

DISCLAIMER

The Hungarian language version of this offering circular 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 the Premium Euro Hungarian Government Bonds, etc.). The following English translation is not an official translation and serves information purposes only.

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The non-binding English translation is as follows:

OFFERING CIRCULAR

ON THE PUBLIC ISSUANCE OF PREMIUM EURO HUNGARIAN GOVERNMENT BONDS, SERIES: 2016/Y

**THE BELOW OFFERING CIRCULAR HAS BEEN PREPARED AT THE REQUEST
OF THE ISSUER FOR THE PURPOSE OF PROVIDING INFORMATION TO THE
INVESTORS ON THE TERMS AND CONDITIONS OF ISSUANCE AND TRADING**

Budapest, 14 May 2013

GENERAL INFORMATION

The Minister for National Economy, being the minister responsible for public finances, issues government bonds on behalf of the Hungarian State (hereinafter: the “Issuer”), pursuant to the authorisation of the Act on the Annual Central Budget of Hungary and Act CXCV of 2011 on Public Finances, in order to finance the deficit of the central budget and the renewal of the debt of the central subsystem of the government budget. Pursuant to the provisions of Act CXCV of 2011 on Public Finances and Act CXCV of 2011 on the Economic Stability of Hungary, the Minister for National Economy performs this task through the Government Debt Management Agency Pte Ltd. (hereinafter: “ÁKK”).

This offering circular (hereinafter as: the “Offering Circular”) contains the general terms and conditions of issuance and trading of floating rate government bonds to be issued publicly by the Issuer in Euro in Hungary under the name of Premium Euro Hungarian Government Bonds (hereinafter as: the “Premium Euro Hungarian Government Bonds”), denominated in euro, series 2016/Y, in accordance with the relevant provisions of Act No CXX of 2001 on the Capital Market (hereinafter as: the “Capital Market Act”).

This Offering Circular is not to be considered as a prospectus or base prospectus under Article 1 (2) (b) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (hereinafter: the “Prospectus Directive”) and this Offering Circular is not covered by the Prospectus Directive.

This Offering Circular has not been presented to any securities supervisory authority other than the Hungarian securities market supervisory authority (i.e. the Hungarian Financial Supervisory Authority, hereinafter: “Hungarian Financial Supervisory Authority”).

The laws of certain countries may limit the distribution of this Offering Circular, or the offer for sale, sale, promotion of the Premium Euro Hungarian Government Bonds.

The Issuer and ÁKK have not and will not initiate any proceeding for the authorisation for the public offering of the Premium Euro Hungarian Government Bonds or the publication of this Offering Circular in a country other than Hungary, which provides for an authorisation obligation or other similar restrictions for this purpose.

The Issuer and ÁKK shall not assume any liability for this Offering Circular being lawfully distributable or publishable outside of Hungary, or for the Premium Euro Hungarian Government Bond(s) being lawfully advertisable, offerable - directly or indirectly - for acquisition or sale/purchase under the laws of any other country or in accordance with the exceptions specified by such laws.

Therefore the Premium Euro Hungarian Government Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America (hereinafter: the “U.S. Securities Act”) and in accordance with the tax laws. The Premium Euro Hungarian Government Bonds are offered outside of the United States of America - in accordance with the so-called Regulation S of the U.S. Securities Act - therefore - thus, except for certain transactions being an exception to the registration requirements of the U.S. Securities Act - the Premium Euro Hungarian Government Bonds may not be offered, sold or transmitted within the United States of America and to American citizens. Dealers are required to

undertake to sell the Premium Euro Hungarian Government Bonds solely outside the United States of America in accordance with the relevant provisions of the U.S. Securities Act. The definitions used in this Section comply with the definitions used in the relevant provisions of the U.S. Securities Act.

There are also restrictions in the United Kingdom in connection with the offer and the sale of the Premium Euro Hungarian Government Bonds. As this document has not been approved by the authority specified in the Financial Services and Markets Act 2000 of the United Kingdom (hereinafter: the “Financial Services and Markets Act”) in accordance with such Act, therefore the Premium Euro Hungarian Government Bonds may only be offered in the United Kingdom in accordance with the Financial Services and Markets Act and this Offering Circular may only be distributed in accordance with the above Act.

