999.98	17,999.97
Non-competitive offer (HUF million)	6,820.00	0.00	400.00	13,840.00	2,400.00	2,320.00	2,020.00	5,833.32	5,042.25
Total amount sales (HUF million)	41,320.00	8,999.99	15,400.00	49,840.00	12,400.00	14,320.00	12,020.00	32,833.30	23,042.22

Government Bond	2038/A	2026/H	2028/A	2032/A	2032/B	2026/H	2028/A	2032/A	2032/G
ISIN code	HU0000403555	HU0000406160	HU0000402532	HU0000405550	HU0000406087	HU0000406160	HU0000402532	HU0000405550	HU0000405535
Maturity (in years)	15	3	5	10	10	3	5	10	10
Coupon	3.00%	9.50%	6.75%	4.75%	16.06%	9.50%	6.75%	4.75%	4.50%
Auction	62nd auction	16th auction	63rd auction	41st auction	13rd auction	17th auction	64th auction	42nd auction	13th auction
Date of auction	03.08.2023	10.08.2023	10.08.2023	10.08.2023	17.08.2023	24.08.2023	24.08.2023	24.08.2023	31.08.2023
Date of financial settlement	09.08.2023	16.08.2023	16.08.2023	16.08.2023	23.08.2023	30.08.2023	30.08.2023	30.08.2023	06.09.2023
Redemption date	27.10.2038	21.10.2026	22.10.2028	24.11.2032	25.08.2032	21.10.2026	22.10.2028	24.11.2032	27.05.2032
Maximum annual yield (%) - ISMA	7.52	8.98	7.74	7.44	-	8.47	7.72	7.36	7.07
Minimum annual yield (%) - ISMA	7.47	8.93	7.69	7.40	-	8.44	7.64	7.32	6.99
Average annual yield (%) - ISMA	7.50	8.96	7.72	7.43	-	8.45	7.69	7.34	7.04
Maximum annual yield (%) - EHM	7.51	8.97	7.73	7.44	-	8.46	7.71	7.35	7.06
Minimum annual yield (%) - EHM	7.46	8.92	7.68	7.39	-	8.43	7.63	7.31	6.98
Average annual yield (%) - EHM	7.49	8.96	7.71	7.43	-	8.45	7.69	7.34	7.04
Maximum price (%)	60.1365	101.4917	96.0642	82.6403	99.9100	102.7990	96.2961	83.1445	84.1084
Minimum price (%)	59.8169	101.3538	95.8622	82.3661	99.7000	102.7173	95.9738	82.9120	83.6527
Average price (%)	59.9594	101.3995	95.9461	82.4268	99.8900	102.7608	96.0754	82.9993	83.8010
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	22,850.00	51,329.20	35,950.54	37,186.46	27,900.00	53,567.59	82,209.31	30,850.00	42,220.00
Amount of bids accepted (HUF million)	10,000.00	27,500.00	21,999.96	16,500.00	23,499.98	19,999.99	24,500.00	16,000.00	22,000.00
Bid-to-cover ratio	2.29	1.87	1.63	2.25	1.19	2.68	3.36	1.93	1.92
Bids submitted (pcs)	45	51	43	46	22	45	60	49	51
Bids accepted (pcs)	21	33	30	27	12	13	20	22	25
Tail (average price - minimum price)	0.14	0.05	0.08	0.06	0.19	0.04	0.10	0.09	0.15
Market sales (HUF million)	10,000.00	27,500.00	21,999.96	16,500.00	23,499.98	19,999.99	24,500.00	16,000.00	22,000.00
Non-competitive offer (HUF million)	3,040.00	6,890.00	8,239.97	6,053.31	8,574.27	7,519.99	8,520.00	3,320.00	8,320.00
Total amount sales (HUF million)	13,040.00	34,390.00	30,239.93	22,553.31	32,074.25	27,519.98	33,020.00	19,320.00	30,320.00

