ÁKK: Fulfilment of the 2026 Financing Plan in the first quarter of 2026

Budapest, 1 April 2026.

The prorated fulfilment of the 2025 Financing Plan of the Government Debt Management Agency Pte. Ltd. ("ÁKK") is reassuring and in line with expectations. The financial conditions for the operation of the state are ensured, financing of the public debt is stable. The fulfilment of the HUF 5,445 billion net financing planned for the whole year was favourable. During the first quarter of the year, 33% of the planned amount was completed in case of retail government securities. Completion rate was 99% in case of HUF institutional financing and 66% in case of FX institutional financing. Consequently, net issuance exceeded the prorated amount on all submarkets. The risk profile of the government debt portfolio remains adequate, the financing structure is balanced, reserves are high. Hungary's public finance remains sound; Hungary remained in investment grade category in case of all three main rating agencies which is a clear sign of market confidence.

According to the financing plan of ÁKK covering the year 2026 announced on 10 December 2025, the net financing need of the central government is HUF 5,455 billion covered by a net issuance of equal size. Retail securities, HUF institutional government securities and loans, and FX institutional government securities and loans will finance the deficit of the central government and the renewal of maturing debt in the structure set forth in the following table:

Table 1: Distribution of the three financing pillar in the current 2026 financing plan

	Net financing plan		Gross financing plan	
	billion HUF	**%**	**billion HUF**	**%**
(1) Retail securities	1.300	23.9	4,615	27.5
(2) HUF institutional securities and loans	1,603	29.4	8,617	51.3
(3) FX institutional securities and loans	2,542	46.7	3,565	21.2
Total issuance	**5,445**	**100.0**	**16,797**	**100.0**

Source: ÁKK

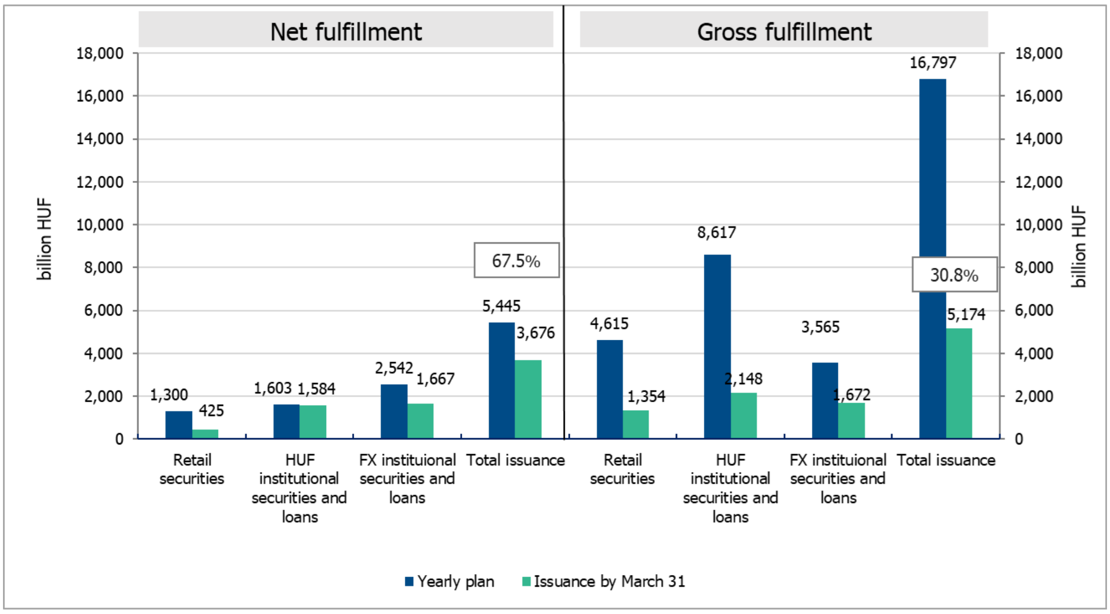
*For methodological remarks, see the text box at the end of the document!

Of the HUF 5,455 billion planned net financing for the ongoing year, HUF 3,676 billion was completed until 31 March, equalling 67.5% of the planned amount.