The Issuer warns the readers of this Offering Circular to make inquiries regarding such restrictions and to observe them. If the offer for sale of the Premium Euro Hungarian Government Bonds is unlawful in any country, or the purchase of the Premium Euro Hungarian Government Bonds by any person is against the law, this Offering Circular may not be accepted as an offer and may not be used for the purpose of an offer in connection with the sale of the Premium Euro Hungarian Government Bonds.

The Issuer and ÁKK have not authorised anyone to provide information or to make any statement in addition to the content of this Offering Circular or the material approved by the Issuer or ÁKK for this purpose. If that would nevertheless happen, it should be presumed that the Issuer and ÁKK have not approved such information or statement.

All reference in this Offering Circular to Euro shall mean the common legal tender of the Participating Member States of the European Union, where the Participating Member States shall mean those member states of the European Union that accept or have accepted euro as their legal tender in conformity with the respective mandatory provisions of the European Union on the Economic and Monetary Union.

THE PURPOSE OF ISSUANCE

The sum collected from the issuance on the respective account of the Issuer, is intended to serve the partial financing of the central budget deficit and the renewal of the government debt.

GENERAL TERMS AND CONDITIONS OF ISSUANCE

The characteristics of the Premium Euro Hungarian Government Bonds

The Premium Euro Hungarian Government Bonds are registered securities issued in accordance with Government Decree No. 285/2001 (XII.26.) on Bonds.

The Premium Euro Hungarian Government Bond represents a direct, general and unconditional commitment made by the Hungarian State to pay at the specified time and in

the specified way the face value and the pre-set interest (or other accruals) of the government bond, provided that the issue price was duly paid.

The debt incorporated in the Premium Euro Hungarian Government Bonds is part of the government debt. The payment of the interest and the face value of the Premium Euro Hungarian Government Bond is charged to the central budget and the debt service expenses of the central budget. Claims against the Issuer based on the Premium Euro Hungarian Government Bond do not lapse.

Purchasers and transfer of Premium Euro Hungarian Government Bonds

The Premium Euro Hungarian Government Bonds are to be purchased and transferred by natural persons and legal entities and other organisations without legal personality.

Non-residents may acquire and transfer the Premium Euro Hungarian Government Bonds in accordance with the effective foreign exchange laws.

The effective foreign exchange laws apply to the payments by or to the non-residents in connection with the Premium Euro Hungarian Government Bonds.

In this respect the laws of other countries may also include restrictions, therefore the Issuer requests the readers of this Offering Circular to make inquiries regarding such restrictions and to observe them.

Issuance and face value of Premium Euro Hungarian Government Bonds

The Premium Euro Hungarian Government Bonds are issued as dematerialised securities under the authorisation of Act CXX of 2001 on the Capital Market (hereinafter: the “Capital Market Act”).

The face value (base denomination) of the Premium Euro Hungarian Government Bond shall be EUR 1.00, that is one euro.

The issue price of the Premium Euro Hungarian Government Bonds

On the first day of issuance of the Premium Euro Hungarian Government Bonds the issue price shall be equal to the face value, after that it shall be equal to the sum of the face value and the accrued interest effective as of the given value date.

Accrued interest shall be calculated in the following manner:

$$\text{accrued interest} = \frac{g_v}{2} * \frac{d_s - d_{i-1}}{d_i - d_{i-1}}$$

where:

- g_v = the current annual interest of the Premium Euro Hungarian Government Bond.
- d_i = the payment date of the i cash flow item (interest payment and redemption)
- d_s = value date of the accrued interest calculation

First, the amount of the accrued interest is determined up to four decimal places with respect to the face value (base denomination) of the Premium Euro Hungarian Government Bond

being 1.00 EUR (that is one euro), then the interest amount calculated for this face value (base denomination) is multiplied by the number of Premium Euro Hungarian Government Bonds the given investor wishes to purchase, and finally this amount is rounded off to whole euro cents according to the general rules of rounding.

THE METHOD OF PUBLIC OFFERING

The series of the Premium Euro Hungarian Government Bonds are issued through tap issue.

Pursuant to point 1 of Article 5 (1) of the Capital Market Act, “tap issue” shall mean a method of public offering of debt securities are sold within a time frame designated by the issuer where the underlying securities have the same maturity.

