

## **DISCLAIMER**

**The Hungarian language version of this public offering shall be the exclusively legally binding and controlling in each and every respect (i.e. for the purpose of the placement, for the rights and obligations arising from Hungarian Government Bonds, etc.). The following English translation is not an official translation and serves information purposes only.**

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**The Issuer and ÁKK Zrt. shall not assume any responsibility or liability for the correctness, completeness and accuracy of the English translation. Furthermore, the Issuer and ÁKK Zrt. shall not take any responsibility or liability for damages, losses, costs or other consequences - whether direct or indirect - arising from the use of or related to this English translation of the public offering.**

**The non-binding English translation is as follows:**

### **PUBLIC OFFERING on the issuance of the Hungarian Government Bonds**

#### ***General information and issuance authorisation***

Pursuant to the relevant legal authorisation as well as the authorisation granted in the frame of the annual financing plan, which is the Financing Plan of 2019 at the beginning of the issuance of the present series, approved by the minister responsible for the public finances on the basis of the Act CXCV of 2011 on Economic Stability of Hungary, the placement of the registered Hungarian Government Bonds (hereinafter: the „Hungarian Government Bonds” or “Government Bonds”) takes place on the basis of the applicable decision made by the Financing Committee of ÁKK Zrt.

Pursuant to Government Decree No. 285/2001 (XII. 26.) on bonds and in accordance with the annual Central Budget Act of Hungary the Hungarian State (hereinafter: the “Issuer”) shall issue Government Bonds.

The Issuer, by issuing the Government Bonds, undertakes to pay the face value together with the pre-set interest calculated according to the terms effective at the time of purchase to the current owner or bondholder.

No statute of limitation shall be applicable to claims against the Issuer regarding the face value and the interest of the Government Bonds.

The amounts collected from the issuance of the Government Bonds are intended to serve the partial financing of the central budget deficit and the renewal of the debt of the central subsystem of the public finances. The debt incorporated in the Government Bonds is part of the government debt.

### *1. Data of the Government Bonds to be issued*

The Issuer issues an additional tranche to the the following Government Bond series (reopening).

<b>Name (Serial number):</b>	<b>Hungarian Government Bond</b>	<b>2023/B</b>
<b>ISIN-code:</b>	<b>HU0000403456</b>	
<b>Issue date:</b>	<b>17 January 2018</b>	
<b>Maturity date:</b>	<b>26 July 2023</b>	
<b>Face value:</b>	HUF 10,000 that is ten thousand Hungarian forints	
<b>Method of Production:</b>	dematerialised securities	

### *2. The conditions of Issuance*

The Government Bonds are sold through auctions.

<b>Auction time:</b>	<b>08 August 2019</b>	
<b>The deadline for the submission of auction bids:</b>	<b>11.00 am on 08 August 2019</b>	
<b>Type of Auction:</b>	<b>Classic auction</b>	
<b>The amount announced for the</b>	<b>HUF 6,000,000,000</b>	<b>that is</b>
	<b>six billion</b>	<b>Hungarian forints</b>
<b>Date of the reopening and the settlement:</b>	<b>14 August 2019</b>	
<b>Consideration:</b>	the auctional net price increased by the accrued interest (the accrued interest is <b>0.0137%</b> on <b>14 August 2019</b> )	

### *3. Interest, interest payments and redemption*

<b>Type of the interest:</b>	The Hungarian Government Bonds bear floating interest rate.
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<b>Interest rate determination day:</b>	The interest rate shall be determined four times each year, on the third working day preceding the starting date of the forthcoming interest period.
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The starting (reference) date of the respective interest periods shall be 26 January, 26 April, 26 July and 26 October in each year.

**Interest rate determination method:**

The interest rate – excluding the interest period from 26 July 2019 to 26 October 2019 (see *The actual interest rate* below) - shall be equal to the 3 (three) months BUBOR published on the third working day as quoting date preceding the starting date of the relevant interest period by the National Bank of Hungary, which shall be rounded to 0.01% according to the rules of rounding. If the BUBOR is zero or negative on the interest rate determination day, the interest rate will be equal to 0.01%, that is zero point zero one percent, pursuant to Section 52/A of the Act No. CLXXVII of 2013.

The interest rate for the first interest period shall be equal to the 3 (three) months BUBOR published as to 3 January 2018 as quoting date by the National Bank of Hungary, which shall be rounded to 0.01% according to the rules of rounding.

BUBOR is the annual Budapest interbank offered rate, to be determined in accordance with the prevailing provisions of the accepted regulations for this purpose, which is published on the website of the National Bank of Hungary (or on another website that substitutes the website of National Bank of Hungary in order to publish the Budapest interbank offered rate).

The interest to be paid shall be equal to the time proportional part of the annual nominal interest determined for the given interest period (rounded to 0.01% according to the rules of rounding), which is to be determined on the basis of the calendar days actually lapsed between the two interest payment dates and on the basis of a year of 360 days.

**Interest calculation algorithm:**

Actual/360

**Initial day of the interest period:**

17 January 2018

**Interest payment dates:**

Four times a year, 26 January, 26 April, 26 July and 26 October in each year.

**The actual interest rate:**

The annual nominal interest rate of the Hungarian Government Bonds is 0.26% the interest rate to be paid is 0.07% as to the interest period from 26 July 2019 to 26 October 2019

**Repayment and redemption:**

The repayment of the face value is due in one lump sum at maturity. The Issuer shall not redeem Hungarian Government Bonds before maturity.

***4. Purchasers of the Government Bonds***

The Government Bonds may be purchased by resident and non-resident natural and legal persons, other entities without legal personality. Non-residents may acquire and transfer the Government Bonds in accordance with the effective regulations of foreign exchange laws.

The Issuer intends to comply with the laws and regulations prescribing the issuers to define the target market of investors and, within such market, the target group of investors when defined the group of persons entitled to purchase Hungarian Government Bonds as set forth above, as extensive as possible and without limitation, in accordance with the fact that the investors, interested in mid- and long-term investments which – stemming from the character of the Issuer – have low risk, are the targets of the Issuer.

***Further information***

The general terms and conditions of the issuance and trading of the Government Bonds are specified in the document effective as from 1 June 2018 titled as “OFFERING CIRCULAR ON THE PUBLIC ISSUANCE OF HUNGARIAN GOVERNMENT BONDS” which is available from 25 May 2018 (date of publication) at the points of distribution, on the websites of GDMA Pte Ltd. ([www.akk.hu](http://www.akk.hu) and [www.allampapir.hu](http://www.allampapir.hu)), and also on the website operated by the National Bank of Hungary ([kozvetetelek.mnb.hu](http://kozvetetelek.mnb.hu)).

Budapest, 05 August 2019

Government Debt Management Agency Private Company Limited by Shares