(Figure 1) The contribution of HUF and FX institutional instruments amounted to HUF 1,584 billion and HUF 1,677 billion, respectively. In case of retail securities, the net issuance amounted to HUF 425 billion in the first quarter.

Gross issuance in the first quarter reached HUF 5,174 billion, equalling 30.8% of the HUF 16,797 billion planned amount. Until the end of March, 29% of the planned yearly gross issuance was completed. The completion rate was 25% in case of HUF institutional financing and 47% in case of FX institutional financing. Consequently, completion rates exceeded the prorated value in case of not only on an aggregate basis, but also on all three financing segments each.

Figure 1: Completion of gross and net financing plan until 31 March



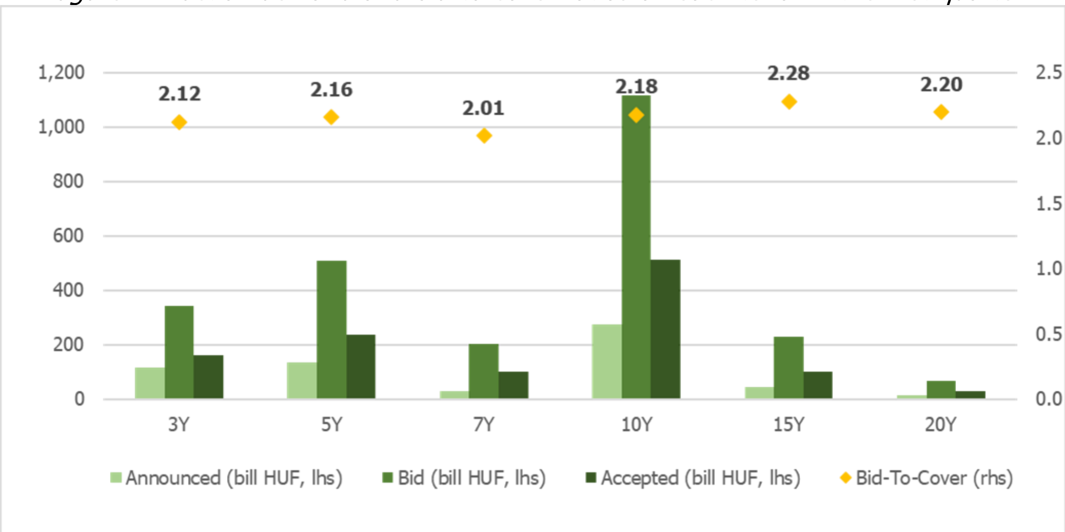
Source: ÁKK

HUF Institutional Market

During the first quarter, net issuance on the HUF institutional market amounted to HUF 1,584 billion. Gross issuance on this submarket reached HUF 2,148 billion. On the long run, financing contribution of the institutional market consists of HUF bonds and loans. Securities and loans with maturities of more than one year are safe and long-term financing sources for the state. In case of institutional HUF bonds, 35% of the planned gross issuance was completed during the first quarter. In case of short-term treasury bills maturing after 31 December 2026 – serving primarily as a liquidity management tool – 4% of the gross issuance planned for the whole year was completed until 31 March. The low ratio is the consequence of the fact that ÁKK has so far mainly issued treasury bills maturing prior to the end of the ongoing year. ÁKK has not taken any HUF loans during the first quarter.

On institutional HUF bonds and treasury bills auctions, demand was in line with expectations taking into account the difficulties caused by the global (geopolitical) environment. On government bond auctions completed in the first quarter, demand amounted to HUF 2,461 billion against an offered amount of HUF 615 billion; of this amount, ÁKK accepted HUF 1,139 billion. Including non-competitive sales, ÁKK issued institutional government bonds in the amount of HUF 1,297 billion. In addition, the government debt manager exchanged short-term securities (maturing in 2026) for long-term securities (tenor exceeding one year) in the amount of HUF 444 billion during the first three months via switch auctions. In case of treasury bills auctions, bid-to-cover averaged 1.54. In case of bonds, bid-to-cover ratio averaged 2.16 in the first quarter. Past years average was 2 indicating healthy demand; during the first quarter the ratio exceeded this mark not only on an aggregate but also on each tenor (see Figure 2).

