

DISCLAIMER

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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 2020 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).

Name (Serial number):	Hungarian Government Bond	2041/A
ISIN-code:	HU0000404165	
Issue date:	22 January 2020	
Maturity date:	25 April 2041	
Face value:	HUF 10,000 that is ten thousand Hungarian forints	
Method of Production:	dematerialised securities	

2. The conditions of Issuance

The Government Bonds are sold through auctions.

Auction time:	12 March 2020	
The deadline for the submission of auction bids:	11.00 am on 12 March 2020	
Type of Auction:	Classic auction	
The amount announced for the auction:	HUF 20,000,000,000	that is twenty billion Hungarian forints
Date of the reopening and the settlement:	18 March 2020	
Consideration:	the auctional net price increased by the accrued interest (the accrued interest is 0.4590% on 18 March 2020)	

3. Interest, interest payments and redemption

Interest: **The Government Bond is fixed-rated, with annual interest payment frequency, the interest rate is 3.00% p.a.** The first interest period is between the issue date and the first interest payment date (459 days), therefore the interest to be paid is the time proportionate part of the annual interest (rounded to 0.01%) with taking into consideration the leap day, i.e.:

$$3.00 \% * 459\text{day} / 365\text{day} = 3.77\%$$

The interest rate to be paid is the annual interest rate on the further interest payment dates.

**The interest is payable on the following dates
and upon the following rates:**

25 April 2021	3.77%
25 April 2022	3,00%
25 April 2023	3,00%
25 April 2024	3,00%
25 April 2025	3,00%
25 April 2026	3,00%
25 April 2027	3,00%
25 April 2028	3,00%
25 April 2029	3,00%
25 April 2030	3,00%
25 April 2031	3,00%
25 April 2032	3,00%
25 April 2033	3,00%
25 April 2034	3,00%
25 April 2035	3,00%
25 April 2036	3,00%
25 April 2037	3,00%
25 April 2038	3,00%
25 April 2039	3,00%
25 April 2040	3,00%
25 April 2041	3,00%

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 16 September 2019 titled as “OFFERING CIRCULAR ON THE PUBLIC ISSUANCE OF HUNGARIAN GOVERNMENT BONDS” which is available from 30 August 2019 (date of publication) at the points of distribution, on the websites of GDMA Pte Ltd. (www.akk.hu and www.allampapir.hu), and also on the website operated by the National Bank of Hungary (kozzetetelek.mnb.hu).

Budapest, 09 March 2020