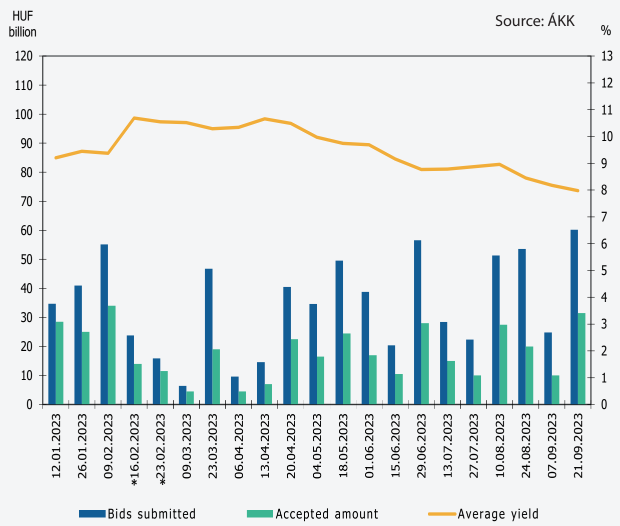
Source: ÁKK

GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/H	2028/A	2032/A	2029/B	2032/B	2026/H	2028/A	2032/A	2041/A
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000404926	HU0000406087	HU0000406160	HU0000402532	HU0000405550	HU0000404165
Maturity (in years)	3	5	10	5	10	3	5	10	20
Coupon	9.50%	6.75%	4.75%	14.00%	13.93%	9.50%	6.75%	4.75%	3.00%
Auction	18th auction	65th auction	43rd auction	42nd auction	14th auction	19th auction	66th auction	44th auction	45th auction
Date of auction	07.09.2023	07.09.2023	07.09.2023	14.09.2023	14.09.2023	21.09.2023	21.09.2023	21.09.2023	28.09.2023
Date of financial settlement	13.09.2023	13.09.2023	13.09.2023	20.09.2023	20.09.2023	27.09.2023	27.09.2023	27.09.2023	04.10.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	22.08.2029	25.08.2032	21.10.2026	22.10.2028	24.11.2032	25.04.2041
Maximum annual yield (%) - ISMA	8.20	7.20	7.23	-	-	8.00	7.01	7.02	7.36
Minimum annual yield (%) - ISMA	8.16	7.18	7.20	-	-	7.96	6.98	6.95	7.28
Average annual yield (%) - ISMA	8.18	7.19	7.22	-	-	7.98	7.00	7.00	7.34
Maximum annual yield (%) - EHM	8.19	7.19	7.22	-	-	7.99	7.00	7.01	7.35
Minimum annual yield (%) - EHM	8.15	7.17	7.19	-	-	7.95	6.97	6.94	7.27
Average annual yield (%) - EHM	8.17	7.19	7.22	-	-	7.98	6.99	6.99	7.33
Maximum price (%)	103.5320	98.2010	83.8984	100.6100	99.6600	104.0353	99.0309	85.4313	58.3020
Minimum price (%)	103.4206	98.1094	83.7224	100.4000	99.3100	103.9262	98.9072	85.0130	57.7599
Average price (%)	103.4867	98.1359	83.7571	100.5000	99.3900	103.9670	98.9587	85.1248	57.9125
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	24,800.00	50,100.00	41,600.00	33,600.00	44,600.00	60,200.00	30,200.00	24,770.00	16,638.09
Amount of bids accepted (HUF million)	9,999.95	31,499.98	18,499.99	19,999.99	20,500.00	31,499.98	16,499.96	12,500.00	9,999.99
Bid-to-cover ratio	2.48	1.59	2.25	1.68	2.18	1.91	1.83	1.98	1.66
Bids submitted (pcs)	45	40	44	46	36	53	34	35	37
Bids accepted (pcs)	22	17	16	24	28	31	20	20	16
Tail (average price - minimum price)	0.07	0.03	0.03	0.10	0.08	0.04	0.05	0.11	0.15
Market sales (HUF million)	9,999.95	31,499.98	18,499.99	19,999.99	20,500.00	31,499.98	16,499.96	12,500.00	9,999.99
Non-competitive offer (HUF million)	3,478.30	12,199.97	6,999.99	2,919.99	5,960.00	1,800.00	1,800.00	0.00	0.00
Total amount sales (HUF million)	13,478.25	43,699.95	25,499.98	22,919.98	26,460.00	33,299.98	18,299.96	12,500.00	9,999.99