The issuance of Premium Euro Hungarian Government Bonds is published by the Issuer in the public offering, which shall be announced by ÁKK on ÁKK’s own websites (www.akk.hu and www.allampapir.hu), and also on the website operated by the Hungarian Financial Supervisory Authority (www.kozzetetelek.hu), 3 (three) working days prior to the date of commencement of the sale. The public offering shall contain, among others, the series of the Premium Euro Hungarian Government Bond to be issued, its ISIN code, the conditions of the issuance of the series, including the start and expected closing date of the sale, the amount announced for sale, the interest rate effective for the first interest period, the conditions of interest payment and redemption, and the maturity date.

No minimum quantity is set as a precondition for issuance.

The Issuer reserves its right to modify the amount announced for sale and the closing date of issuance.

The purchase statements of the investors shall be received by the dealers (hereinafter: the Dealers) having entered into an agency contract with ÁKK regarding the performance of the dealer tasks related to the issuance of the government securities named Premium Euro Hungarian Government Bonds, issued by the Hungarian State. The names and registered offices of the Dealers and the Branch Offices of the Hungarian State Treasury are listed in Annex “A” of this Offering Circular.

The Premium Euro Hungarian Government Bonds can only be purchased by submitting a purchase statement to the Dealers. The statement shall be submitted in writing or recorded on a durable medium, as defined in Act CXXXVIII of 2007 on Investment Firms and Commodity Exchange Service Providers and their Activities (hereinafter as: “Investment Services Act”).

The purchase statement must contain at least the following data:

- name of the investor,
- classification of the investor (resident or non-resident natural person, resident or non-resident legal entity, resident or non-resident organisations without legal personality),
- the series and number of pieces of the Premium Euro Hungarian Government Bonds wished to be purchased,
- the price (face value and accrued interest) effective on the value date at the time of purchase
- the value date of purchase.

For all other matters regarding to the terms of the content and form of the purchase statement, the respective provisions of legislation shall be applicable.

The purchase statements shall be collected by the Issuer through the Dealers. The purchase statement is to be made by making the purchase statement personally or through a proxy and by submitting such statement to the Dealers or through the electronic system of the Dealers.

The investor, by submitting the purchase statement, undertakes a binding and irrevocable commitment to purchase the Premium Euro Hungarian Government Bonds up to the full amount as it is specified therein.

If the purchase statement is made through a proxy, the currently effective general terms of business/contractual terms of the Dealers shall be applied regarding the rules of such authorisation.

If the statement is made through a proxy pursuant to a certain piece of legislation or an official regulation, the (legal) representative defined in the currently effective legislation or official regulation or the person empowered by such representative under an authentic instrument (public record) or a private document representing conclusive evidence shall have the right to represent the party making the statement, in conformity with the currently effective general terms of business/contractual terms of the Dealers. A legal representative (parent, guardian, conservator) shall have the right to act in the interest of the represented person according to the provisions of the deed proving his/her rights of representation.

In all cases, the Dealers shall decide whether the purchase statement received by them was made appropriately or not. All such decisions of the Dealers shall be final and binding. The Dealers shall be obliged to accept all properly placed purchase statements received until the end of the issuance period. Purchase statements not fully completed or received subsequent to the submission deadline or made inadequately for any other reason shall be considered invalid and shall be excluded from the issuance procedure.

If the purchase statement is made appropriately, the security, subject to full compliance with the preconditions of sale, is credited on the securities account of the investor on the value date (on the day following the day when the purchase statement was made, or if a later day is specified in the purchase statement as the preferred value date of the purchase, then on such value date of the purchase), provided that such day is a working day.

The consideration for the purchase statements not accepted, but duly paid by the investors shall be repaid by the Dealers by submitting a bank transfer order until the second working day following the day when the respective decision was made. In addition to the above mentioned amount, the investors shall not be entitled to receive any interest, compensation or any other amounts with respect to such rejected purchase statement. If the purchase statement is rejected, partly or in full, the Dealers shall be obliged to notify the concerned client and also specify the reason underlying the rejection.

