GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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HUNGARY
Investor Presentation

April 2021

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KEY FACTS AND FIGURES ON HUNGARY

Area: 93,023 sq. kilometres

Capital: Budapest

Population: 9.7m

Life expectancy: 76.1 years

Currency: Forint (HUF)

Exchange rate (2020):
351.17 HUF = 1.00 EUR[1] 307.93 HUF = 1.00 USD[1]

Nominal GDP (2020): HUF 47,743 billion (EUR 136.0 billion)

Real GDP growth (2020): -5.0%

Public debt (2020): HUF 36,684 billion (EUR 100 billion)

Public debt in foreign currency (2020): HUF 7,318 billion (EUR 20 billion)

Sovereign ratings: BBB / Baa3 / BBB
Positive outlook in case of Moody's

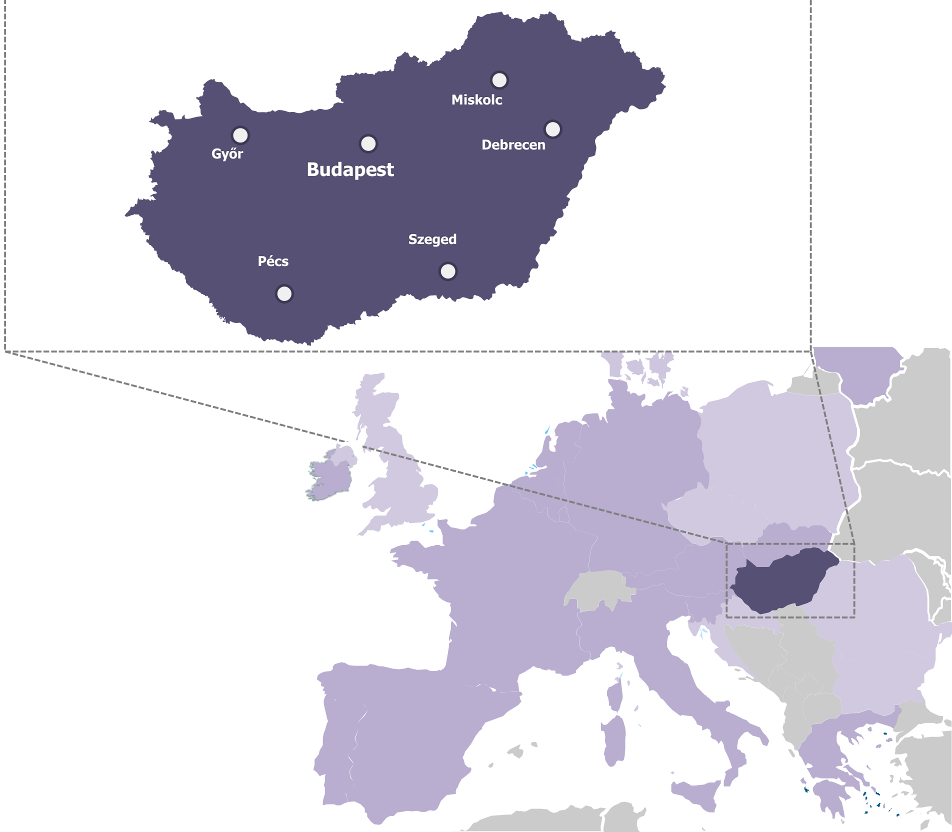
Government: parliamentary republic

EU member country since: 2004

Schengen area member since: 2007

Key economic sectors: manufacturing; wholesale and retail trade; automotive; education and health

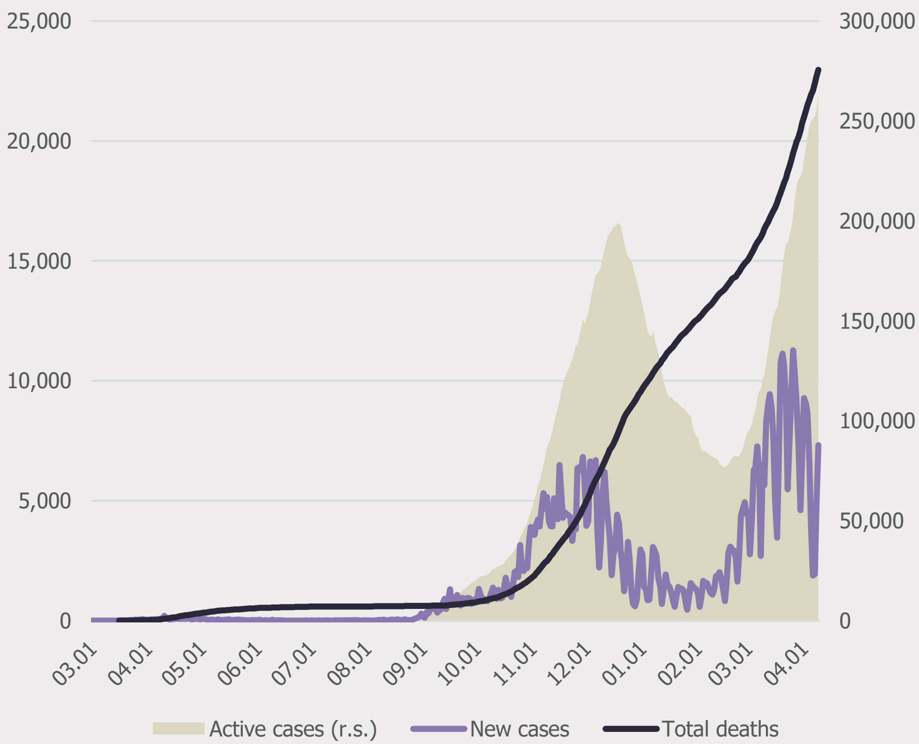
A high income economy with a strategic location at the centre of Europe and memberships in key international organizations



Note: 1. Average exchange rate in 2020
Sources: Government Debt Management Agency of Hungary (AKK), Hungarian Central Statistics Office (HCSO), HIPA, Magyar Nemzeti Bank (the central bank of Hungary) (MNB), World Bank, Bloomberg, European Commission

I. MEASURES TO FACE CORONAVIRUS PANDEMIC

COVID-19 SITUATION IN HUNGARY 1/2



NO. OF HOSPITAL BEDS

Hungary is among the top 5 countries in the EU (more than 700 beds per 100,000 inhabitants)

MEASURES TO CONTROL THE SPREAD – 1ST WAVE

- Students in **all levels of education** were **not allowed to visit** educational institutions.
- Hungary **closed its borders**.
- Introduction of a state of emergency and **official home quarantine.**
- **Construction** of an **emergency epidemiology hospital** started. Hospital commanders operated at hospitals for the protection of healthcare supplies.
- A Government decree on **restricting movement** was issued and was effective from 28 March.
- **Restaurants were closed**, only takeaway was permitted.
- Between 9 a.m.-12 noon shops were accessible only **for persons of age of 65 and above exclusively.**

MEASURES TO CONTROL THE SPREAD – 2ND WAVE

- **Students of secondary education and of universities** are not allowed to visit educational institutions (online education).
- Hungary **keeps its borders closed**.
- Re-implementation of **state of emergency**.
- **Restriction of movement** between 8 p.m. and 5 a.m.
- **Restaurants are closed**, only takeaway is permitted.
- **Hotels** can only have business travellers.
- **Shops have to close at 7 p.m. at latest**; museums, theatres etc. are completely closed.
- **Non-life-saving surgeries** are postponed.

COVID-19 SITUATION IN HUNGARY 2/2

NO. OF PEOPLE VACCINATED WITH AT LEAST 1 DOSE

2,608,084 (**27.0% of population**, vs. the EU average of 13.5%)

Coronavirus vaccination started on 27 December, 2020 based on a **national vaccination plan**. First, healthcare workers, then social workers and elderly home residents were vaccinated, followed by high-risk age categories and further risk categories and age groups. Teachers and pregnant women are being vaccinated out of turn.

EASING PROTECTIVE MEASURES AS OF 7 APRIL, 2021

- **Protective measures are being eased gradually, based on the number of vaccinated people**. The first stage started on 7 April, 2021 when the number of people vaccinated reached 2.5 million, a quarter of the population.
- The Parliament has extended the state of emergency and the special mandate of the government by 90 days, until 22 May, 2021.
- Night curfew was shortened to between 10 pm - 5 am (except for going to/from work).
- All stores and shopping malls can reopen with a prolonged opening time between 5 am - 9:30 pm, applying strict social distancing rules with 1 customer per 10 square meters in the store.
- Service providers can reopen, except for those in the tourism, catering and entertainment sectors.
- All schools and kindergartens may reopen as of 19 April, 2021 following the vaccination of teachers. Until then, all schools operate digitally but day-care for children is provided.
- Assemblies and all events are prohibited except for religious events. Private and family events are permitted for max. 10 persons.
- Sports matches to be held behind closed doors, outdoor individual sports activities are permitted. Using leisure and sport facilities is forbidden.
- Restaurants cannot serve customers except for delivery, canteens are permitted to remain open for take-away meals.
- Accommodating tourists is forbidden for hotels, only guests visiting for business, economic or education reasons can be received.
- The use of mask and social distancing obligations are still in force.
- The government simplified and accelerated the import and the regulatory procedure of coronavirus vaccines and drugs.

HUNGARY IS IN STRONG POSITION TO FACE THE IMPACT OF COVID-19

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Measures to face coronavirus pandemic	• The Government is taking **extraordinary measures to contain mass infections and mitigate the economic impact of Covid-19,** as illustrated in slide 8, 9 & 10 • The **MNB took a series of coordinated measures** including adjustment of policy rates, introduction of new liquidity enhancing facilities and executing asset purchases, as illustrated on slide 16 • Fiscal policy measures result in a **total stimulus of HUF 13,970 billion** equalling 29.3% of GDP, as illustrated on slide 12
Strong and resilient economy	• **Hungary was one of the fastest growing economies in Europe with real GDP growth of 4.6% in 2019** (3 times higher than the EU average), **GDP dropped by 5.0% in 2020 (lower than EU average** of 6.2%), as illustrated on slide 18 • **The economy benefits from strong investment dynamics,** enjoying the second highest investment rate in Europe in 2019 • **The level of unemployment is low,** amounting to 3.2% in Q4 2019 and 4.1% in Q4 2020 • **Hungary's economic environment is stable: yearly average** inflation has been within the targeted band since 2017 and the banking sector is characterised by low non-performing loan ratio and adequate capitalisation, as illustrated on slide 25
Sound fiscal policies	• **The fiscal deficit was constantly below the EU ceiling of 3% since 2012, however the ESA deficit for 2020 is 8.1% of GDP (compared to the original 1.0% target) in response to Covid-19** (see slide 27) • **Domestic fiscal rules and counter-cyclical fiscal policies have allowed the public debt to decline steadily since 2011** – i.e. by 15 percentage points over 2011-2019, reaching 65.5% of GDP at year end 2019; as a result of the pandemic, the debt ratio has increased to 80.4%, as illustrated on slide 28 • **Fiscal policy will be supportive in 2021 in response to Covid-19, however in the medium term the government remains committed to fiscal consolidation and reduction of public debt. The debt rate target for 2021 is 80.1%.**
Favourable external position	• **Hungary enjoys a positive net international lending position since 2009,** as illustrated on slide 31 • **This positive external position is largely explained by the country's trade surplus,** which has been supported by the rise in services exports in recent years, as illustrated on slide 31 • **External debt indicators are at historical lows** with a gross external debt (including intercompany loans) level of 82% of GDP in Q4 2020 compared to 129% in 2012, as illustrated on slide 32 • **International reserves are adequate**, representing 1.5x the level of short-term external debt of the sovereign, as illustrated in slide 32
Effective debt management	• **Hungary is an Investment Grade country that benefits from highly supportive financing conditions,** as illustrated on slide 29 • **In spite of the ongoing pandemic, no credit rating agency has downgraded Hungary,** as illustrated on slide 29 • **The structure of public debt is favourable** with a decreasing share of FX debt, increasing average term to maturity, entering the green bond market and a highly diversified, deep and liquid domestic market, as illustrated on slide 37, 38 & 39 • **The development of the retail market has been a key driver of the expansion of the domestic investor base,** as illustrated on slide 35 & 36

FIRST WAVE – ECONOMY PROTECTION ACTION PLAN: IMMEDIATE AND MEDIUM-TERM MEASURES

The announced measures including programmes launched by the central bank will regroup 29.3% of GDP in total.

1. Preserving jobs: Wage support during both the first and second wave, more flexible work organisation, online trainings, tax reliefs, and administrative burden reduction.

2. Creating jobs: Support of employment costs, job creation by supporting corporate investments, training and education support. More support for business development.

3. Restarting the priority sectors: Sectors including tourism, health industry, food industry, agriculture, construction industry, logistics, transport, film industry and creative industry benefit from significant state support.

4. Provision of subsidised credit facilities: Interest- and guarantee-subsidised credit facilities to Hungarian businesses in the total value of more than HUF 2,000 billion; payment moratorium on corporate loan instalments.

5. Family and pensioner protection: Reintroducing the 13th month pension, facilitations for family allowances, launching Hungary's biggest home creation scheme ever, payment moratorium on household loan instalments, significant wage increase in the health sector.

Source: MoF

SECOND WAVE – SAVING JOBS, SIMPLIFYING TAXES AND ENHANCING INVESTMENTS

1. Hotels can only accommodate business guests, not tourists. Reservations made until 8 November will be compensated for up to 80% of their value. This applies for the first 30 days and only if the workforce is kept intact. 50% wage subsidy until the end of emergency.

2. Restaurants, leisure and entertainment facilities, tour operators, bus operators active in field of tourism: tax and contribution reductions will be maintained, (e.g. businesses will be exempt from paying employer taxes), 50% wage subsidy until the end of emergency. For the transitional period of closing the restaurants, the VAT on delivered food was reduced from 27% to 5%.

3. Tax and administrational easing: intermediaries are exempt from tourism contribution, preliminary VAT return forms are completed by the Government, the upper limit of HUF 10 billion for long-term development reserve of the companies is erased, the income upper limit for small companies taxation is doubled, the cost of more than 1.5 million administrational burdens are erased, easing for companies with multiple premises, public procurement system is simplified. The local business tax for small and medium-sized enterprises and self-employed (whose annual net sales or balance sheet total do not reach HUF 4 billion) has been halved from 1 January, 2021.

4. Increasing employment: HUF 12 billion programme to support labour market demand for young, uneducated job seekers, supporting the education of parents with dependent children, scholarship programme. Support of employment of people with disabilities with HUF 48.6 billion. Training support scheme for companies. Support for six thousand young people to become entrepreneurs. Wage support in the research, development and innovation (RDI) sector.

5. Support for construction and home creation: VAT is reduced for newly built houses from 1 January, 2021 to 31 December, 2022 to 5%, VAT is refundable and exempt from housing tax, if the apartment is bought via CSOK (Family Housing Programme), home renovation support for families with children, multi-generational housing is encouraged. Builder-5 (Építők-5) program HUF 12 billion support for construction businesses.

Source: MoF

THIRD WAVE – ECONOMIC RESTART ACTION PLAN

1

First period (until 1 April, 2021):

- Reduction of VAT on housing construction to 5%.
- HUF 6 million preferential loan for the renovation of flats, of which HUF 3 million is a non-refundable subsidy.
- Building back the 13th month pension.
- Personal income tax exemption for youth under the age of 25.
- A zero interest loan of up to HUF 10 million for ten years, with a three-year repayment moratorium for small and medium-sized enterprises to help the economic restart.

2

Second period (until 1 July, 2021):

- Providing HUF 1,500-2,000 billion in support to higher education institutions.