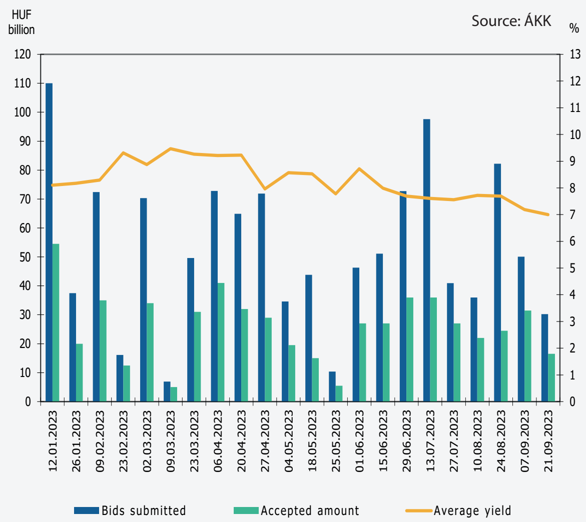
Source: ÁKK

3-year government bond auctions

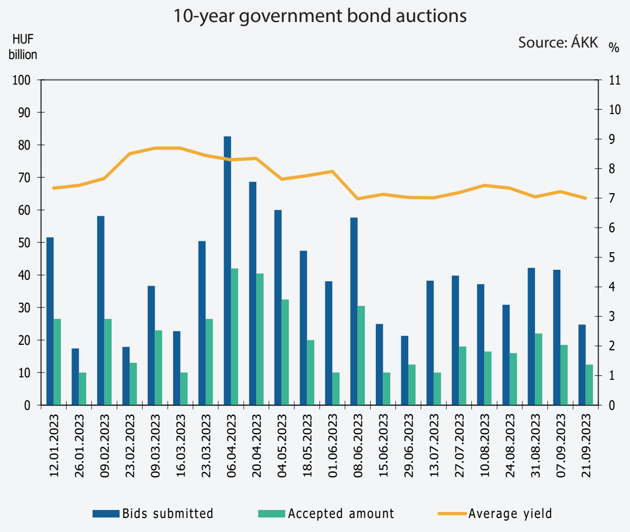


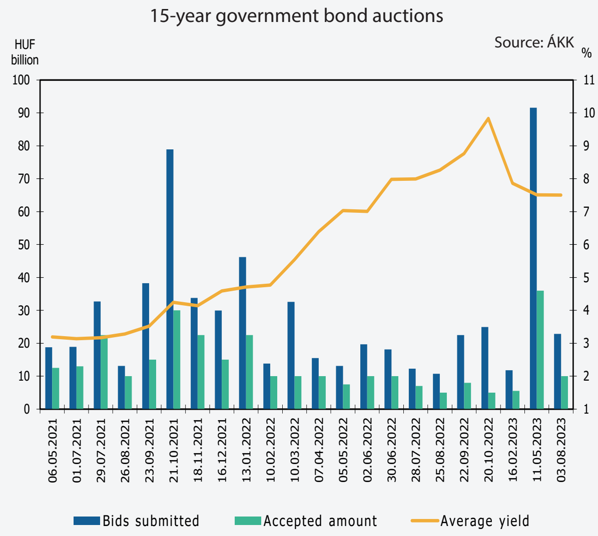
*2-year government bond

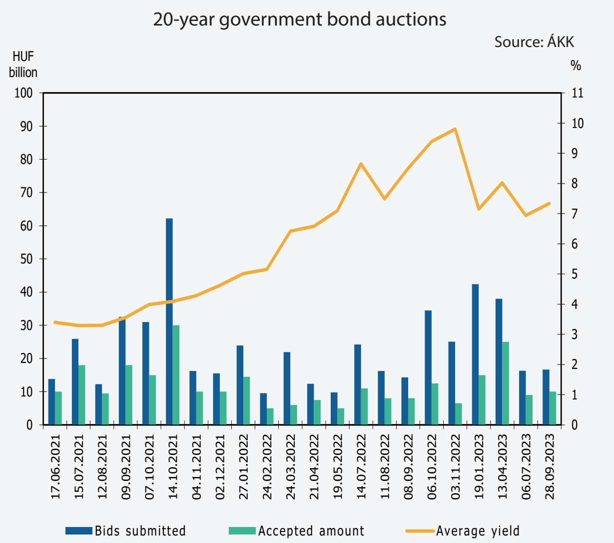
5-year government bond auctions

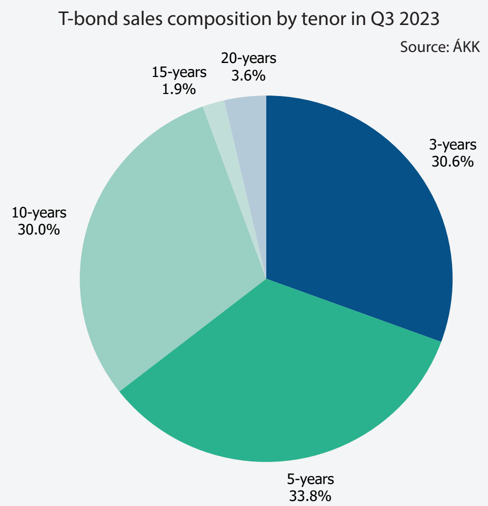


The graph shows the yield on fixed-rate bonds.









INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN Q3 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2026/I	14.07.2023	20.07.2023	20.07.2024	22.07.2024	15.75%	15.75%
2026/O	17.07.2023	21.07.2023	21.10.2023	24.10.2023	11.92%	3.05%
2027/B	19.07.2023	22.07.2023	22.10.2023	24.10.2023	15.02%	3.84%
2033/I	26.07.2023	02.08.2023	20.01.2024	22.01.2024	14.75%	6.91%
2024/N	24.08.2023	26.08.2023	26.08.2024	26.08.2024	12.57%	12.78%
2029/B	17.08.2023	22.08.2023	22.11.2023	22.11.2023	14.00%	3.58%
2032/B	22.08.2023	25.08.2023	25.11.2023	27.11.2023	13.93%	3.56%
2024/J	19.09.2023	25.09.2023	25.09.2024	25.09.2024	16.20%	16.20%
2025/N	26.09.2023	30.09.2023	30.12.2023	02.01.2024	9.86%	2.49%
2026/N	19.09.2023	22.09.2023	22.09.2024	23.09.2024	12.27%	12.47%