Fugure 1: Auction demand and bid-to-cover ratios on each tenor in the first quarter



Source: ÁKK

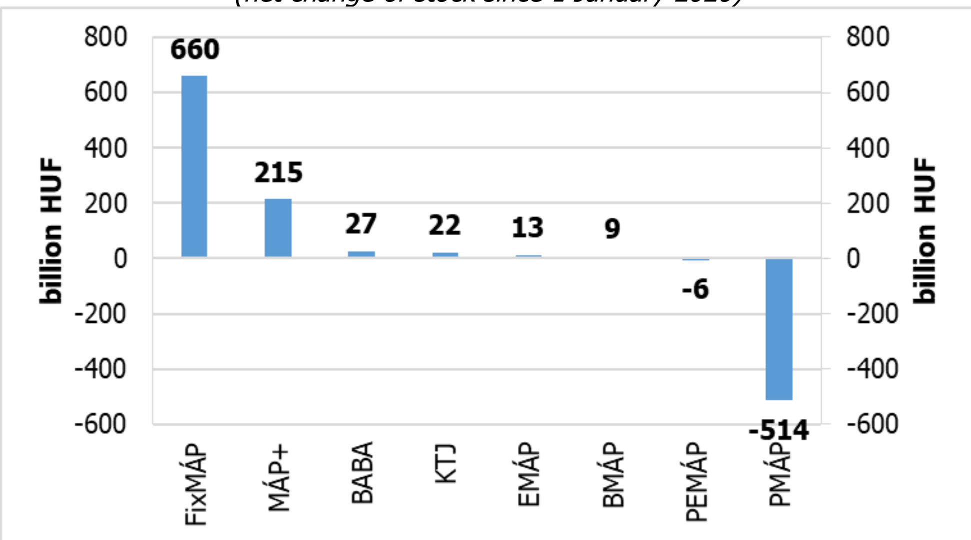
Retail Market

Based on the first three months' experience, government securities remained one of the most important investment instruments of Hungarian households. The stock of retail securities and institutional securities owned by households amounted to HUF 14,031 billion by the end of March, exceeding the stock by the end of the last year by HUF 488 billion. The structure and volatility of the retail debt portfolio affect significantly the costs of debt management. Consequently, ÁKK intends to increase the share of fixed-rate government securities beginning the fourth quarter of 2025 in order to maintain the stability and predictability of the retail market.

In addition to retail government securities, households are buying institutional government securities, too. During the first quarter, the stock of institutional bonds owned by households increased by HUF 47 billion, the stock of treasury bills grew by HUF 80 billion. Combined, these transactions increased the stock of government securities investments owned by households on face value by HUF 127 billion. The number of customers owning retail securities amounted to 1.4 million by the end of March.

In line with the strategic goals of ÁKK announced in last October, the weight of fixed-rate government securities relative to the retail portfolio kept on increasing. In case of retail government securities, the average remaining maturity decreased from approximately 4 to approximately 3 during the past years. The longer maturity of recently issued securities, and the spread of predictable, fixed interest contributed significantly to the improvement of the debt structure. The goal was to promote fixed rate government securities against floating rate notes. As a result, the stock of PMÁP decreased by HUF 514 billion since the end of 2025; at the same time, the stock of FixMÁP increased by HUF 660 billion. (See Figure 3) The share of fixed-rate instrument within the stock of retail government securities increased from 44.1% by the start of the year to 49.7% by the end of the first quarter.

Figure 3: The shift in the structure of retail securities market
(net change of stock since 1 January 2026)



Source: ÁKK

FX Market

Regarding international FX financing, 65.6% of the planned HUF 2,541 billion net financing plan was completed until 31 March. International FX bond issuance formed the bulk of the net issuance in the amount of HUF 1,547 billion. The EUR 3 billion bond issuance in early January and the USD 1.2 billion tap issuance of USD bonds laid down the foundations of safe debt management as early as the beginning of the year.

In terms of gross issuance, completion was favourable. Until 31 March, gross international issuance in the amount of HUF 1,672 billion was completed equalling close to 47% of the HUF 3,565 billion total planned issuance for the whole year. Within this, 60% of the international bond issuance plan was completed. On the international bond market, issuance amounted to HUF 1,551 billion. Completion rate in case of FX loans was 13% by the end of March. This is in line with the prorated plan.