3

Third period (after 1 July, 2021):

- Green energy, building a circular economy.
- Full digitization of the Hungarian economy.
- Launch of an eight to ten years long agricultural and rural development program

Source: MoF

HUNGARY FACES THE COVID-19 CRISIS WITH A STRONG POLICY TRACK RECORD

Key highlights of government support

- **The Hungarian government has implemented a wide range of measures to support the economy in response to Covid-19**
  - 2020 budget reserves of 1% of GDP mobilized
  - Creation of the Disease Control Fund and Economy Protection Fund, mainly with budgetary rearrangements
  - The Parliament modified the 2020 Budget Act in June and made the Economy Protection Fund uncapped
  - ESA budget deficit target for 2020 was set to 8-9% of GDP up from 1.0% initially budgeted
  - Total measures worth HUF 13,970 billion (29.3% of GDP) for 2020 to mitigate the impact of the crisis
- **The government was committed to mitigating the economic downturn with economic protection, job creation, tax and financing measures. The increased deficit related to these measures resulted in a higher debt vis-a-vis the original plans; but at the same time alleviated the size of the downturn**

Key highlights of central bank support

- **Key policy rates remaining highly accommodative and sufficient policy space** following increase in one-week collateralized lending rate to 1.85% following the monetary council decision dated 7 April, 2020
- **Central bank base rate cut by 15 basis points** effective as of 24 June, 2020
- **Central bank base rate cut by an additional 15 basis points** effective as of 22 July, 2020
- **Enhanced liquidity** thanks to the introduction of 1-week FX swap tender, a 5-year long-term collateralized lending facility and the release of capital buffers of systemically important credit institutions
- **Introduction of asset purchase programs** with the Government Security Purchase Programme and the Mortgage Bond Purchase Programme
- **Introduction of a new and enlarged Funding for Growth Scheme** to ensure access to required and affordable funding for domestic SMEs

➢ **<u>Balanced approach to maintain rates at low levels, ensure ample liquidity and achieve low long term rates</u>**

GOVERNMENT MEASURES TO ALLEVIATE ECONOMIC IMPACT OF THE PANDEMIC AS OF 20 JANUARY, 2021

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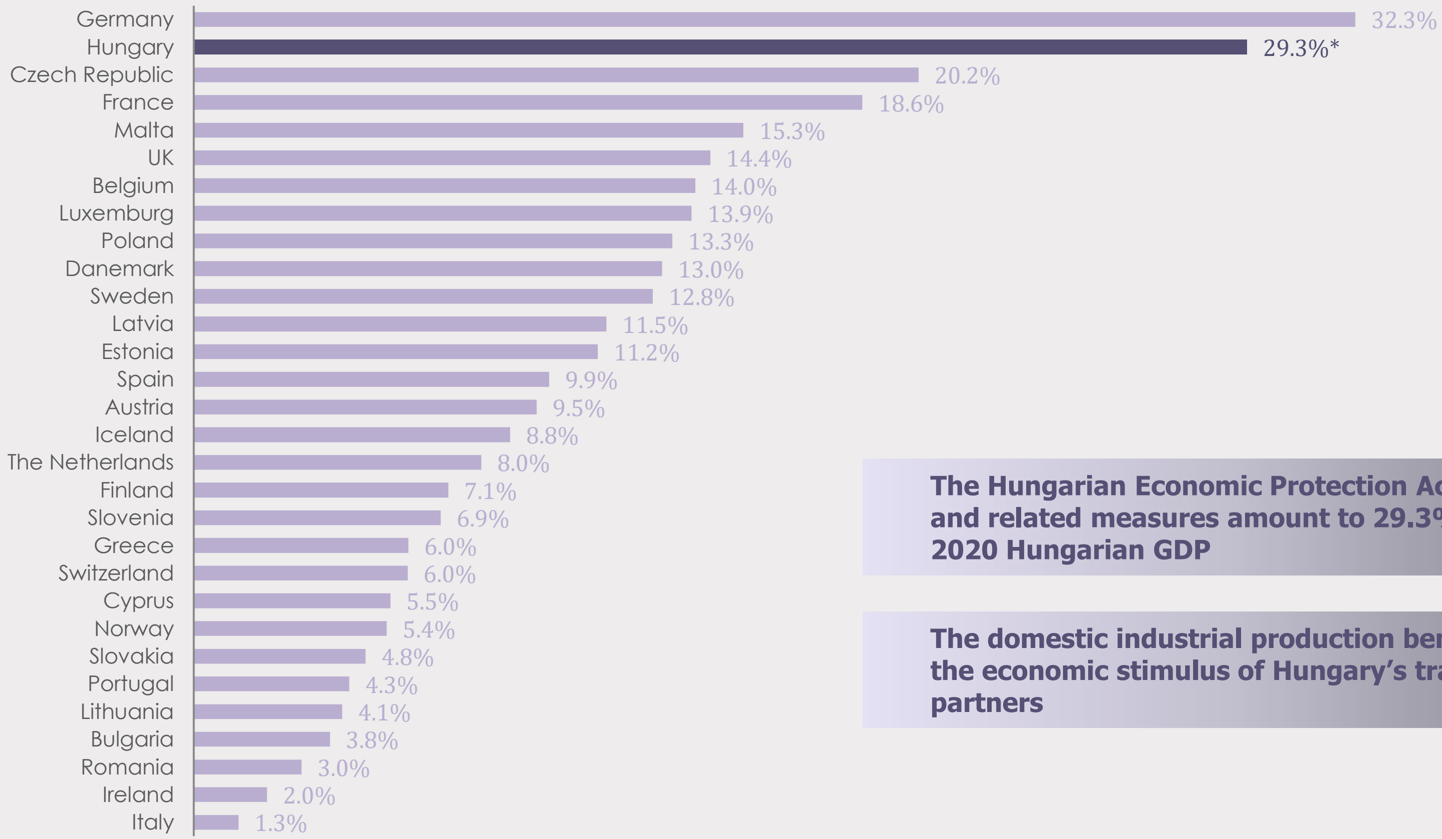
Area of action	Sum of measures for 2020	
	HUF billion	% of GDP[1]
Total measures = 1) + 2) + 3)	**13,970**	**29.3%**
1) Pandemic measures	1,027	2.2%
2) Economic policy measures = A) + B)	4,740	9.9%
A) Discretionary tax and social measures	426	0.9%
Further 2%-points cut of the social security tax	160	0.3%
Temporary cuts of certain employer's and employee's taxes until June 30	69	0.1%
Other tax measures	185	0.4%
Lengthened eligibility for maternity related social transfers	11	0.02%
B) Expenditure measures	4,314	9.0%
To be financed from reallocated domestic budgetary sources	943	2.0%
To be financed from overrun of domestic appropriation	3,088	6.5%
To be financed from reallocated EU-co-financed expenditures	219	0.5%
Other expenditure measures	64	0.1%
3) Financing measures	8,203	17.2%
Payment moratorium (total size of the measure)	3,600	7.5%
Total amount of new capital, guarantee and loan programs (up to Aug 24)	2,103	4.4%
Central Bank's Funding for Growth Scheme	2,500	5.2%

Source: Ministry of Finance (MoF) Note: 1 Calculated with GDP for the year 2020 of HUF 47,743.5 billion; figures are rounded for the first digit and consequently subject to rounding error

THE VOLUME OF THE HUNGARIAN MONETARY AND FISCAL MEASURES COMPARED TO THE LARGEST EUROPEAN MITIGATION PACKAGES

Size of the assistance packages (percent of GDP for 2019)



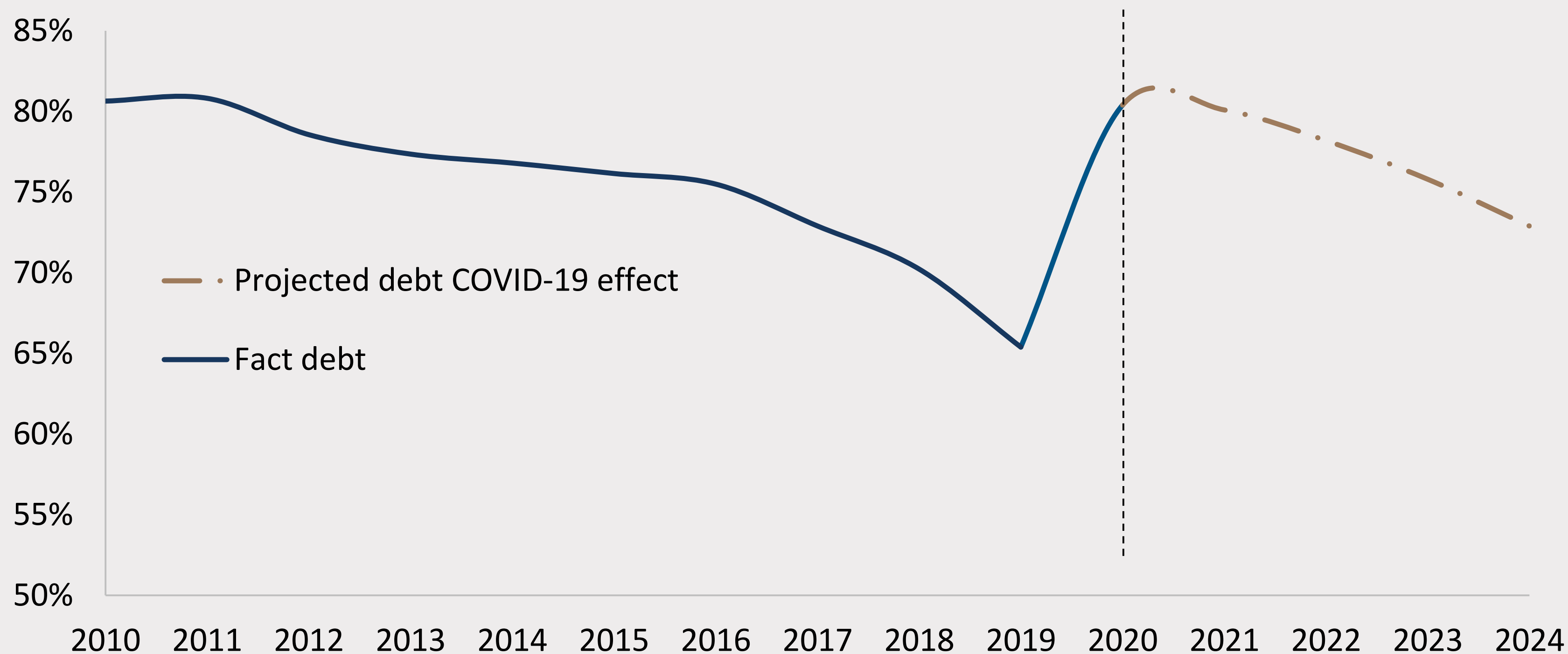
The Hungarian Economic Protection Action Plan and related measures amount to 29.3% of the 2020 Hungarian GDP

The domestic industrial production benefits from the economic stimulus of Hungary's trading partners

*Source: MoF Note: * In case of Hungary, size of assistance package relative to GDP for 2020*

DESPITE THE INCREASE OF THE DEBT RATIO IN 2020, THE GOVERNMENT IS COMMITTED TO THE REDUCTION OF THE PUBLIC DEBT

Evolution of the public debt ratio (% of GDP)



By setting an 8-9% ESA deficit target for 2020 the government wanted to deliver more direct budgetary support in order to alleviate the size of the downturn – this lead to an upward shift in the public debt ratio.

Looking ahead, domestic fiscal rules stipulate the reduction of the public debt.

HUNGARY, SIMILARLY TO OTHER COUNTRIES, IS FOCUSED ON THE ECONOMIC RECOVERY AND KEEPING PEOPLE EMPLOYED

	Hungarian focus measures	Note	Some countries that also apply
1	**Hungarian "Kurzarbeit"**	Government support for short-term work for the period of the lockdown. The Hungarian government took over 70% of the lost salary for 3 months. After the second wave of the pandemic, the government reopened the scheme for certain sectors.	
2	**Maintaining household income**	Expiring benefits for persons currently on maternity leave were extended until the end of state of danger. Parents raising a chronically ill or disabled child do not cease to be eligible until the last day of the 2nd month after the end of the emergency. Employees' contributions were reduced to level equivalent to the basic health insurance contribution (HUF 7,710) payable in sectors severely affected by the epidemic.	
3	**Payment moratorium for companies and households**	Payment moratorium was introduced and prolonged for debtors of households and company credit, loan and financial lease contracts.	
4	**Deferred tax payment**	Tax holiday in accommodation, food, arts, entertainment and recreation services on employers' social security contributions. Tax holiday for small businesses under the simplified, small business oriented tax regimes.	
5	**State guarantee**	Measures offer interest- and guarantee-subsidised credit facilities to Hungarian businesses.	

Source: Hungarian Government, MoF, MoJ

OVERVIEW OF KEY MONETARY POLICY MEASURES

Rates	• **Following the monetary council meeting on 7 April, 2020:**
	  ◦ Base rate and overnight deposit rate remains unchanged at 0.90% and at -0.05%, respectively
	  ◦ Overnight and one-week collateralized lending rate have been raised to 1.85%
	  ◦ 1-week deposit rate remains equal to the base rate
	• **On 23 June, 2020, the central bank base rate was decreased to 0.75%** (effective as of 24 June, 2020)
	• **On 21 July, 2020, the central bank base rate was decreased to 0.60%** (effective as of 22 July, 2020)

Liquidity / new facilities	• **Introduction of 1-week FX-swap tenders** providing forint liquidity daily for counterparties on 17 March, 2020
	• **Introduction of a long-term collateralized lending facility with maximum 5-year maturity** to support banks' liquidity management on longer-term maturities and strengthen the functioning of the government securities market on 24 March, 2020:
	  ◦ Amount: unlimited (each tender follows market conditions)
	  ◦ Interest rate: fixed during the whole period
	  ◦ Unconditional: it may be used for loans to private sector, FX and interest rate swaps, for buying treasury bonds or for interbank transactions
	• **Introduction of a new 1-week deposit facility paying the central bank base rate on 1 April, 2020 aiming at addressing uneven liquidity distribution**
	  ◦ Available for MNB's monetary policy counterparty institutions (domestic financial institutions with VIBER or BKR membership)
	  ◦ Minimum bid: HUF 10 million – tick: HUF 1 million
	  ◦ Lifespan: as warranted by liquidity developments
	  ◦ On 2 April, 2020, MNB accepted all of the submitted bids in worth of HUF 655 billion
	  ◦ Since 24 September, 2020 the yield of the 1-week deposit facility exceeds the central bank base rate by 15 basis points
	• **Suspension of sanctions on reserve deficiency**
	• **Release of capital buffers of systemically important credit institutions** on 1 April, 2020
	• **Introduction of a new Funding for Growth Go! scheme (FGS Go!), worth HUF 1,500 billion**[1]
	  ◦ Refinancing rate: 0%, maximum interest rate for SMEs: 2.5%
	  ◦ Investment loans: 20-year duration, working capital loans: 3-year duration, max. loan amount HUF 20 billion/company

Asset purchases	• Launch of a **Government Security Purchase Program** in May 2020 • **Easing of Bond Funding for Growth Scheme conditions**[1] • Relaunch of the **Mortgage Bond Purchase Program** in May 2020 • Extending the Bond Funding for Growth Scheme and Government Security Purchase Program in March 2021 lifting the 50% threshold for Government Bond series

Balanced approach to maintain rates at low levels and ensure ample liquidity

Beginning with the 2021 reserve period, the central bank decided to fully or partially cancel the capital requirement for certain green investments.