Source: ÁKK

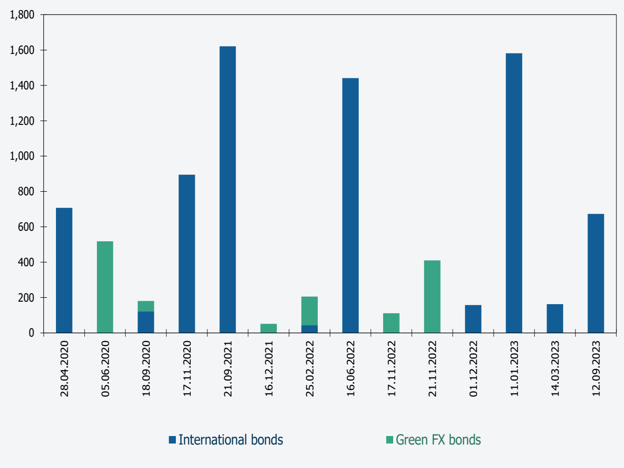
GREEN BOND ISSUANCE

In line with international efforts, Hungary, through ÁKK Zrt., intends to actively contribute to sustainable financing internationally as well as on the Hungarian domestic capital market by issuing green bonds. Within the ESG (Environmental, Social, and Governance) system, a green bond is an innovative financial product that specifically targets resources to support green investment. Green bond is issued to finance and refinance environmentally friendly projects that also take sustainability into account.

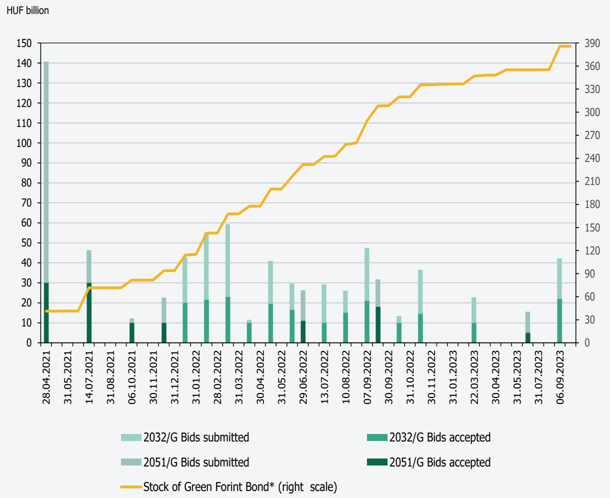
Hungary's first international euro Green Bond was issued on 2 June 2020 in the amount of EUR 1.5 billion (HUF 518.4 billion). The next green bond issue was in September 2020 denominated in Japanese yen. It was a Samurai bond in the amount of JPY 20.0 billion (HUF 57.5 billion), making Hungary the first foreign state to issue green bond in Japan. In December 2021, the first green Panda bond was also issued in the amount of CNY 1.0 billion (HUF 50 billion). The investors' interest was strong in the Chinese yuan-denominated green bond. The interest rate on the euro was below 0% (-0.013%) through the conversion to the euro in a fixed rate foreign exchange swap, making it the cheapest foreign currency bond issuance ever. In February 2022, Samurai bonds denominated in Japanese yen were issued again in the total amount of JPY 59.3 billion (HUF 161.8 billion). In November 2022, EUR 1 billion (HUF 410.5 billion) of Green Bonds and CNY 2 billion (HUF 110.9 billion) of Green Panda Bonds were issued.

The Green Bond Framework Program was expanded to the HUF government bond market too. In April 2021 a 30-year green bond was issued, followed by the sale of a 10-year green forint bond in January 2022. By the end of September 2023, via the auctions, the green HUF bond portfolio reached HUF 385.6 billion (EUR 1.0 billion).

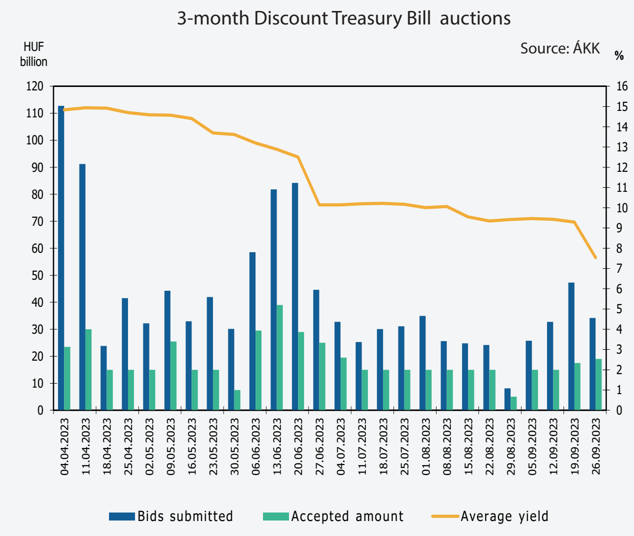
Foreign currency bond issuance
2020-Q3 2023
(HUF billion)

