

GREEN BOND IMPACT EVALUATION IN HUNGARY

Government Debt Management Agency Pte. Ltd. (ÁKK)

24/March/2026



WHY ISSUE GREEN BOND?



Financing or **refinancing** of the **green expenditures** of Hungary's central government budget items



Effective fundraising to **meet domestic** and **international ESG targets**



Diversification of the investor base



Ensuring and strengthening **international market presence**



Satisfying the growing investor demand (investors are increasingly incorporating ESG into their investments due to regulatory pressure, risk management, client demand etc.).



More efficient debt management, may also have a positive impact on the demand for conventional bonds.

HUNGARY'S GREEN BOND ISSUANCES

Key highlights

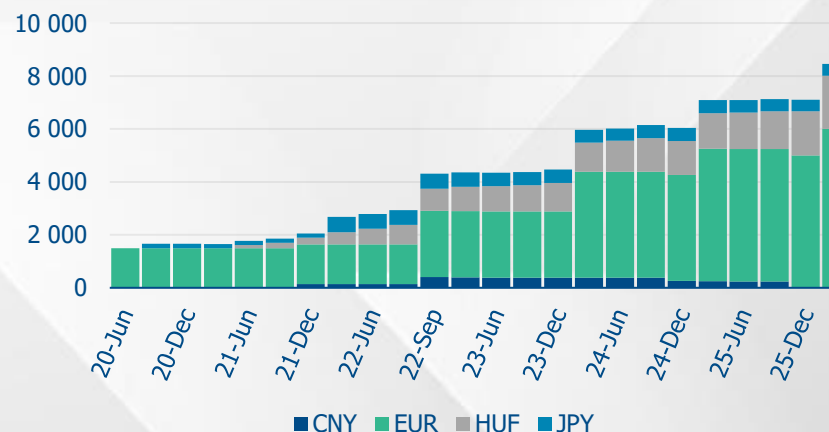
- In **May 2020**, Hungary published its **Green Bond Framework** and in **June 2020** issued its **inaugural Green Bond**.
- In **2023 July**, Hungary published its **updated Green Bond Framework** which takes into account the **EU Taxonomy on a best effort basis**.
- **EUR bonds** take the **highest share** of the issued green bonds, followed by the **HUF bonds**.
- **HUF green bonds** are sold through auctions multiple times a year and are **available both for institutional and retail investors**.
- Besides reporting on the allocation and impact of the green bonds, ÁKK regularly engages with investors, has prepared the **Hungary's ESG profile** document, participates in Hungary's **green budgeting**.

Green bond issuances

- Since 2020, Hungary has issued **15 green bonds** (two matured) on the **domestic** (HUF) and **international** (EUR, JPY, CNY) markets, becoming the **largest Central and Eastern European green bond issuer**.
- First foreign sovereign issuer in the Japanese and Chinese green bond markets
- The total outstanding debt in green bond is **EUR 8.5 billion** including HUF and FX denominated bonds.









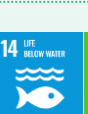











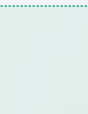






Amount of outstanding green bonds of Hungary

(EUR million equivalent)



Source: Government Debt Management Agency of Hungary
Note: as of 9 March 2026

HUNGARY'S GREEN BOND FRAMEWORK 2023

Green categories	SDGs 	EU Taxonomy objectives 
 Clean transportation	  	I. Climate change mitigation
 Land use & living natural resources	  	I. Climate change mitigation II. Climate change adaptation VI. The protection and restoration of biodiversity and ecosystems
 Energy efficiency (incl. green buildings)	  	I. Climate change mitigation
 Renewable energy	 	I. Climate change mitigation
 Pollution prevention & control		I. Climate change mitigation V. Pollution, prevention and control
 Sustainable water & wastewater management		I. Climate change mitigation III. Sustainable use and protection of water and marine resources
 Climate adaptation		II. Climate change adaption III. Sustainable use and protection of water and marine resources
 Research, innovation and awareness raising	  	I. Climate change mitigation II. Climate change adaptation

ÁKK IS CONTINUOUSLY DEVELOPING THE GREEN BOND REPORT IN LINE WITH CHANGING MARKET TRENDS AND INVESTOR PREFERENCES

Green bond reporting overview

Reporting annually on the allocation and impact of the green bond proceeds (**Integrated Green Bond Report**).

Since 2024 **reporting on the share of EU Taxonomy aligned expenditures**.

The annual report is reviewed by an **External Reviewer**.

The latest report already included **90 indicators**.

More than HUF 2,300 billion forints have been allocated since 2020.

Key drivers

Investor expectations

Investors' preference towards certain green projects and increasingly detailed impact reporting.