Note: 1. Sterilization of excess liquidity supply created under the FGS Go! and BGS and preferential deposit facility rate of 4% for additions to stocks of loans/bonds under FGS Go! and BGS; FGS Go! was extended to HUF 2,500 billion in November 2020 and to HUF 3,000 billion in April 2021

Source: MNB measures enacted by the decisions of the Monetary Policy Council of the MNB

II. STRONG AND RESILIENT ECONOMY

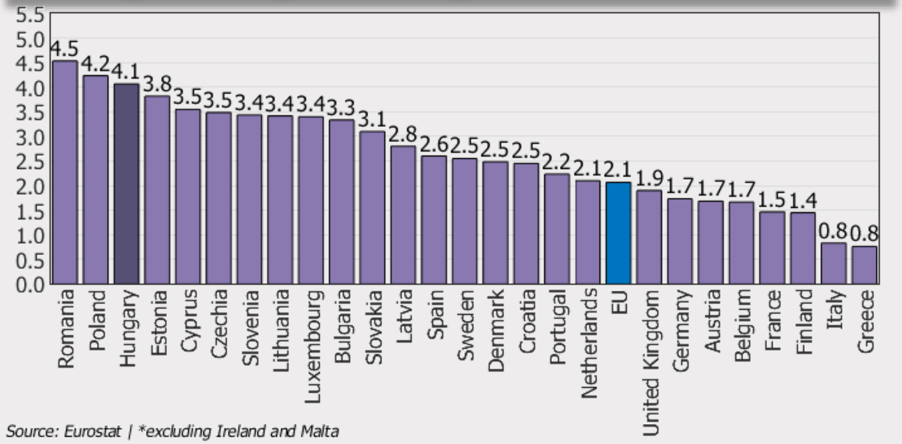
HUNGARY CONTINUES TO BUILD ON SOLID ECONOMIC GROWTH SINCE 2013

Key highlights

- **Since 2013, Hungary's GDP growth has been among the fastest in Europe, as evidenced in the chart on the right**
- **Growth has been partly driven by the turnaround in employment** that happened in the wake of the structural reforms implemented after the economic crisis, including the tax regime
    - The number of people employed rose by over 655,300 between Q4 2012 and Q4 2019
    - Unemployment decreased to a historic low of 3.2% in Q4 2019
    - **This has allowed the Hungarian economy to grow by 4.1% on average between 2014 and 2019, while the EU average has been 2.1%**
- **In 2019, real GDP grew by 4.6%, the fourth highest level in Europe** and three times faster than the EU average, according to data compiled by Eurostat
- **In 2020, real GDP decreased by 5.0%,** lower than the EU average of 6.2%, according to data compiled by Eurostat
- The strong momentum in Hungarian economic activity entering the Covid-19 crisis is supportive of the outlook compared to peers
    - Unemployment rate increased to 3.6% in Q1 2020 and to 4.5% in Q2 2020, but decreased to 4.3% in Q3 2020 and to 4.1% in Q4 2020
    - GDP decreased by 0.5% in Q1 2020 and by 14.3% in Q2 2020, but increased by 11.0% in Q3 2020 and by 1.3% in Q4 2020, compared to the previous quarter
- **Hungarian economy has been addressing the crisis better than the EU on average and is expected to recover faster**

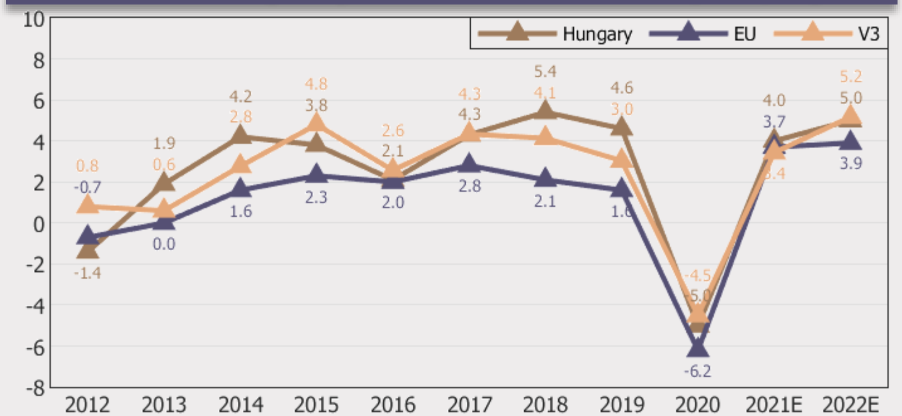
Sources: HCSO, Eurostat

Third highest GDP growth among EU countries 2014-2019*



*Source: Eurostat | *excluding Ireland and Malta*

Real GDP Growth (European Commission Forecast; YoY, %)



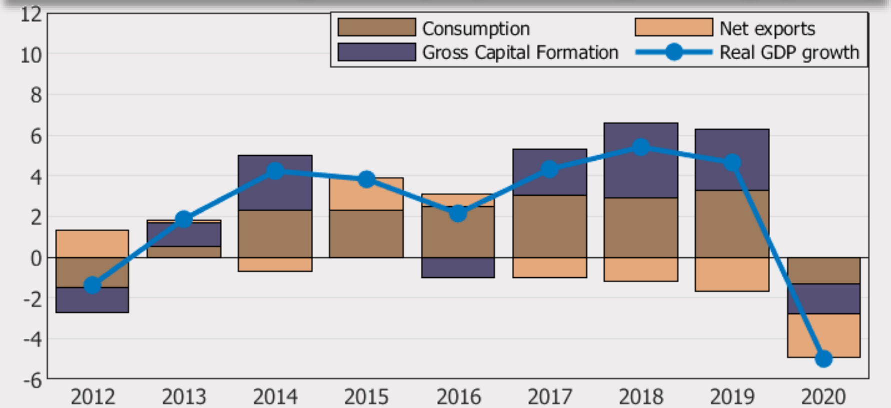
Sources: Eurostat, European Commission 2020 Autumn Economic Forecast; Note: Unadjusted data

GROWTH IS DRIVEN BY BOTH CONSUMPTION AND INVESTMENT

Key highlights

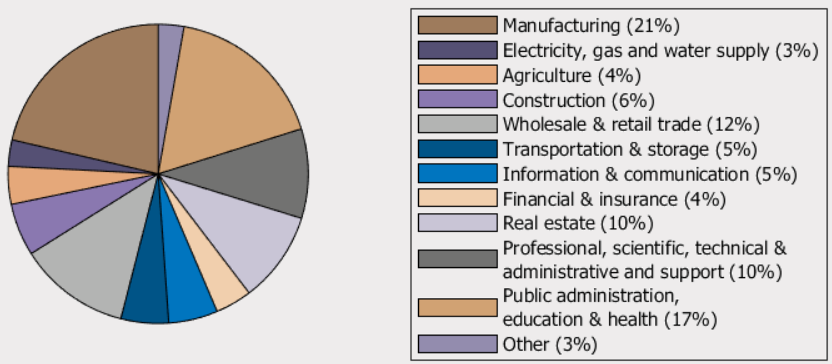
- **Growth in Hungary has been consistently supported by strong household consumption until 2019**
    - Household consumption has been supported by increasing household wealth and a low unemployment rate
    - This has contributed to the development of the services industry
- **Investment activity has picked up significantly between 2017 and 2019**
- **All major sectors contracted in 2020**
- **All major components of GDP contracted in 2020**
- **The contraction is mainly the result of the ongoing pandemic**

Contribution to GDP growth by expenditure (percentage points)



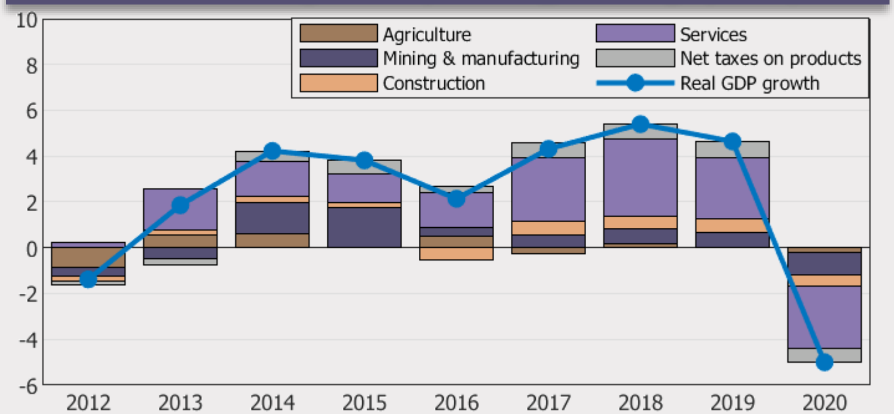
Source: HCSO; Note: Calculated from indices compared to the previous year

2020 Nominal GDP breakdown by sector (% of total)



Source: HCSO

Contribution to GDP growth by sector (percentage points)



Source: HCSO; Note: Calculated from indices compared to the previous year

INVESTMENT DYNAMICS ARE SUPPORTIVE FOR THE BROADER ECONOMIC OUTLOOK

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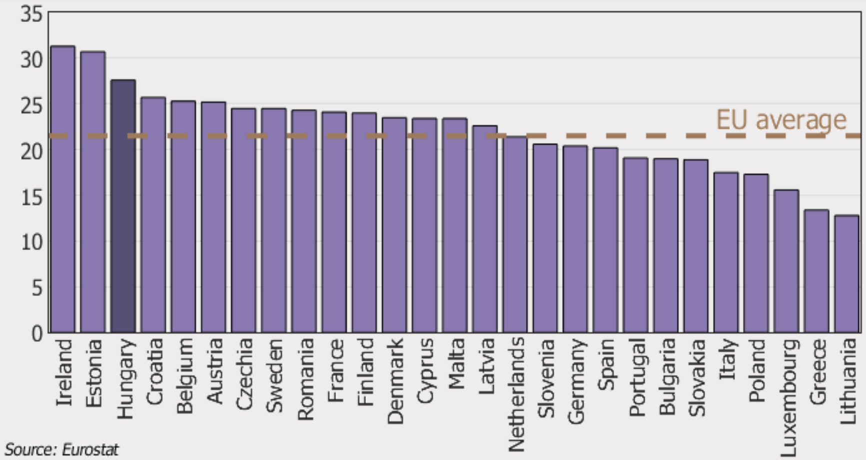
Key highlights

- **Hungary benefited from the third highest investment rate in Europe in 2020,** with investment representing 27.6% of GDP (compared to an average of 21.5% among EU-27)
- **Investment has been particularly dynamic in the corporate sector** partly due to incentives including flat corporate income tax rate and investment subsidy program for large corporations
- **The effective absorption of EU funds has also contributed to the positive trend and is expected to keep generating important benefits in the coming years**
  - As of 2019, only 43% of the total EU budget allocated to Hungary for the 2014-2020 period had been spent

Sources: Eurostat, HCSO, MoF

2020 investment rate in EU countries (% of GDP)



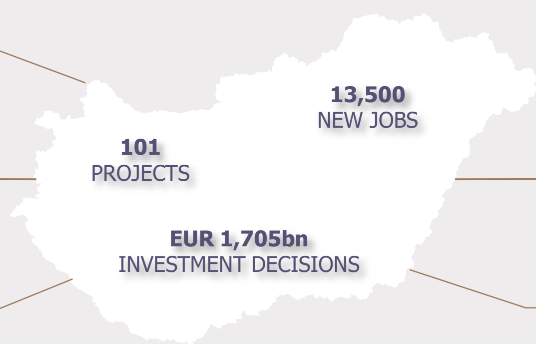
Source: Eurostat

Effective investment incentives and 2019 achievements

Large corporation investment subsidy program: for companies active in the manufacturing sector that contribute to growth through the modernization of economy and expansion of employment

Training Subsidy: available to investors creating at least 50 new jobs. This subsidy is provided for trainings with maximum aid intensity of 50%

VIP Cash Subsidy: for asset investments, business service centres and R&D projects



Source: MoF

Development tax incentives: tax allowance for post-investment period, exemption for up to 80% of the corporate tax payable for 13 years following installation

9% corporate income tax rate: the lowest rate in the EU, which substantially reduces capital costs and strengthens Hungary's ability to attract capital

Subsidy based on individual government decision: focusing on the creation of high value-added jobs, the maintenance of existing jobs and the improvement of the corporate productivity and automatisation

PRODUCTION INVESTMENT DECISIONS KEEP ON COMING

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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

Flagship investment projects announced before 2020 (HUF billion)

Project	HUF billion
Mercedes-Benz	490
Mol	396
Samsung SDI	390
BMW	320
FAKT AG	320
SK Innovation	239
Budapest Airport	225
Audi	173
Toray Industries	128
Doosan	106
Hankook	89
Procter&Gamble	55
Wanhua	48
Rehau	47
Lufthansa	43
Richter	40
Hanon Systems	37
Arconic-Köfém	35
Becton Dickinson	34
Infineon	32
CMC	32
B. Braun Medical	31
Continental	31
Hell	30
Pepco	27
NHK Spring	26
Linamar	25
Schaeffler Savaria	24
Flex Films	23
GMD Europe	20
Valeo	19
Glaxosmithkline	18
Linamar	18
Joyson Safety Systems	16
Giant	15
Master Good	15
Dana	15
Krones AG	15
Inzi Controls	15
Conagen	15
Unilever	15
Other projects under HUF 15 bn	357

Other projects under HUF 15 billion:

Hamburger Hungária (14), Bosch (14), Erbslöh (14), Bumchun Precision (13), Mondi (13), AVL (13), Alföldi Tej (12), Siemens (10), Le Bélier (10), ECM-Clean (10), Intretech (10), Bridgestone (9), GS Yuasa (9), Ceva Phylaxia (8), CooperVision (8), Árklub Kft. (8), Güntner (8), British American Tobacco (8), BHS Trans (8), Soulbrain (7), Deufol (7), Provertha (7), Egis (7), Leier Hungária (7), SAPA Profiles (7), Sanmina (7), Yaris Kabin (7), Hauni (6), Ravaber (6), Qualitative Production (6), Bourgogne Gastronomie (6), Itron (6), Csaba Metál (6), Komáromi Mezőgazdasági Zrt. (5), SMR (5), Evosoft (5), Teva (5), ADA (5), Magnus Aircraft (5), Mias (5), Várda Meat (4), F. Segura (4), Vestfrost (4), Ten Pao (4), Zalaco Sütőipar (4), Bock Hungária (4), TBZ Táp (3), Diehl Aviation (3), Bremas Hungary (2), Eissmann (2),

HUF 6,406 billion
TOTAL INVESTMENT PROJECTS ~13% OF ANNUAL GDP

HUF 17-29,000 billion
ADDITIONAL EXPORT PERFORMANCE PER YEAR

17-23 percentage points
TOTAL GDP GROWTH INVESTMENT & EXPORT EFFECTS

Despite the pandemic, several new investment projects have been announced since early 2020 with a total amount of HUF 2,400 billion

Flagship investment projects announced since early 2020 (HUF billion)

Project	HUF billion
SK Innovation (battery factory)	680
Mercedes (press plant, electric vehicle factory)	100
Doosan (electric battery foil factory)	75
Semcorp (lithium-ion battery foil factory)	66
JYSK (logistics base)	63
Pick Szeged (new salami factory)	60
Rheinmetall (combat vehicle factory)	60
Nestlé (pet food factory)	50
Lotte Aluminum (battery parts factory)	44
Vitesco (automotive electronics)	36
Dynamit Nobel Defense (military industry)	36
Lidl (logistics center)	35
Coca-Cola (capacity expansion)	30
Continental (vehicle electronics prod. lines)	25
Glencore (vegetable oil refinery)	22
Zalakerámia (cladding material factory)	22
Chervon-Auto (car parts factory)	18
Metrans (rail-road logistics terminal)	16
Lipóti (bread factory)	15
Tamási Hús (bacon production capacity exp.)	14
Linde (industrial and medical gas factory)	14
Shenzhen Kedali Ind. (battery component…	14
Rosenberger (electronics supplier)	14
Schott (pharmaceutical packaging)	14
Flisom (solar panel factory)	13
BorsodChem (nitric acid production)	12
Diligent (SaaS product development R&D center)	11
Kischemicals (pesticide plant)	11
Shenzhen Kedali Ind. (battery components)	11
Dongwha (battery electrolyte factory)	11
BorgWarner (production of turbochargers)	11
Sangsin (electric battery parts factory)	11
Samyang (medical device factory)	9
Wellis (pool production)	9
Sick (automotive sensor factory)	8
MMXH Furnishings (logistics center)	8
Lenovo (computer factory)	8
Falco (construction plate production line)	8
Univer (development of product manufacturing)	8
Nolato (manufacture of medical products)	8
Hilti (manufacture of hand machine tools)	7
Sanofi (syringe factory)	7
Aldi (cold store)	6
Béres (robot technology production line)	6
JWH (electric battery parts factory)	6
Stavmat Building Material (capacity expansion)	6
SMG (automotive plant)	6
Gyermelyi (wheat milling plant)	6
Sugo Food (tortilla chips factory)	5
Wewalka (pasta factory expansion)	5
Gallfood Turkey Processor (capacity expansion)	5
Tolnatej (cheese factory)	5
Pellet Produkt (raw materials for furnitures)	5
Other projects under HUF 5 billion	91