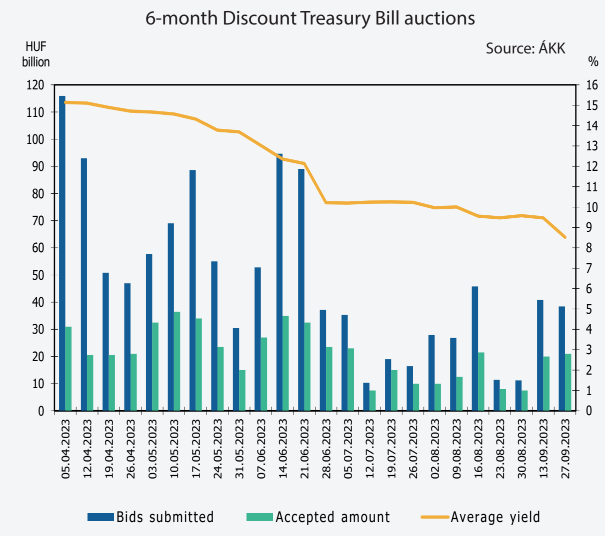


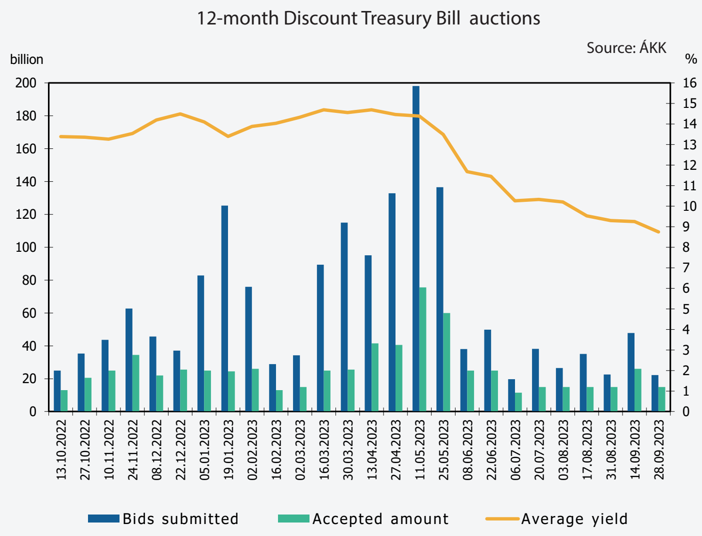
Green forint bond auctions
2021-Q3 2023
(HUF billion)

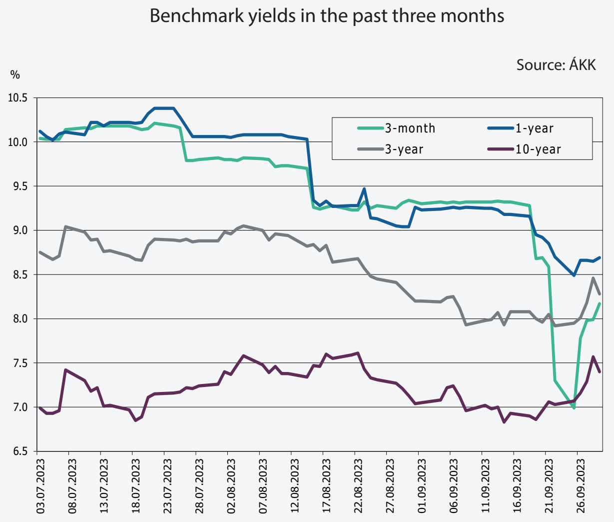


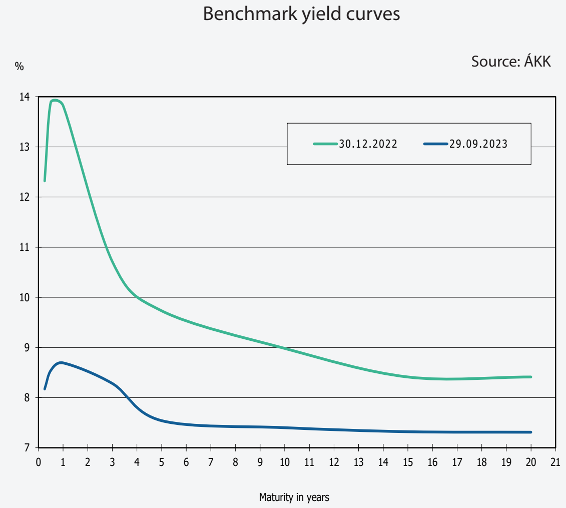
* Includes the stock of non-competitive tenders.