FX bond issuances were highly successful during the ongoing year. ÁKK completed a EUR denominated bond issuance in January drawing significant investor demand and yield level falling below prior expectations. In February, ÁKK organised a tap issuance of USD-denominated bond issuance driven by reverse inquiry of investors. Multiple times oversubscription rates and successful FX bond deals indicate persistently strong confidence towards Hungary and the Hungarian economy among international investors. Hungary is classified as investment grade in case of all three main rating agencies supporting the above. Following the EUR 3 billion Eurobond issuance (including EUR 1 billion green bond issuance), a USD 1.2 billion tap issuance took place in February reopening the 10-year USD bond series issued in last Summer.

International issuances contributed to the build-up of liquid reserves enhancing the stability of the financing and the budget during the current uncertain global environment. The completed and planned issuances support ÁKK's pursuit of diversification, however 100% of Hungarian FX debt remains denominated in euro as a result of cross currency swap agreements. FX issuances enhance the flexibility of debt management and increase the amount of intra-year liquid reserves. These steps facilitate the optimisation of debt structure depending on market conditions.

Debt Management Indicators

The risk profile of the debt is in line with the main benchmark indicators derived from the internal risk model of ÁKK. As of 31 March, debt owned by households amounted to 22% of total debt. The FX proportion of the central government debt is currently 30.2%, remaining below the long-term historical average and within the optimal tolerance determined by ÁKK. Within total debt, the share of fixed-rate instruments is 74%. Regarding the total debt, average remaining time to maturity (ATM) reached 5.5 years, average remaining time to re-pricing (ATR) amounted to 4.8 years. ÁKK considers sustainable financing important; the share of green bonds relative to total debt was 5.1% by the end of the first quarter.

Regarding FX debt share, ÁKK set the medium-term target at 30% (implying no change) that is close to historical average with a +/- 3 percentage points tolerance band granting the stability of the debt financing and the necessary flexibility in order to be able to react efficiently to the changes of global market environment. Regarding the share of government securities owned by households relative to total debt, the benchmark band remains 20%-25%. Taking into account the changing investment behaviour of households, the stock of institutional government securities owned by households will be included starting with the ongoing year.

Table 2. Fulfillment of the debt management benchmarks as of March 31, 2026

Benchmark	90 day moving averaga	Target	Fulfillment
Share of fixed-rate debt	74.0%	between 70 and 90%	YES
Average Time to Maturity (year)	5.5	>= 5,5	YES
Average Time to Re-fixing (year)	4.8	>=4,5	YES
Share of FX debt	30.2%	between 27 an 33%	YES
Share of EUR in FX debt	100.0%	between 95 and 105%	YES
Share of debt owned by households	22.0%	between 20 and 25%	YES

ÁKK welcomes any questions related to this topic at email address press@akk.hu, and will respond each in writing.

Methodological Remarks

Net financing means the required new funding of the central government for a given time period (typically for one year). It can be realised in the form of government securities issuance or loans. In case of a net financing need, expenditures exceed revenues necessitating new fuds to be raised. Net financing capacity in turn implies a surplus in the budget; consequently, the state debt can decrease.

Gross financing consists of the net financing and the funds needed to cover the refinancing of maturing state debt (that is renewing of government securities and loans falling due). Gross financing tells how much government securities the state has to issue and/or how much loans the government has to take in a given year in order to cover the actual deficit in addition to the maturing elements of existing debt stock.

*Gross and net financing need can be partitioned based on debt type (retail securities, FX bonds etc.). Notice that maturing debt in a given segment (retail market) can be renewed on a different market (e.g. institutional market).

Financing plan is compiled following the approval of the state budget, normally around November of the given year. Following the end of the year, it can be modified because the approval of the financing plan predates the closing of the fiscal year. Relative to the financing plan announced on 10 December 2025, the planned discount treasury bill issuance increased by HUF 405.4 billion driven by the higher than planned 2025 issuance (not yet known when the financing plan was compiled).

In line with OECD methodology, the financing plan and table 1 of this announcement only covers treasury bill issuance with maturities beyond the end of the year. The planned amount of treasury bill issuance with maturities before 31 December 2026 – managing temporary liquidity needs driven by the fluctuation of state financing position – is HUF 4,021 billion.