Other projects under HUF 5 billion:

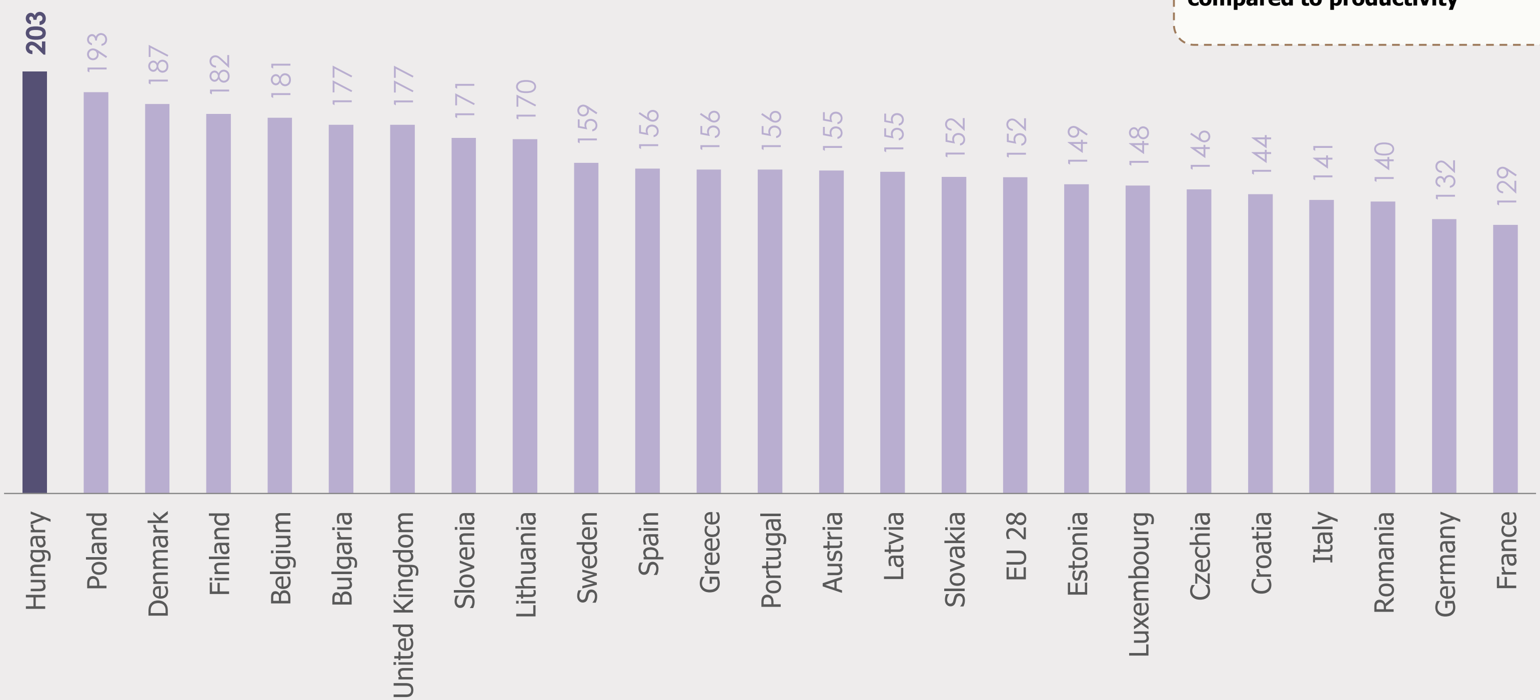
Kőröstej (4.6), Marso (4.6), Mould Tech (4.5), Apollo Tyres (4.4), Iljin Materials (3.8), Denso (3.5), IBM (3.5), Siemens (3.3), Autoliv (3.3), General Electric (3.3), Arm (3.0), SBS (2.8), SEWS Komponens (2.8), Florin (2.5), 3DHISTECH (2.3), Thyssenkrupp (2.2), Balluff (2.1), West Hungária Bau (2.0), EU-FIRE (1.9), Patec (1.7), Meditop (1.6), Sanatmetal (1.5), Sensirion (1.5), Haldex (1.5), Medicor Elektronica (1.3), Óvártej (1), Knaus Tabbert (1.3), Dometic (1.0), Mateco (1.0), Jabil (1), ExtractumPharma (0.9), VITA-Sütő (0.8), Schwarzmüller (0.8), Re-Glass (0.7), Florin (0.7), Medicontur (0.6), Bock (0.6), Valeo Siemens (0.6), Masterplast (0.6), Ferro-Press (0.6), S.E.G.A (0.6), Bálind (0.6), FensthermFuture (0.5), Heineken (0.5), FF Fémfeldolgozó (0.5), Thermotechnika-Crown Cool (0.5), Dana (0.4), Synlab (0.3) Airvent (0.3)

Source: MoF collection

REALLOCATING PRODUCTION TO HUNGARY IS AN OPPORTUNITY FOR INTERNATIONAL COMPANIES TO MAINTAIN THEIR PROFITABILITY

Wage adjusted labour productivity in manufacturing (%, 2019)

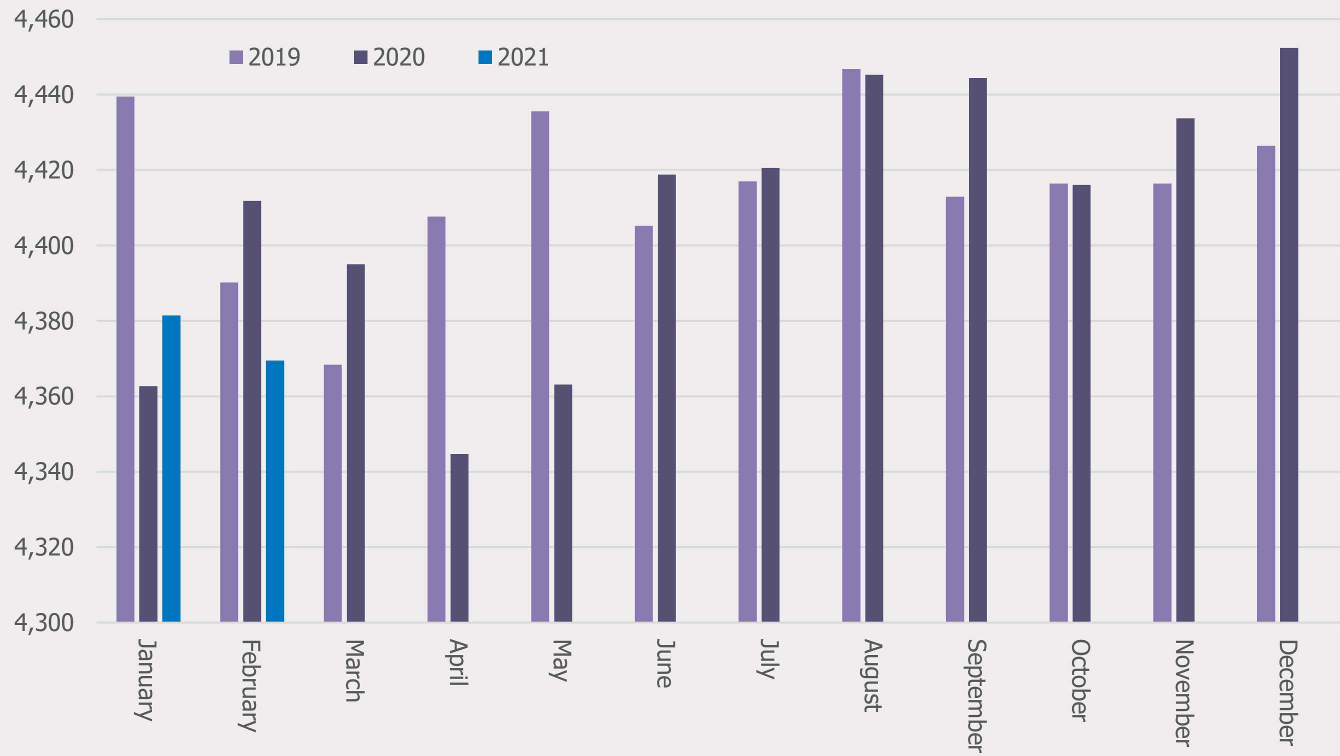
Hungarian wage level is also competitive compared to productivity



Source: Eurostat, MoF calculation

MORE EMPLOYED IN THE LAST YEAR THAN IN 2019

Employment in the domestic primary labour market (3-month moving average, thousand persons, unadjusted data)



Source: HCSO

HUNGARIAN HOUSEHOLDS ARE BETTER POSITIONED TO FACE AN INCOME SHOCK

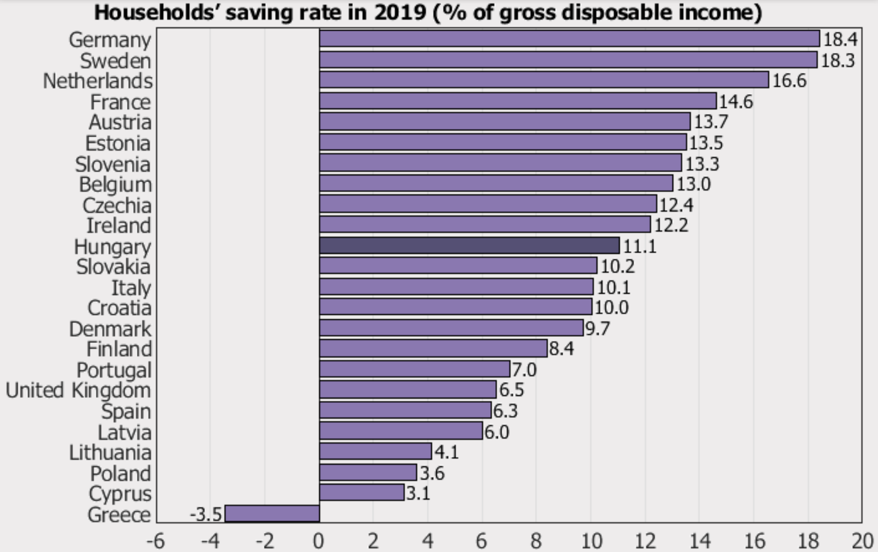
Key highlights

Hungary households are better positioned relative to the 2008 crisis to face an income shock, as illustrated by:

- The saving rate, which has increased by 2 percentage points during the period 2008-2019 to reach 11%
- Household debt is less vulnerable and has evolved favourably since 2008, as illustrated by the share of FX loans (relative to total household loans) decreasing to almost 0%

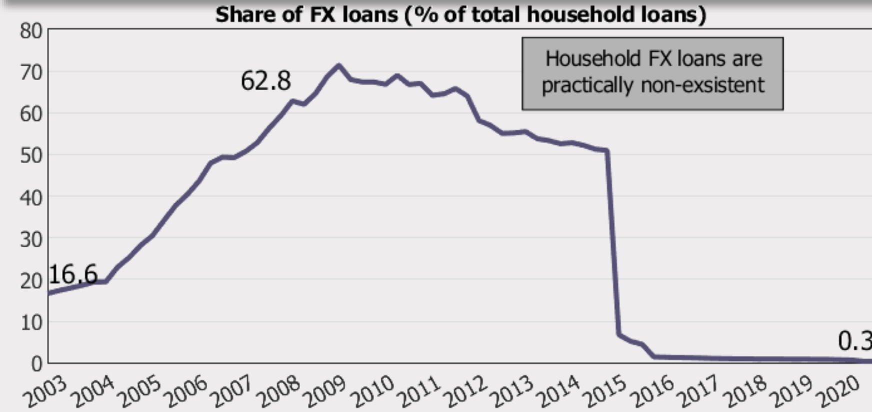
Sources: Eurostat, MNB

Households have a strong financial position that can cushion income shock



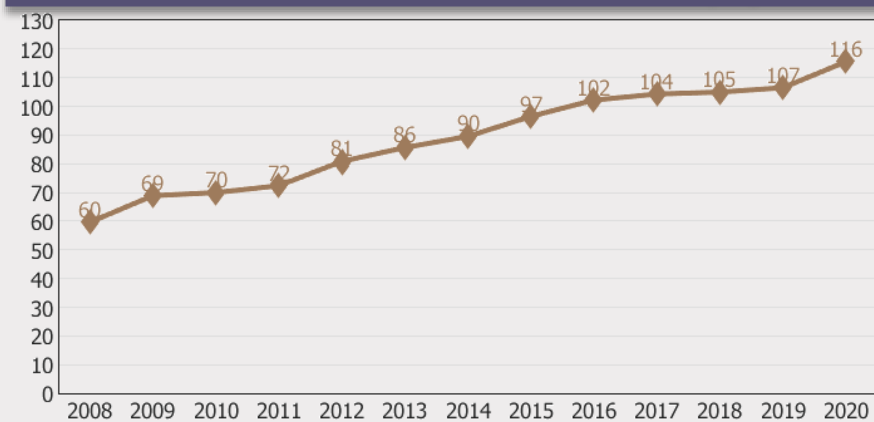
Source: Eurostat

Household debt is much less vulnerable than before last crisis hit



Source: MNB

Net financial wealth of households relative to GDP (%)



Sources: MNB, HCSO

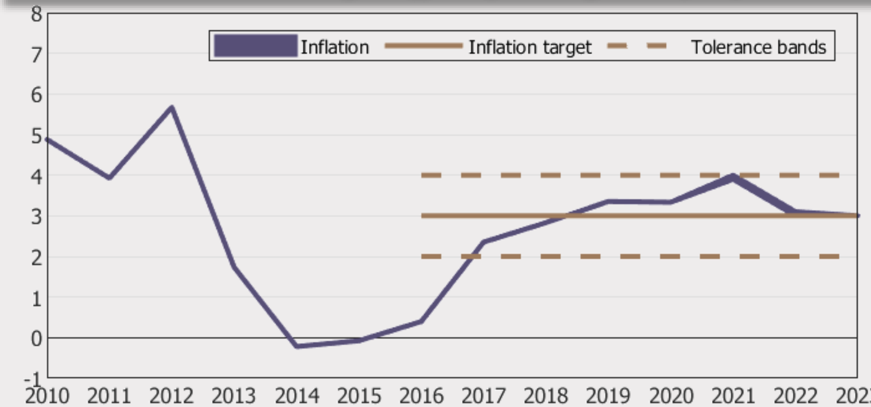
THE MACRO ENVIRONMENT IS STABLE AND THE BANKING SECTOR IS STRONG

Key highlights

- **The MNB's primary statutory objective is to maintain price stability**
  - Policy rate is adjusted to ensure inflation remains anchored at 3%, with a tolerance range of +/- 1%
  - Baseline yearly average inflation has remained within the defined tolerance band since the beginning of 2017 and is expected by MNB to stabilize around the inflation target by 2022
  - **During 2021 headline inflation is expected to exceed 4% mainly as a result of increasing fuel prices and indirect tax hikes**
- **The banking sector is well capitalized and the quality of loans improved since the end of 2015,** as evidenced on the graph to the right
  - The MNB has developed a comprehensive macro-prudential framework to ensure financial stability and the Basel III regulation is implemented