3-month Discount Treasury Bill auctions
Source: ÁKK
HUF billion
%
Bids submitted
Accepted amount
Average yield


6-month Discount Treasury Bill auctions
Source: ÁKK
HUF billion
%
Bids submitted
Accepted amount
Average yield

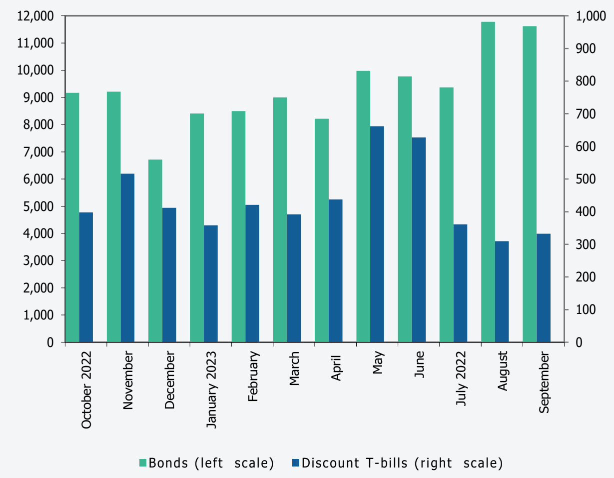

12-month Discount Treasury Bill auctions
Source: ÁKK
billion
%
Bids submitted
Accepted amount
Average yield


Benchmark yields in the past three months
Source: ÁKK
%
3-month
1-year
3-year
10-year


Benchmark yield curves
Source: ÁKK
%
30.12.2022
29.09.2023
Maturity in years

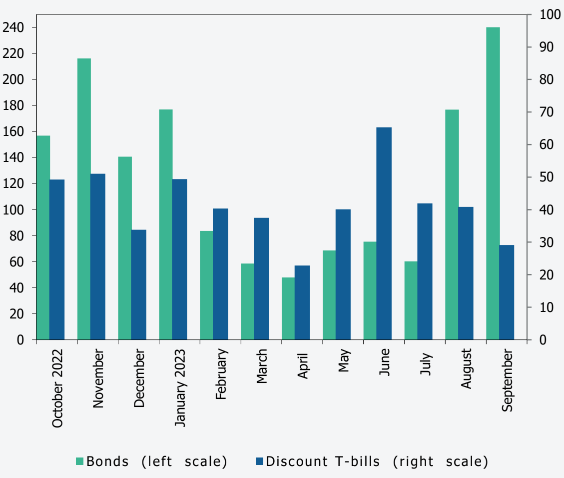
OTC
Secondary market trading of Hungarian government securities
(HUF billion)

Source: KELER, ÁKK



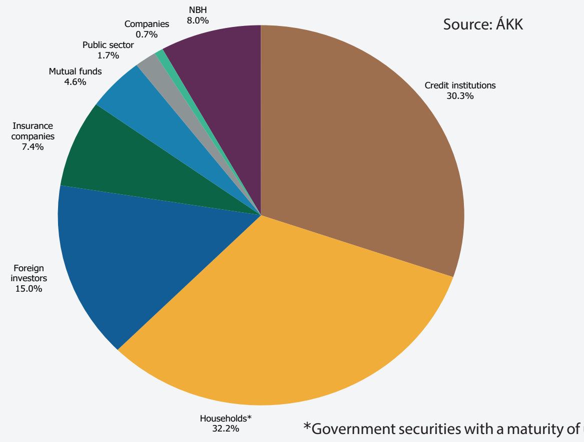
MTS Hungary trading
Secondary market trading of Hungarian government securities
(HUF billion)

Source: ÁKK, MTS Hungary



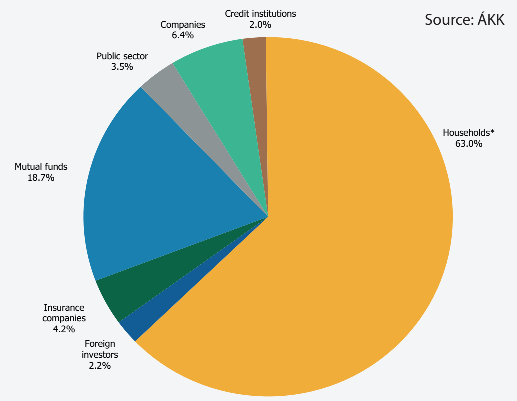
Breakdown of government securities with a maturity of over one year by investor sector in Q3 2023

Source: ÁKK



Breakdown of government securities with maturity up to one year by investor sector in Q3 2023