ADDITIONAL ISSUANCE

The Issuer and ÁKK reserve their right to issue from time to time further Premium Euro Hungarian Government Bonds incorporating the same rights in all respects - except for the date

of issuance - as the given series of Premium Euro Hungarian Government Bonds, which shall constitute the same series as the given Premium Euro Hungarian Government Bond series.

ISSUANCE OF PREMIUM EURO HUNGARIAN GOVERNMENT BONDS AS DEMATERIALISED SECURITIES

The dematerialised Premium Euro Hungarian Government Bond means the set of data recorded and transmitted electronically in accordance with the Capital Market Act and other laws, registered on a securities account, containing all the constituent elements - specified by laws - of the securities in an identifiable manner, except for the name of the owner and the serial number of the securities. The dematerialised Premium Euro Hungarian Government Bonds are registered for the investment companies (for the purposes of this Offering Circular including also the credit institutions providing investment services or ancillary services) on the securities accounts held by the Central Clearing House and Depository (Budapest) Ltd. (hereinafter: "KELER") and in favour of the customers on the securities accounts held by the investment companies.

The dematerialised Premium Euro Hungarian Government Bonds are transferred by debiting and crediting on the securities account.

The dematerialised Premium Euro Hungarian Government Bonds are credited on the securities account of the investor held at the Dealers, as of the issuance. In all other respects, the investors may enter into securities account and client account (or in case of credit institutions, bank account) contracts with an investment companies (credit institutions) selected by them, acting as securities account holders entitled to hold securities accounts and perform the related services. The general terms of business of the given account holder is applicable regarding the authorisations to be given to the account holder by the investors.

PAYMENTS IN CONNECTION WITH THE PREMIUM EURO HUNGARIAN GOVERNMENT BONDS

The tasks of the main paying agent in connection with the Premium Euro Hungarian Government Bonds shall be performed by ÁKK. (These tasks do not include the paying agent's tasks provided for in the tax laws.)

ÁKK pays the interests and the repayment (face value) to the investors with the involvement of KELER and the investment companies. At the time of conclusion of the securities account contract the investor must specify the method of payment of the due amounts.

Interest, interest payments

The Premium Euro Hungarian Government Bonds pay interest for each interest period in arrears. With the exception of the first interest period, the interest period of Premium Euro Hungarian Government Bonds shall be the half-year period between 25 April of the given year and 25 October of the same year, and the half-year period between 25 October of the given year and 25 April of the next year, with the provision that the given interest period shall start from the first day of such period (including that day) and last until the last day of the

given interest period (excluding that day). The first interest period shall start on 21 May 2013 (including that day) and shall last until 25 October 2013 (excluding that day). Accordingly, interest shall be paid on the following days: 25 October 2013, 25 April 2014, 25 October 2014, 25 April 2015, 25 October 2015, 25 April 2016, 25 October 2016.

ÁKK pays the interests of the Premium Euro Hungarian Government Bonds registered on securities accounts at KELER on the basis of the registration provided by KELER, by transfer to the securities account holders. The Issuer and ÁKK shall not assume any liability for the consequences arising from the possible breach of contract by the account holders.

Calculation of the interest rate

The interest rate for the given interest period shall be determined on the 2nd (second) working day prior to the first day of the given interest period, except for the first interest period.

In case of Premium Euro Hungarian Government Bonds, the payable interest shall be calculated (rounded off to 0.01%) on the basis of the calendar days actually elapsed between the interest payment dates and on the basis of a year of 365 days, whereas in case of a leap year 29 February is also to be considered, according to the following formulas (in all cases gross interest percentages and amount of interest are indicated without any tax deductions):

Calculation of the amount of the first interest payment:

$$g_p = \frac{g_a}{f} * \frac{d_1 - d_k}{d_1 - d_t},$$

g_a = annual interest (coupon)

g_p = time proportionate interest in compliance with the interest payment frequency

f = the number of interest payments in one year

d_k = the issue date

d_1 = the first date of interest payment

d_t = the date of the technical interest payment, which is the same day of the 6th month preceding the month of the first date of interest payment

Calculation of the annual interest (g_a):

The annual interest shall be equal to the sum of the interest base and the interest rate premium.