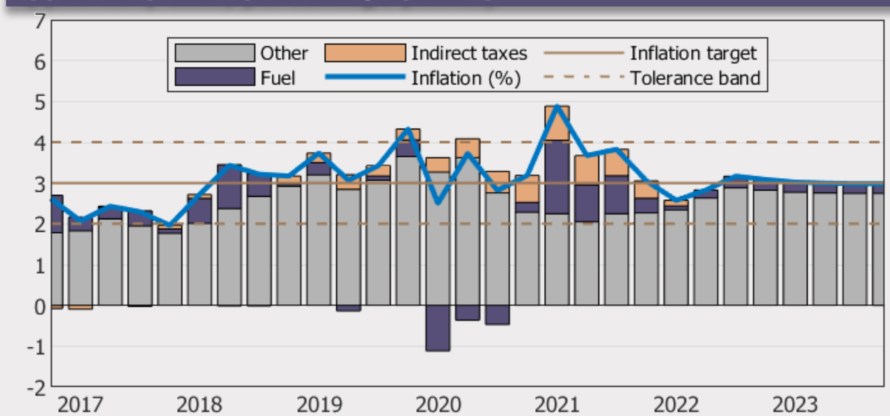
Source: MNB

Inflation vs inflation targets (yearly average data, %)



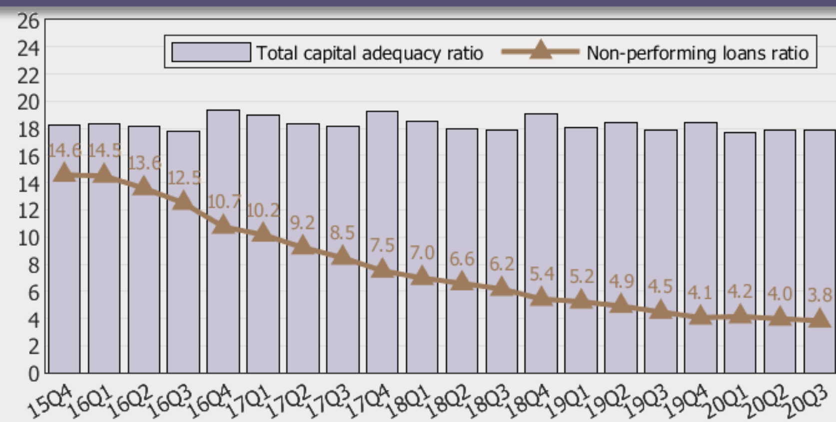
Sources: HCSO, MNB; Note: Based on seasonally unadjusted data, compared to the corresponding period of the previous year; forecasts after 2020

Decomposition of the inflation forecast of MNB (quarterly data, percentage points)



Source: MNB

Total capital ratio and NPL ratios (%)



Source: MNB; Note: NPLs are loans at least 90 days overdue

III. SOUND FISCAL POLICIES

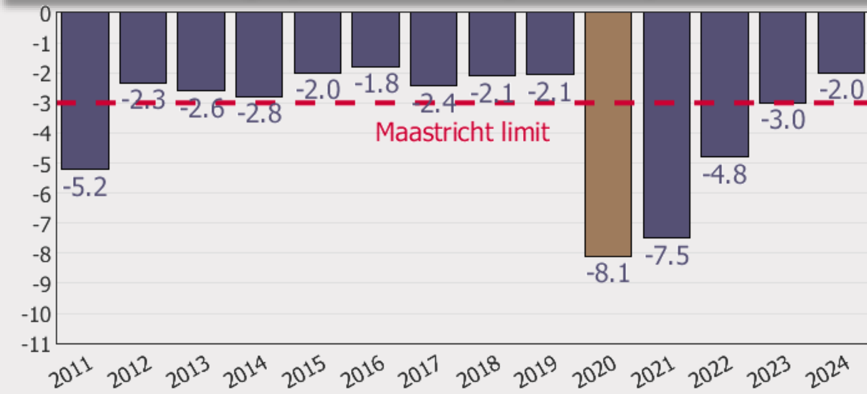
PUBLIC FINANCES ARE STRONG AND SUPPORT DEBT SUSTAINABILITY

Key highlights

- **The budget deficit remained below the 3% Maastricht threshold between 2012 and 2019,** demonstrating the authorities' commitment to fiscal consolidation
- **The government originally aimed to achieve fiscal balance by 2020**
  - The authorities originally set the 2020 ESA budget deficit target to a historic low of 1.0% of GDP
  - In the middle of April, the Ministry of Finance set an ESA deficit target of 2.7% of GDP for the year 2020
  - Subsequently, late April, the ESA deficit estimate was revised to 3.8% of GDP in the Convergence Programme
  - In October, the Ministry of Finance estimated ESA deficit would amount to 8%-9% of GDP in 2020
  - ESA deficit amounted to 8.1% of GDP in 2020
- **The fiscal reserves of the government were planned to increase in 2020 to represent approximately 1% of GDP.** After the Covid-19 outbreak in mid-March, reserves were spent for pandemic related purchases
- **The authorities set the 2021 ESA budget deficit target to 6.5% of GDP in December 2020**
  - In March 2021 the deficit target of 7.5% was announced for 2021

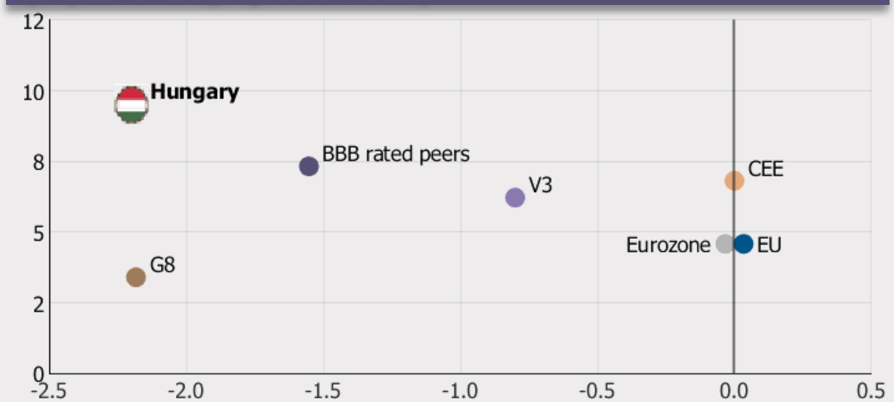
Source: HCSO, MoF

Evolution of Hungary's fiscal deficit (% of GDP)



Source: HCSO, MoF; Note: Latest (March 2021) forecast

Rapid nominal GDP growth – contained fiscal deficit (3-year average growth rates)



Sources: HCSO, Eurostat, IMF, Bloomberg; Notes: BBB rated peers are countries with at least two BBB ratings; average 2016-2019 growth and fiscal balance for countries; median for peer groups

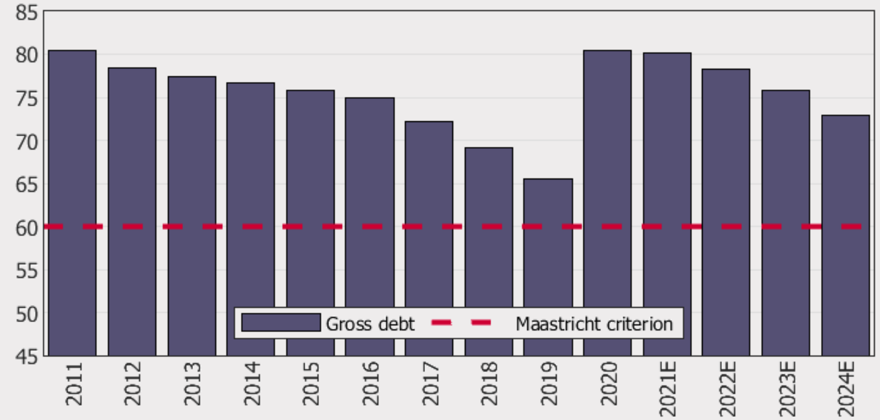
THE GOVERNMENT DEBT-TO-GDP RATIO HAS BEEN STEADILY DECLINING

Key highlights

- **Under Hungary's Fundamental Law, reducing state debt is one of the main objectives of the Government**
  - As long as the debt of the government exceeds 50% of GDP, only budgets which provide for a reduction of the government debt-to-GDP ratio can be adopted
- **The authorities strictly comply with this rule**
  - Fiscal consolidation and a prudent debt management have supported a reduction in Hungary's debt-to-GDP ratio
  - The country has enjoyed a rapid decrease in government debt to GDP ratio of 15.0 percentage points between 2011 and 2019, whereas debt to GDP ratio has decreased by 0.9 percentage points on average in the EU
  - In 2019, the debt rate declined to 65.4% according to data compiled by Eurostat
  - In 2020, the debt rate increased to 80.4%
  - In a State of Danger, such as COVID-19 pandemic, a special rule allows for a temporary debt increase

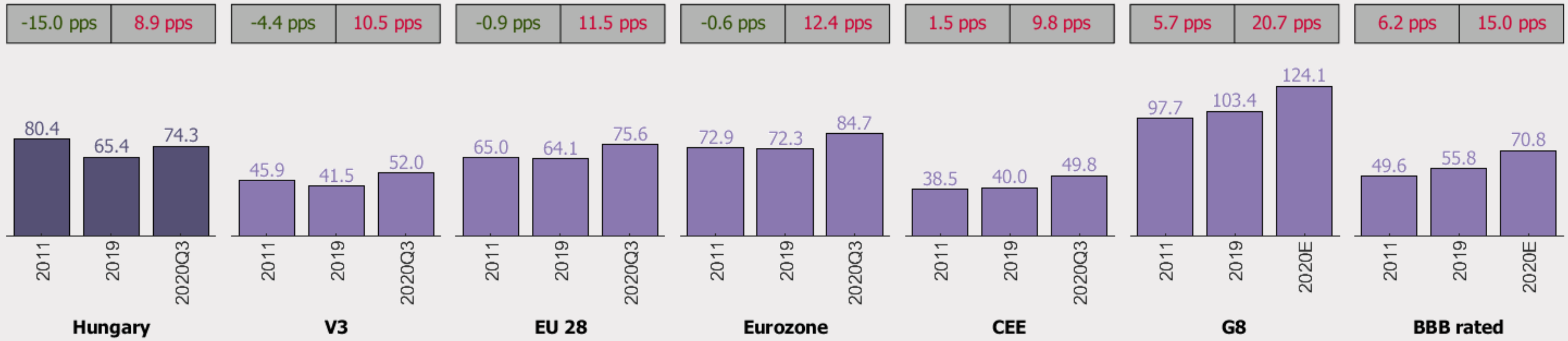
Sources: Eurostat, MNB, HCSO, MoF

General Government Debt (% of GDP)



Source: MNB, MoF

Evolution of government debt in Hungary and peer groups (% of GDP)



Sources: Eurostat, IMF, Bloomberg; Note: average for peer groups; IMF forecast in case of G8 and BBB rated countries

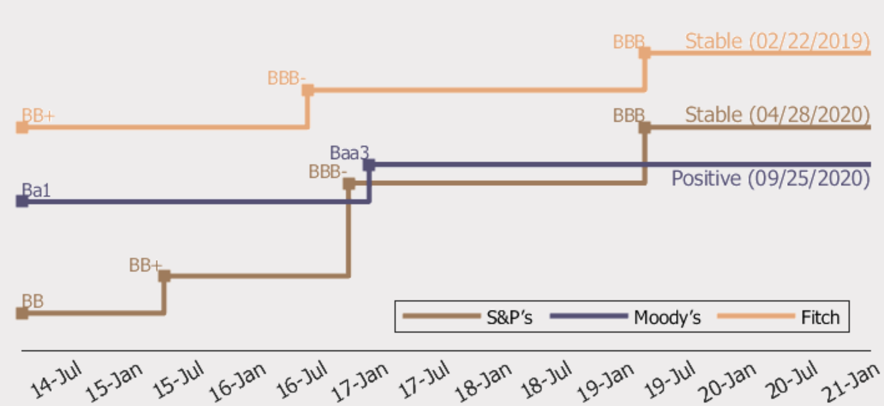
IMPROVING FUNDAMENTALS LEADING TO REDUCED HUNGARY RISK PREMIUM AND LOW COST OF FINANCING

Key highlights

- **Hungary's credit ratings have improved since 2014,** in line with the improvement in the macro-economic fundamentals
  - Hungary has benefitted from multiple rating upgrades since 2014
  - It is currently rated BBB/Baa3/BBB with a positive outlook in case of Moody's
  - The marked decrease in Hungary's CDS premia – approximately 548 basis points between 2011 and March 2021 on the 10Y CDS – also illustrates the increase in market confidence
- **Financing conditions have thus become increasingly supportive,** with Hungary also benefitting from the global context of low rates
  - They remain supportive despite the Covid-19 outbreak, as illustrated by the level of yields and CDS as of end of February 2021

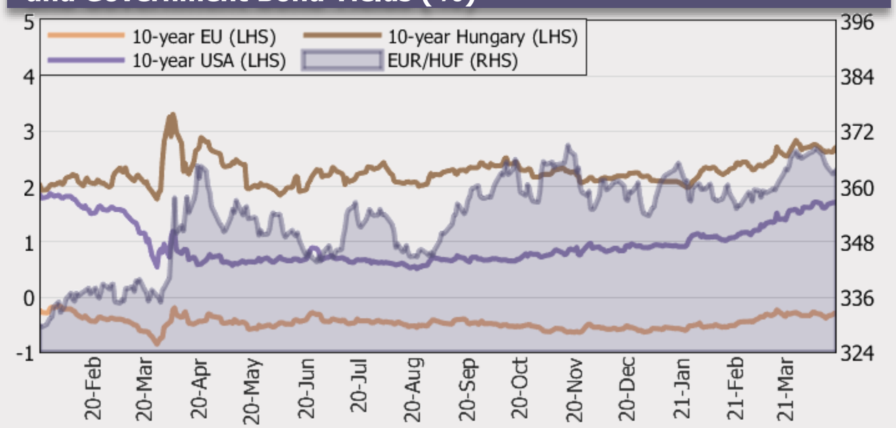
Source: MNB, Reuters, Standard & Poor's, Moody's, Fitch

Evolution of Hungary's ratings



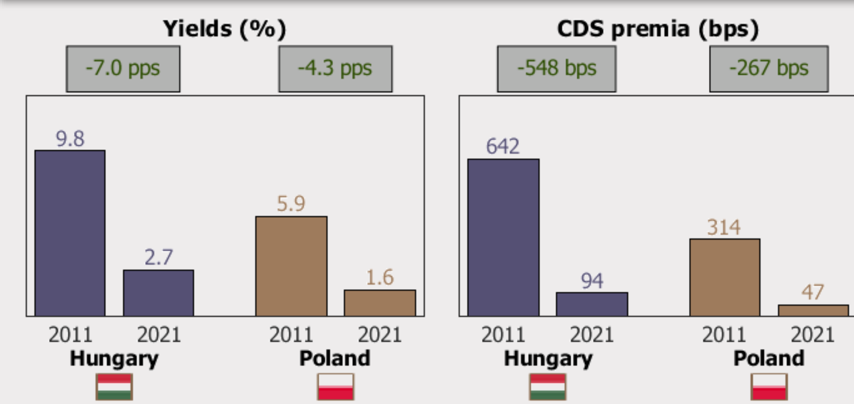
Sources: Standard & Poor's, Moody's, Fitch

Development of the Foreign Exchange Rate (EUR/HUF) and Government Bond Yields (%)