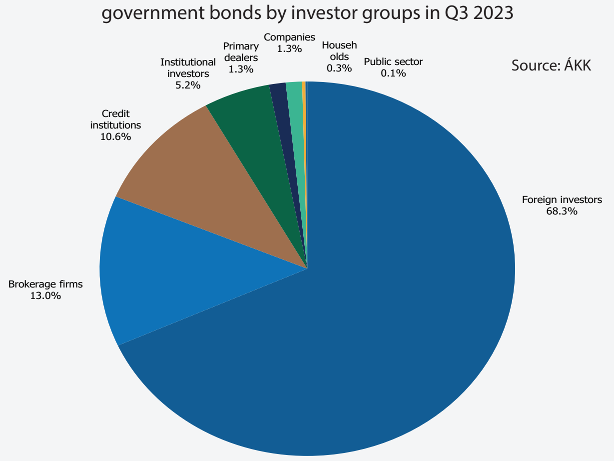
Source: ÁKK



*Government securities with a maturity of up to one year and with a maturity of over one year, the stock of Households also includes the stock of non-profit institutions serving households.

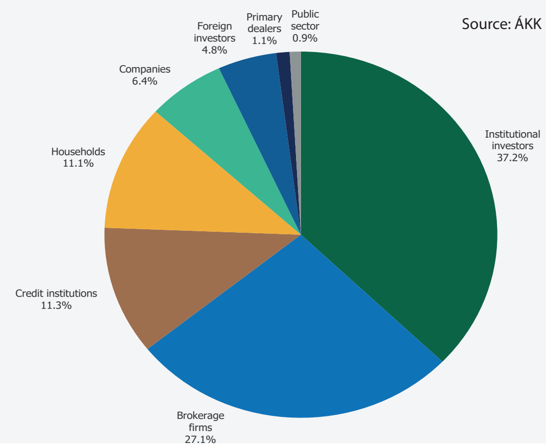
Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in Q3 2023

Source: ÁKK



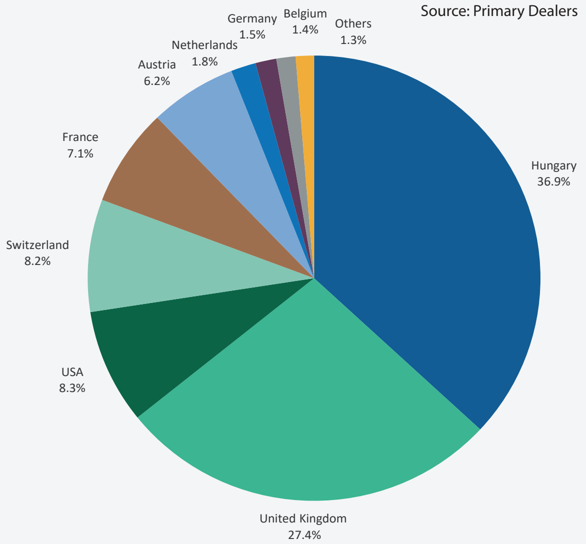
Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in Q3 2023

Source: ÁKK



Geographical breakdown of gross turnover* of primary dealers in Q3 2023

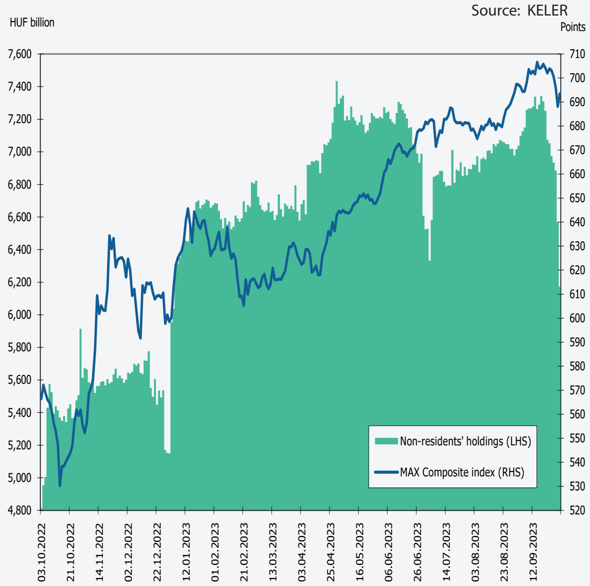
Source: Primary Dealers



*Government bonds, Discount T-bills, OTC markets, MTS

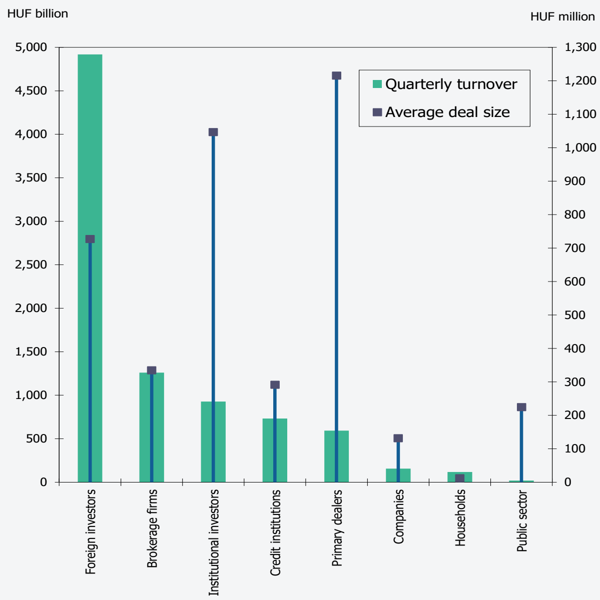
Non-residents' holdings of Hungarian government securities and the MAX Composite index during the last year