Best market practices

Market trends, legislation, and guidelines are continuously evolving, with the EU Taxonomy playing an increasingly important role.

External Review on the framework and report

Compliance with independent experts.

Hungary's latest green bond reporting improvements



Source: <https://www.akk.hu/green-bond>

RISING INVESTOR EXPECTATION ON TRANSPARENCY: HUNGARY'S GREEN BUDGETING AND ESG PROFILE

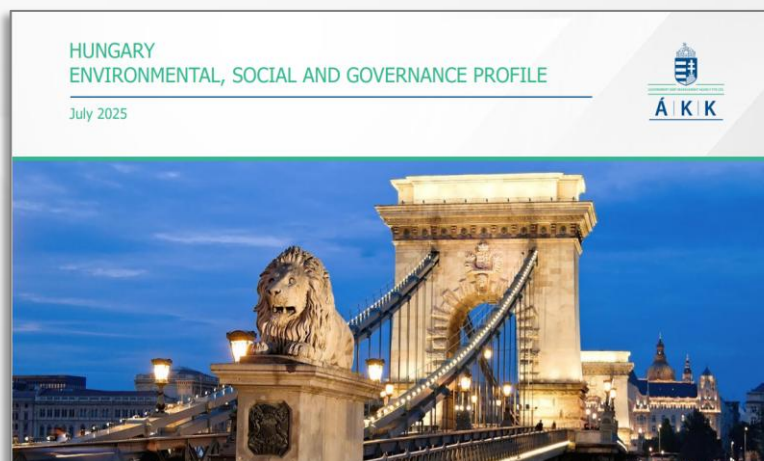
Besides ESG investors, traditional investors are also increasingly expecting sovereigns to be credible and transparent by presenting their

- **comprehensive ESG profile** (including strategies, programmes)
- and the **financing background** (budget, financing plan, etc.)

Hungary's Green Budgeting

Tárca	Cimrend	Előirányzat, program neve
Országgyűlés	I/23	Magyar Energetikai és Közmű-szabályozási Hivatal <i>Energihatékonysággal, megújuló energiával és hulladékgazdálkodással kapcsolatos feladatok</i>
Helyi önkormányzatok támogatásai	IX/2/1/3	A nem közművel összegyűjtött háztartási szennyvíz ideiglenes begyűjtésére kijelölt közterületi közszolgáltató meg nem térülő költségeinek támogatása <i>Szennyvíz begyűjtése és biztonságos elhelyezése</i>
Miniszterelnökség	XI/30/1/16	Nonprofit, társadalmi, civil szervezetek és köztestületek támogatása <i>PLANET Budapest 2026. rendezvénysorozat támogatása</i>
	XI/30/1/31/4	Nemzetiségi intézmények támogatása beruházásra, felújításra, pályázati önrészre <i>Energetikai hatékonyságot célzó beruházások támogatása</i>
	XII/10	Nemzeti Biodiverzitás- és Génmegőrzési Központ <i>Génmegőrzési program és stratégia végrehajtása</i>
	XII/14	Nemzeti park igazgatóságok <i>Természetvédelmi kutatás, természeti értékek fenntartása</i>
	XII/20/1/1	Természeti értékek megőrzése <i>Táj- és természetvédelmi pályázatok támogatása</i>
	XII/20/1/2	Állami génmegőrzési feladatok <i>Génerőforrások megőrzése, védelme</i>
	XII/20/2/3/1	Erdőgazdálkodás támogatása <i>Erdőfelújítás, erdészeti környezeti nevelés</i>

Hungary's ESG Profile



Greater transparency strengthens the country's credibility and sustainability profile, **increasing investor confidence** and potentially **supporting the demand for conventional bonds** as well.

POTENTIAL SYNERGIES BETWEEN GREEN BOND ISSUANCE AND GREEN BUDGETING

Similarity

It is essential to analyse the green expenditures of the state budget for both green bond reporting and green budgeting.

Green budgeting and green bond report highlight green budgetary items, supporting the better identification of green expenditures and providing enhanced transparency and traceability of budget spending for both investors and the country.

Difference

The green budget and the Green Bond Framework are based on different methodologies, therefore not all budgetary items identified in the green budget can be financed with a green bond.

The experience gained from the **green bond reporting** can help to create green budgeting methodology and support the analyses of budget items.

In the green budgeting, budgetary items are identified and analysed, i.e. **green budget** can contribute to a more efficient planning of green bond issuances and reporting.

Combining green bond practices and green budgeting, and exploiting the potential synergies between the two can be beneficial for both the issuer and the investors.

THANK YOU FOR YOUR ATTENTION!