Source: AKK

10Y local yield and 10Y CDS premia in Hungary and peers



Source: Bloomberg; Note: As of Dec. 31, 2011 and Mar. 31, 2021

IV. FAVOURABLE EXTERNAL POSITION

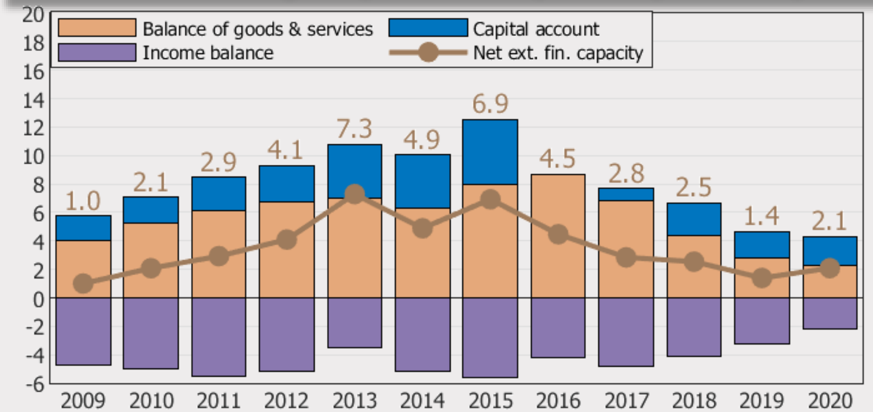
HUNGARY ENJOYS HEALTHY EXTERNAL ACCOUNTS AND A NET LENDING POSITION

Key highlights

- **Hungary's net external lending position is resilient**
- **Except for 2019, the current account posted a surplus in each year since 2009**
  - **The country has been enjoying a net international lender position since 2009**, largely explained by the country's trade surplus that has shown significant surplus amounting to 2-9% of GDP between 2009 and 2020
  - The trade surplus increase has been driven by a rise in net services exports that represented 3% of GDP in 2020
  - **Hungary also benefits from a positive capital account**, partly driven by EU transfers
- **The goods and services export bases are diversified,** both in terms of sector and geography (with the exception of Germany, no country had a share in Hungarian exports over 5.3% in 2020)

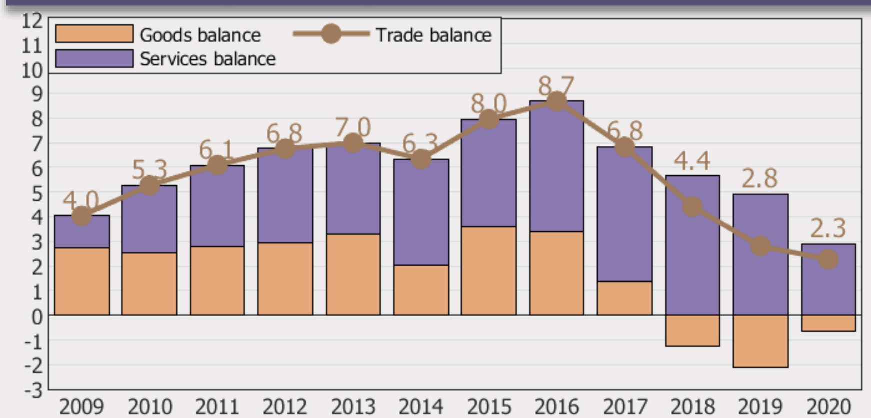
Source: MNB, HCSO

Net external lending components and position (% of GDP)



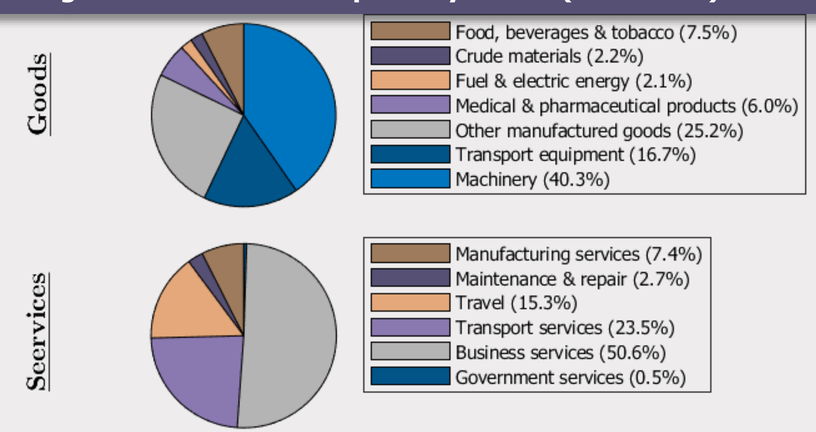
Source: MNB

Trade balance (% of GDP)



Source: MNB

2020 goods and services exports by sector (% of total)



Source: HCSO

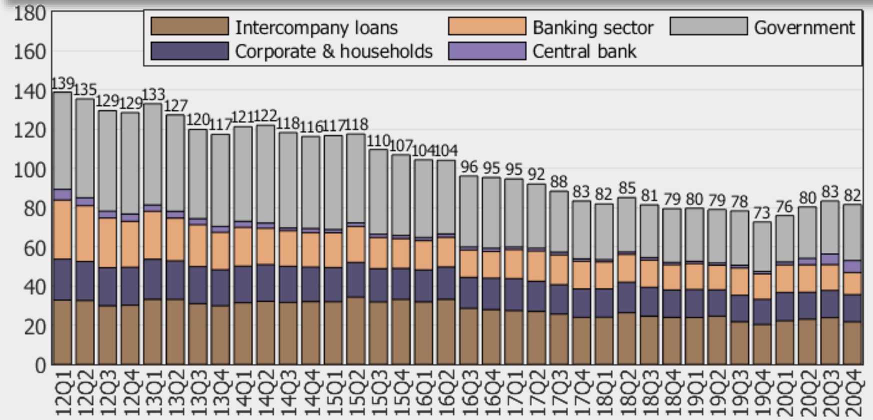
EXTERNAL DEBT HAS STEADILY DECLINED WHILE FX RESERVES REMAIN HIGH

Key highlights

- **External debt indicators have been improving since 2012**
  - Hungary's gross external debt (excluding intercompany loans) has substantially decreased since 2012, notably on the back of active public debt management. It stood at 60% of GDP as of the end of 2020
  - The net external debt of Hungary has also consistently decreased, in line with the significant net lending of the recent years
- **International reserves remain high and continue to considerably exceed the level considered as safe by the Guidotti-Greenspan rule** (see footnote of the chart to the right)
  - Hungary's FX reserves to short-term debt ratio has been above 1.0x since Q2 2012
  - This ratio has improved since 2017, driven by the decline in government short-term debt
  - FX reserves amounted to EUR 33.2 billion on February 28, 2021

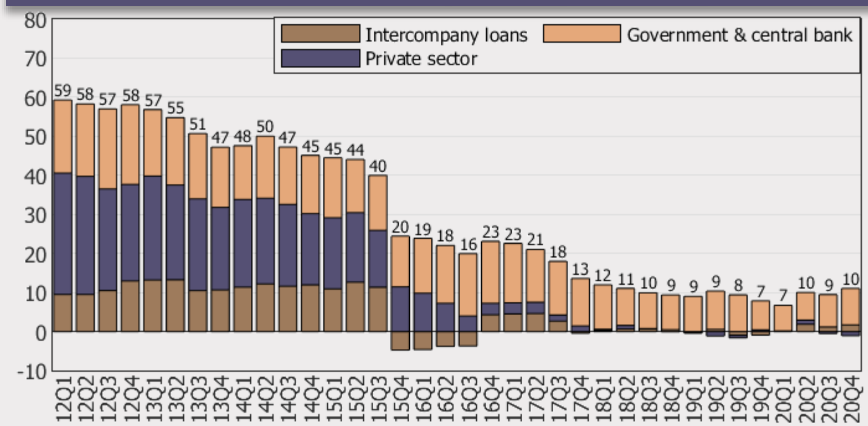
Source: MNB

Gross external debt including intercompany loans (% of GDP)



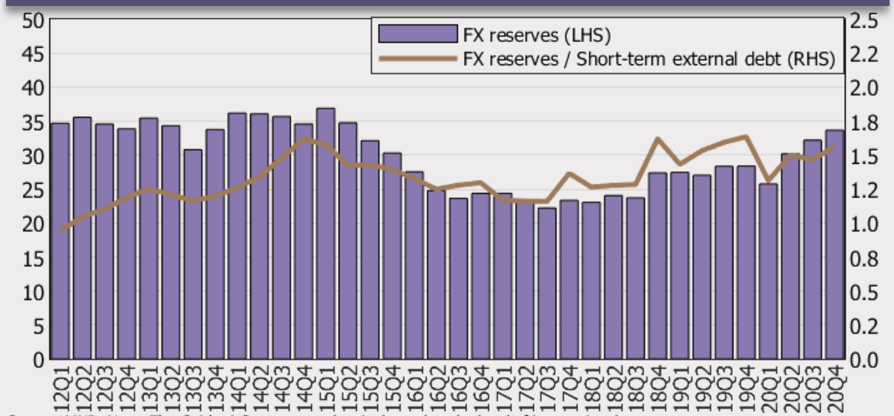
Source: MNB

Net external debt breakdown by sector (% of GDP)



Source: MNB

International reserves level and adequacy (EUR billion)

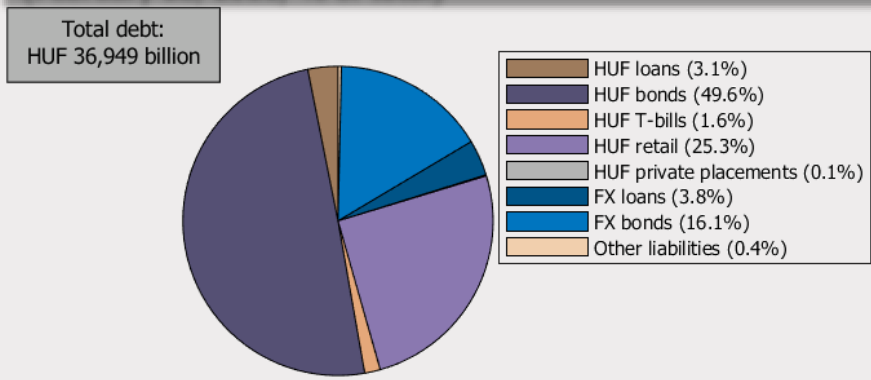


Source: MNB; Note: The Guidotti-Greenspan rule stipulates that the level of international reserves should exceed the level of short-term external debt

V. EFFECTIVE DEBT MANAGEMENT

HUNGARY BENEFITS FROM A FAVOURABLE DEBT PROFILE

Hungary's government debt breakdown (February 28, 2021, % of total)



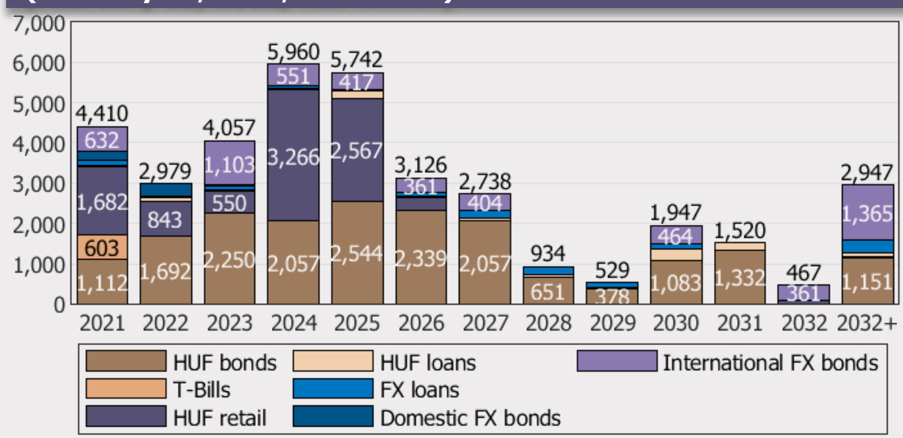
Source: AKK; Note: central government debt

Key targets and characteristics of Hungary's government debt[1]

	2021 benchmark targets		February 28, 2021 figures[2]
Share of FX debt	Between 10% and 20%	✓	20.0%
Currency mix of the FX debt (after swaps)	100% in EUR (with a 5% deviation allowed)	✓	100% in EUR
Share of domestic and FX debt with a fixed coupon	Domestic: 70%-90% FX: 70%-90%	✓	Domestic: 78% FX: 81%
Average time to re-fixing of domestic debt	Minimum 4.0 years	✓	4.2 years
Average time to maturity of domestic debt	Minimum 4.5 years	✓	4.7 years

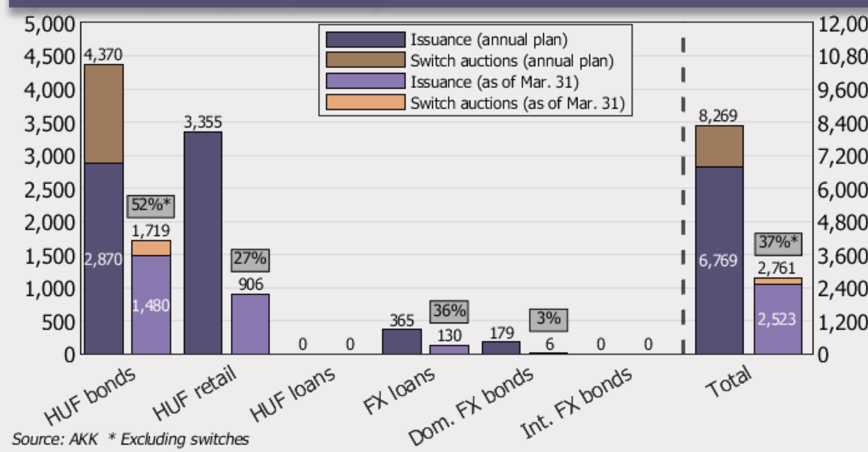
Source: AKK: Note: 1. Central government debt 2. 90-day moving average

Hungary's government redemption profile (February 28, 2021, HUF billion)



Source: AKK; Note: Central government debt, excluding MtM and Repo deals

2021 issuance vs 2021 financing plan announced in December 2020 (March 31, 2021, HUF billion)



*Source: AKK * Excluding switches*

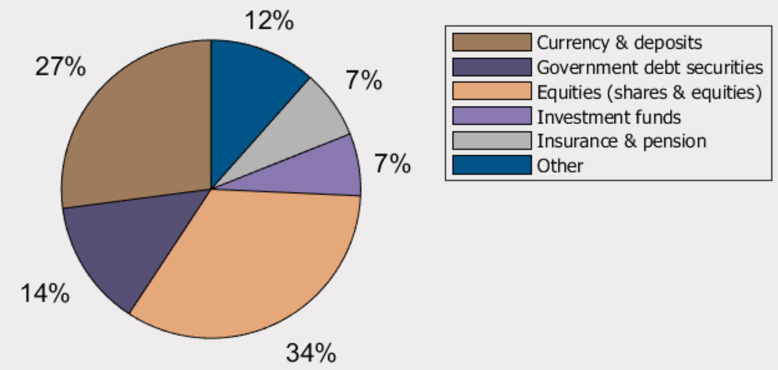
SIGNIFICANT CONTRIBUTION FROM THE HUF RETAIL MARKET

Key highlights

- **The retail debt programme constitutes an important financing channel for the Government,** in addition to local and international wholesale/institutional markets
  - The outstanding amount of government retail securities has significantly increased since 2011. It represents HUF 9,476 billion as of March 31, 2021
- **Hungary issues retail instruments with different characteristics, which attract diverse retail investors**
  - Maturities range from 1 to 19 years, securities have step-up, fixed or inflation-linked coupon and besides dematerialized securities there are physical securities
- **AKK is regularly buying back retail securities from market makers to reduce the ownership of retail debt by non-household investors**
- **Using retail government bonds as collateral is not permitted in Hungary**
- Main distribution channels for retail securities are the Hungarian State Treasury (16%), post offices (7%) and banks / investment companies (77%)