Source: KELER



Primary dealers' trading with different investor groups in Q3 2023

Source: ÁKK



Government securities with the highest secondary market turnover in Q3 2023

Government security	Date of redemption	Turnover (HUF billion)
2028/A	22.10.2028	1,181.0
2032/A	24.11.2032	940.4
2026/H	21.10.2026	738.7
2033/A	20.04.2033	575.8
2029/A	23.05.2029	349.4
2031/A	22.10.2031	300.3
2038/A	27.10.2038	292.2
2027/A	27.10.2027	273.1
2023/A	24.11.2023	264.4
2025/B	24.06.2025	261.9

Source: ÁKK

HUNGARIAN GOVERNMENT SECURITIES INDICES

	Value of the index					Annual yield earned on the index portfolio (%)				
	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
30.06.2023	710.2455	83.2908	681.7572	616.1465	616.5396	11.56	14.40	11.45	10.41	12.33
31.07.2023	708.4671	82.5960	681.1692	622.1287	621.8305	13.16	14.18	12.92	11.79	13.13
31.08.2023	725.8064	84.6734	697.4626	630.1385	628.5407	19.43	22.34	19.05	12.28	13.55
30.09.2023	720.7087	83.2804	693.4923	637.4195	634.4878	22.30	25.06	21.98	14.23	14.14

Source: ÁKK

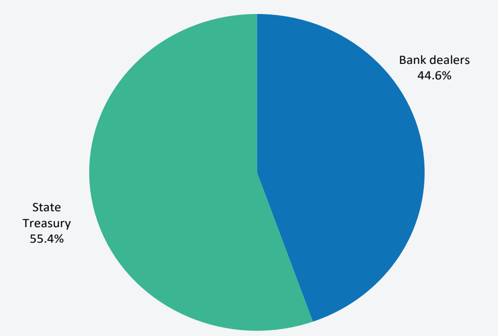
Outstanding amount of benchmark government bond series in Q3 2023

Source: ÁKK

Government bond	HUF billion		
	31.07.2023	31.08.2023	30.09.2023
2026/H	309.85	384.36	431.69
2028/A	1,218.44	1,314.55	1,376.58
2032/A	1,083.04	1,147.97	1,185.99
2038/A	957.11	970.17	970.20
2041/A	574.48	574.55	574.57

Breakdown of retail securities stock by distributors in Q3 2023

Source: ÁKK



PRIMARY DEALERS - AS AT 30 SEPTEMBER 2023	
BNP Paribas	J.P. Morgan Securities SE
CIB Bank Zrt.	K&H Bank Zrt.
Citibank Europe plc Hungarian Branch	MBH Bank Nyrt.
Deutsche Bank AG	OTP Bank Nyrt.
Erste Befektetési Zrt.	Raiffeisen Bank Zrt.
Goldman Sachs Bank Europe SE	UniCredit Bank AG
ING Bank N.V. Hungarian Branch	

REUTERS PAGES (CODES)

main page: HUTREASURY

Auction results are available from 11.30 (CET)	
HUISSUE	Publication of the following issues and 1-year Hungarian Government Security underwriting and results
HUAUCTION01	Discount T-bill auction result
HUAUCTION02	Government Bond auction results
HUAUCTION03	Non-competitive fixed rate benchmark bonds offer
HUAUCTION04	Non-competitive floating rate bonds offer's result
HUAUCTION05	Non-competitive fixed rate non-benchmark bonds offer
HUBUYBACK	Government Bond buyback auction results
HUEXCHANGE	Government Bond exchange auction results
Secondary market data	
HUBONDFIX	Benchmark yield fixing
HUBONDAKK, HUBONDAKK4	Best morning secondary market quotations
HUBONDAKK2, HUBONDAKK3	Best afternoon secondary market quotations
HUBONDINDEX1	Hungarian Government Total Return Index (MAX)
HUMAXCOMP, HUMAXCOMP2	MAX Composite Index
HUAKK01,HUAKK02,HUAKK03, HUAKK04, HUAKK05	Hungarian Government Total Return Index (MAX) statistics
Other	
HUFLOATER	Interest rate reset of floating rate bonds

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www.allampapir.hu