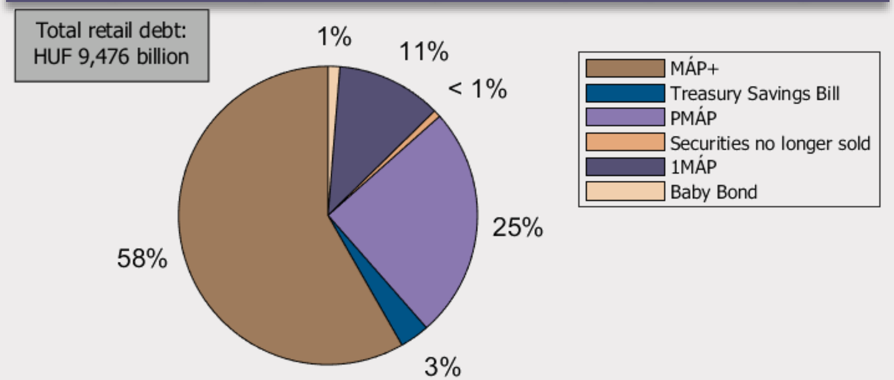
Source: AKK

Households asset structure (Q4, 2020, % of total)



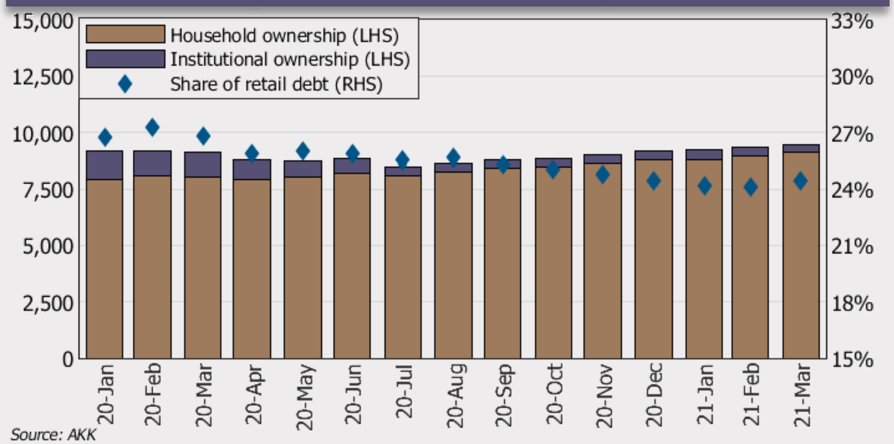
Source: MNB

Retail portfolio by instrument (March 31, 2021, % of total)



Source: AKK; Note: central government debt

Retail securities (HUF billion and % of total)



Source: AKK

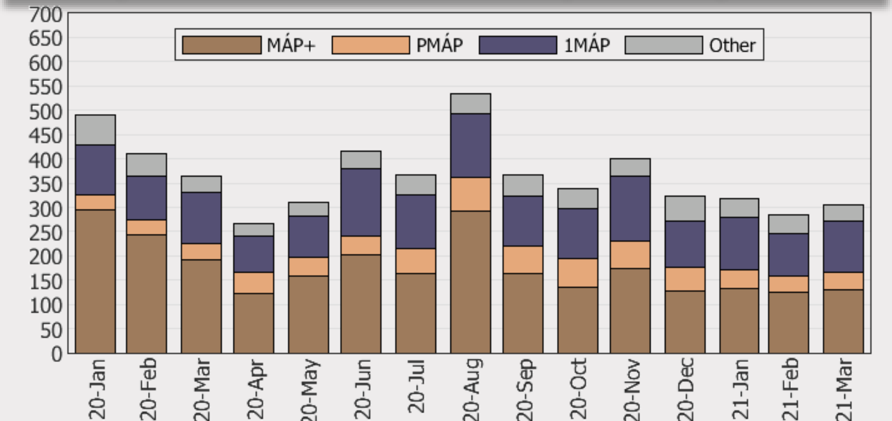
RETAIL MARKET OVERVIEW

Key highlights

- **Since 2012, AKK developed the retail market**, initially using a wide range of instruments each tailored to different investor demand
- **In 2019, AKK introduced a new instrument MÁP+** and reduced the product range. Flagship instruments are:
  - **MÁP+** a bond with 5-year tenor and step-up interest rate (close to an average of 5% when held until maturity)
  - **PMÁP** an inflation-linked bond granting a positive real yield (inflation protection)
  - **1MÁP** a product with a tenor of 1 year (short-term product)
- **Since its introduction, MÁP+ has been the most popular product** and currently accounts for 58% of total retail debt
- In several months of 2020 net issuance was negative, partly driven by the global epidemic affecting Hungary, **after the short setback, the retail program went back to normal, showing the stability of the retail investors' base**

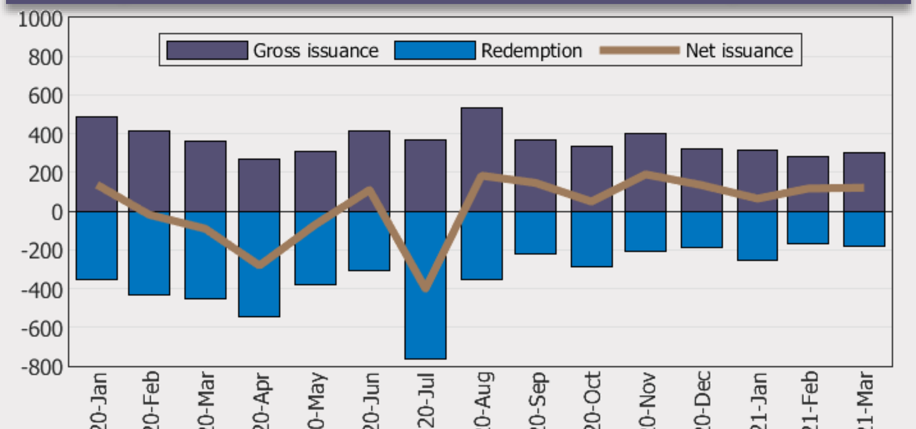
Source: AKK

Monthly Gross Sales of Retail Securities (HUF billion)



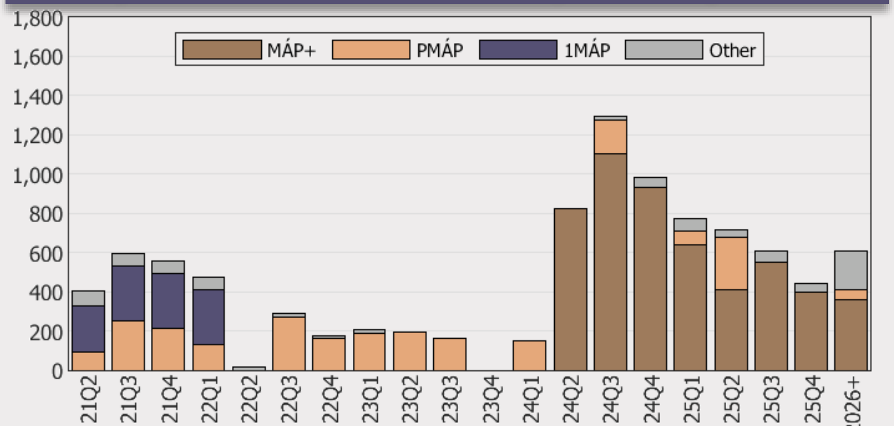
Source: AKK

Monthly Gross and Net Issuance of Retail Securities (HUF billion)



Source: AKK; Note: Including executed buyback options

Redemption Profile of Retail Securities (HUF billion)



Source: AKK; Note: As of March 31, 2021

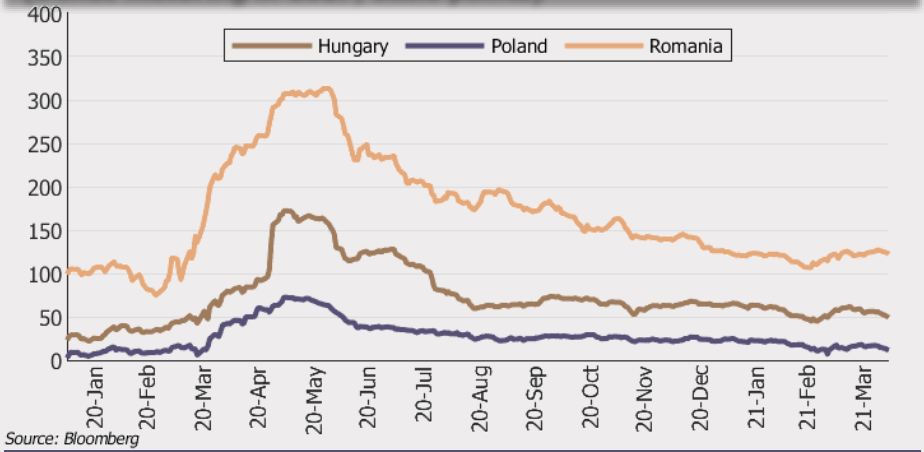
STABILITY ON THE HUNGARIAN GOVERNMENT SECURITIES MARKET

Key highlights

- **The ongoing crisis affected financial markets worldwide, but the Hungarian government securities markets – similarly to regional peers – were moderately affected**
  - Spreads of euro denominated bonds increased significantly during the Spring of 2020 but retreated afterwards to levels seen in early 2019
  - During the first two months of 2021, spreads decreased significantly but increased since then to the levels seen in late 2020 mainly driven by strengthening reflation risks in the developed countries
- **ÁKK responded to the challenges of the ongoing crisis**
  - Successful foreign currency bond issuances in EUR and JPY (conventional and green euro denominated bonds) to enhance confidence in domestic markets
  - Changing the auction order to enhance flexibility and predictability simultaneously on the local currency market
- **ÁKK is closely monitoring the market and reacts to market demand with increased flexibility**

Source: AKK

Z-spreads of EUR Denominated Government Bonds (Bonds maturing in 2027; basis points)



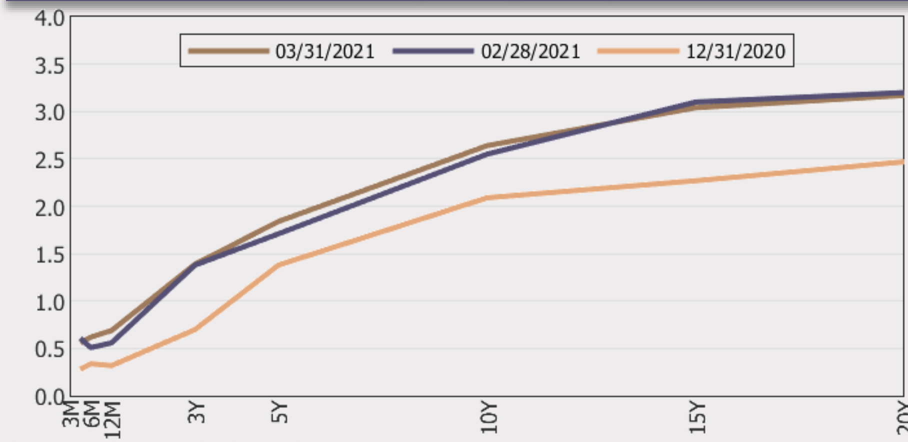
Source: Bloomberg

2021 Auction Order (Announced in December, 2020)

Source: AKK

	First Quarter	Afterwards
3-month Treasury Bill	Weekly Basis	Weekly Basis
12-month Treasury Bill	Biweekly Basis	Biweekly Basis
5-year and 10-year Government Bonds	Weekly Basis	Biweekly Basis
15-year and 20-year Government Bonds	Biweekly Basis	Four-weekly Basis
30-year Green Government Bonds	-	Upon Demand
Floating Rate Note	Biweekly Basis	Biweekly Basis
Switch Auction	Biweekly Basis	Weekly Basis

Benchmark Yield Curve Development (percent)



Source: AKK; Government bonds, excluding repo transactions

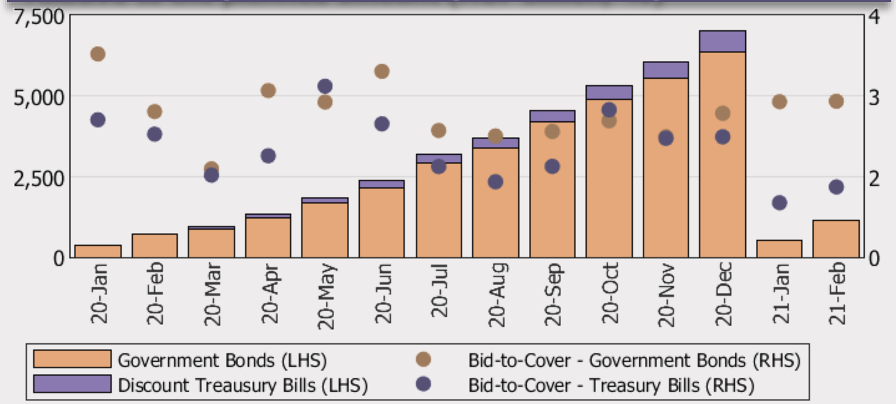
PERFORMANCE ON THE LOCAL WHOLESALE MARKET IS POSITIVE

Key highlights

- **To ensure simplicity and transparency, AKK issues standard debt instruments according to a fixed annual calendar published in advance**
- **Primary auctions are implemented as well as switch and buyback operations** to support a balanced government bond issuance pattern, manage the redemption profile and reduce refinancing risk
- **Hungary's local yields have significantly decreased since 2014 in spite of recent increase**
  - Yields have decreased across the entire yield curve
  - Short-term yields decreased by approximately 1 percentage points, long-term yields decreased by close to 1.5 percentage points between December 2014 and December 2020
  - Short-term yields increased by approximately 0.2-0.4 percentage points, long-term yields increased by approximately 0.6-1.0 percentage points between December 2020 and February 2021
  - The steepness of the yield curve increased during the first two months of 2021

Source: AKK

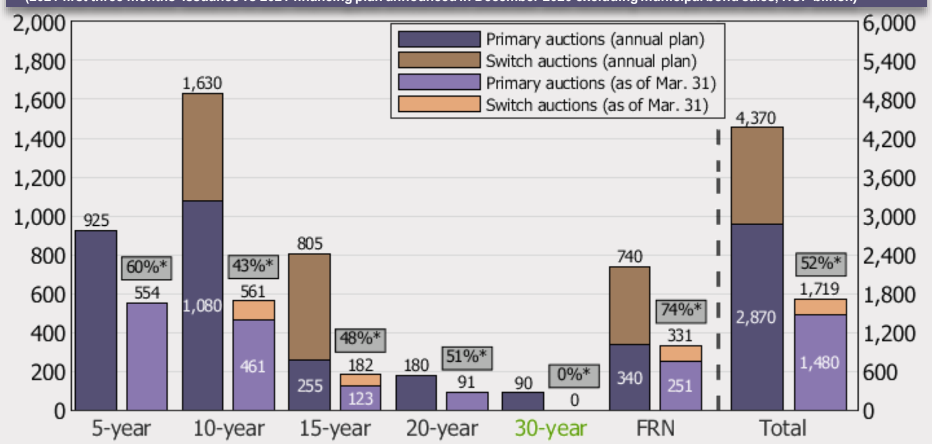
Cumulative monthly debt securities issuance and the ratio relative to the planned amount (HUF billion, %)



Source: AKK; Note: Government Bonds excluding repo transactions Discount Treasury Bills according to OECD methodology

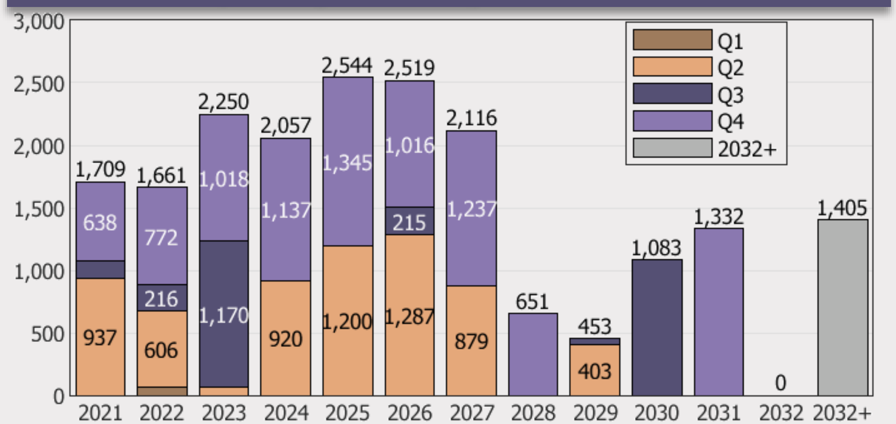
Government bond issuance on auctions by tenor during the first three months of 2021

(2021 first three months' issuance vs 2021 financing plan announced in December 2020 excluding municipal bond sales, HUF billion)



*Source: AKK * Share of actual amount relative to plan (excluding switches)*

Redemption profile of wholesale government securities as of March 31, 2021 (HUF billion)



Source: AKK; Goverment Bonds, excluding repo transactions

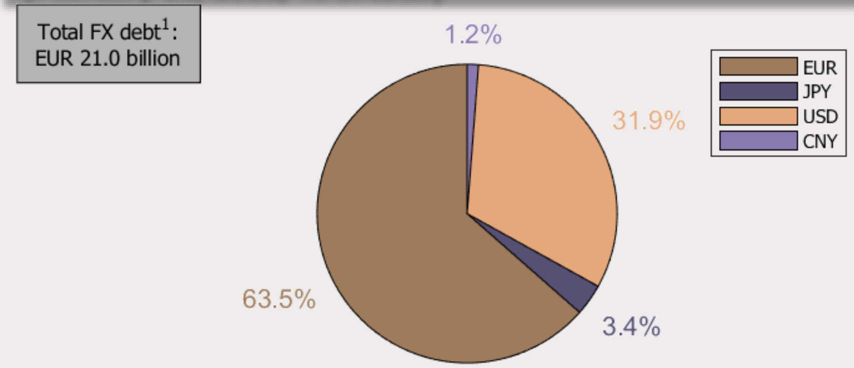
HUNGARY'S EXPOSURE TO INTERNATIONAL MARKETS IS CAREFULLY MANAGED

Key highlights

- **The share of Hungary's government debt in foreign currency is contained**
  - Buybacks implemented by AKK, both on public and OTC markets, have also contributed to this positive trend
  - While containing the share of FX exposure between 10% and 20% of total debt, Hungary would also like to maintain its presence on the international capital markets to ensure diversification of funding sources
- **The FX debt is mainly denominated in EUR and USD, but is fully converted into EUR using cross-currency swaps**
  - 100% of FX debt is denominated in EUR after swaps as of the end of February 2021, in line with AKK debt management target to mitigate exchange rate risk
- **Hungary's EUR yields have significantly decreased since 2014,** and the country currently enjoys close-to-zero yields in short- to medium-term EUR market
- **2021 redemptions were partly pre-financed in 2020**

Source: AKK

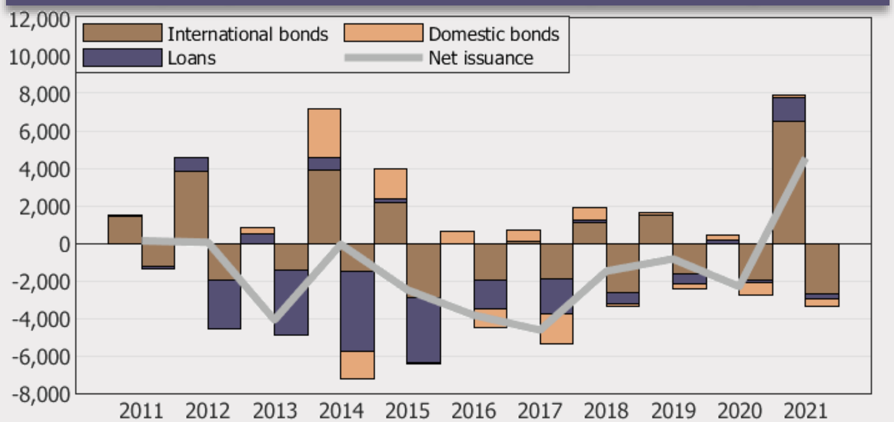
FX debt composition by currency (February 28, 2021, % of total)



Source: AKK; Note: composition of the FX central government debt portfolio before swaps

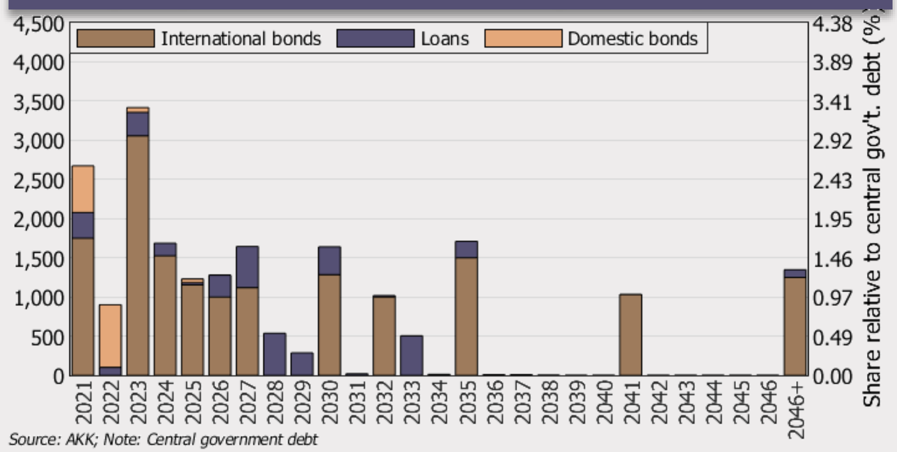
[1] Excluding CCIR swaps; total FX debt including CCIR swaps amounted to EUR 20.3 billion

FX Redemption, Issuance & Net Issuance (EUR million)



Source: AKK; Note: Central government debt

Redemption profile of FX debt as of February 28, 2021 (EUR million)



Source: AKK; Note: Central government debt

GOALS OF GOVERNMENT DEBT MANAGEMENT IN 2021

According to the 2021 Financing Plan published by the Ministry of Finance and ÁKK, the total net financing requirement of the central budget in 2021 is HUF 3,332 billion against an ESA deficit target of 6.5% of GDP

Funding via wholesale HUF securities

- Further extension of the average term-to-maturity of debt, no planned 3-year fixed interest bond auctions in 2021
- Switch auction program significantly larger than in previous years
- Further strengthening investor diversification (e.g.: ESG and Asian investors)
- Extending the Hungary's Green Bond Program to the HUF government bond market, issuance of a 30-year green HUF bond

Funding via retail securities

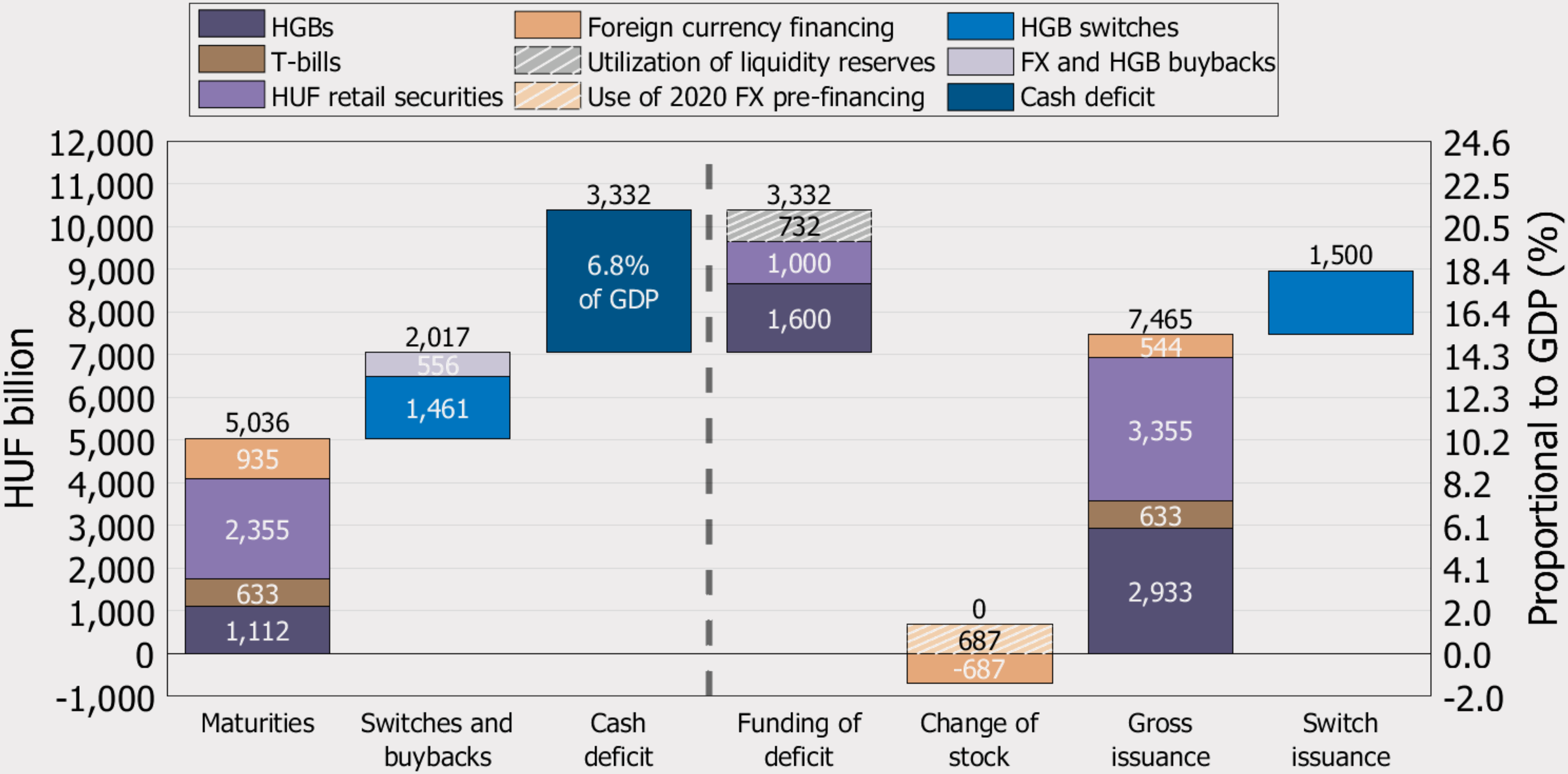
- Reaching the goal of HUF 11 trillion in retail government securities owned by households until 2023, doubling the end-2018 amount
- Extending the average term-to-maturity and increasing digital sales of retail debt to the extent possible

Funding via FX instruments

- No need to issue international FX bonds in 2021 due to pre-financing conducted in 2020
- FX loans for certain projects (e.g.: EIB, SURE) and other FX funding supporting the goals of debt management (e.g.: P€MÁP)
- Reduction of FX debt share through active management of FX maturity profile

The Ministry of Finance announced the revision of the ESA deficit for 2021 from 6.5% to 7.5%;
after the revised deficit is approved in its due course, ÁKK will revise the Financing Plan in accordance with the new financing need.

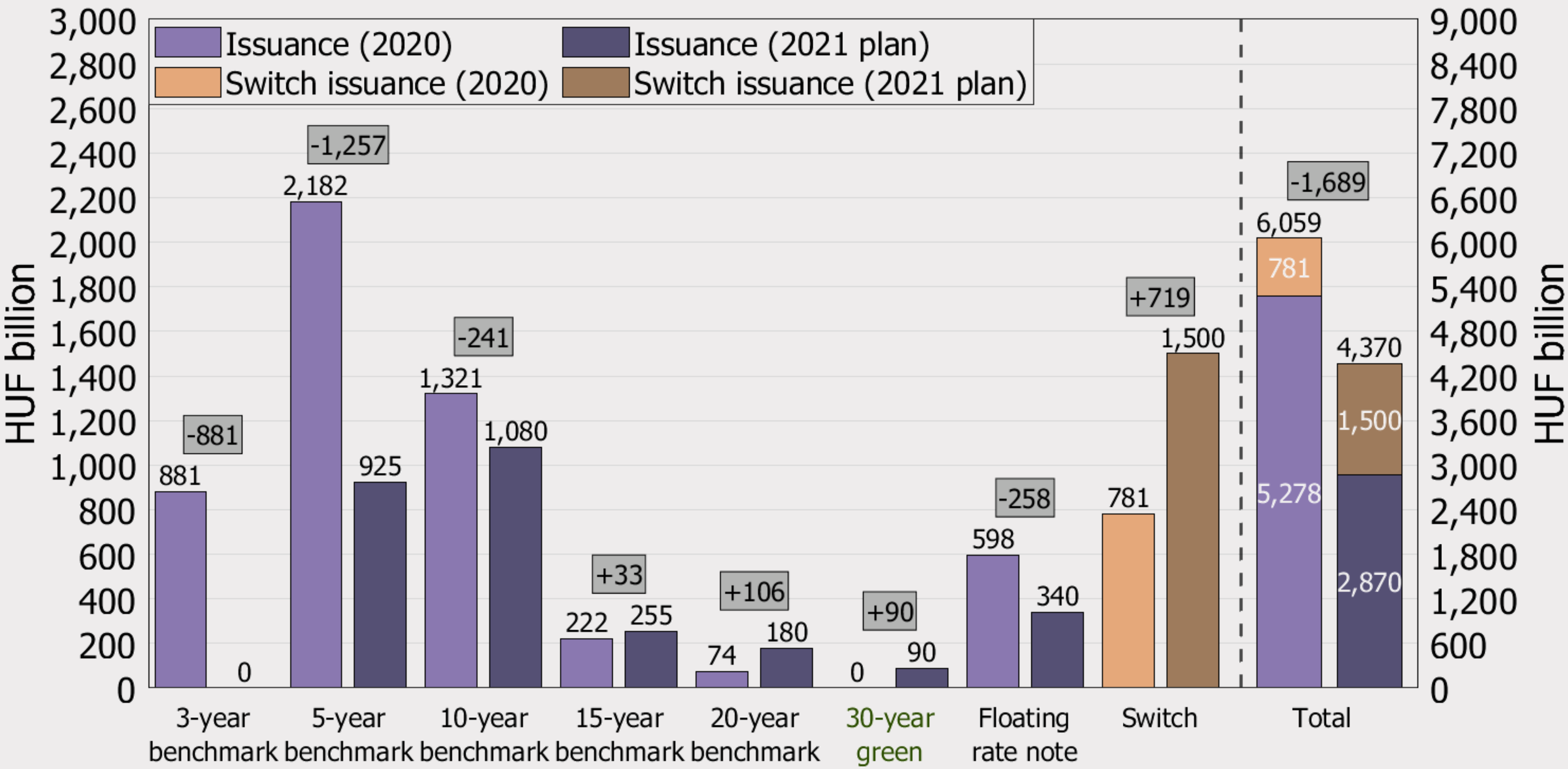
2021 FINANCING PLAN IN LINE WITH THE DEFICIT TARGET OF 6.5% OF GDP



Source: AKK; Note: outstanding amounts based on nominal values; Change of stock: excluding funding of deficit

The total net financing requirement for 2021 is HUF 3,332 billion, financed by a net issuance of HUF 1,913 billion. The financing requirement exceeded by the net issuance is financed by the utilization of liquidity reserves and the November 2020 FX bond issuance.

PLANNED VOLUME OF HUF WHOLESALE BOND ISSUANCES



Source: AKK; Note: Factual 2020 and planned 2021 values

THANK YOU FOR YOUR ATTENTION!