The interest base shall equal the percentage change of the final “Harmonised Index of Consumer Prices - all items” officially published as latest data (currently on the website at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_manr&lang=en) by the European Commission (Eurostat) for the Participating Member States prior to the given date of interest determination, regarding the period between the second month preceding the date of interest determination and the same month of the preceding year, with the provision that if this value is negative, the interest base shall equal 0%, i.e. zero percent.

The date of interest determination and the interest rate premium are set in the public offering.

The tasks related to the definition of the interest rate of the Premium Euro Hungarian Government Bonds shall be performed by ÁKK, at the time and in the manner specified in the Public Offering.

In the course of determining the interest to be paid, first the amount of the payable interest is determined up to four decimal places regarding the 1.00 EUR (that is one euro) face value (base denomination of the Premium Euro Hungarian Government Bond, then the interest amount calculated for this face value (denomination) is multiplied by the number of pieces of Premium Euro Hungarian Government Bonds the given investor has on its securities account, and finally this amount is rounded off to whole euro cents according to the general rules of rounding, and thus the investor, based on the Premium Euro Hungarian Government Bonds, shall be entitled to receive the interest amount rounded and aggregated according to the above mentioned procedure.

Repayment, Redemption

The Issuer does not redeem the Premium Euro Hungarian Government Bonds before maturity. The repayment of the face value of the Premium Euro Hungarian Government Bonds shall be due in one amount at maturity.

Dealers shall quote, subject to specific conditions, daily bid prices for the Premium Euro Hungarian Government Bonds, therefore the Premium Euro Hungarian Government Bonds can be sold at the Dealers prior to maturity, in accordance with the rules laid down in their general terms of business.

Payments due on non-working days

If the payment of any amount (interest, repayment (face value)) in connection with the Premium Euro Hungarian Government Bond is due on a date, which is not a working day, the payment date - unless otherwise provided by ÁKK - shall be the next working day. For such time period the investor is not entitled to receive further interest, or any other amount.

A day shall be considered as a working day, on which the investment companies are open for the public in Hungary, and KELER, the National Bank of Hungary and TARGET¹ have a settlement date.

TAXATION

Issuer hereby draws the attention of the readers of this Offering Circular that the information provided under this Offering Circular regarding tax treatment or tax implications can only be assessed on the basis of the specific and individual circumstances of the concerned investor, and may be subject to changes in the future. Thus in particular, but not limited to others, the tax liability in terms of the income received by the investor from the Premium Euro Hungarian Government Bonds shall be affected by the person of the investor (natural person or legal entity), its tax residence (resident or non-resident), the legal title of the income (e.g.:

¹ TARGET means the Trans-European Automated Real-time Gross Settlement System which ensures a single shared settlement platform, introduced on 19 November 2007.

interest income, income from long term investments, or the so called other income, subject to aggregation, accrued on pension savings accounts [*Hungarian abbreviation: "NYESZ-R"*]).

In case of legal entities, the tax liability regarding the income received by the investor from the Premium Euro Hungarian Government Bonds shall be imposed as a part of the profit of the respective fiscal year.

In case of the investors falling under the scope of Act CXVII of 1995 on Personal Income Tax Act, as amended (hereinafter as: "Personal Income Tax Act"), the Dealers shall qualify as paying agents, therefore they may have a tax deduction, tax return and tax payment obligation on the grounds of the payments made on the basis of the Premium Euro Hungarian Government Bonds.

In case of investors having Hungarian tax residence, the tax liability shall be determined on the basis of the currently effective Hungarian legislation.

In case of non-resident investors, the tax liability shall be determined according to the provisions of the agreement for the avoidance of double taxation effective between the country having tax jurisdiction for the given investor and Hungary, on the basis of the Tax Residence Certificate of the investor and (if required) the so called beneficial owner statement.

In accordance with the currently effective Personal Income Tax Act, the income paid as interest to the natural person on the basis of the Premium Euro Hungarian Government Bonds, as publicly offered and traded securities incorporating a loan relationship as specified in Act CXX of 2001 on the Capital Market, and the part of the income - specified in accordance with the rules applicable to capital gain - arising at the transfer, redemption (at maturity) - independently from how it is split between the items cleared as net conversion value and accumulated interest or yield - is to be considered as interest income and is subject to taxation.

The tax rate is 16 (sixteen) percent regarding the interest income in accordance with the currently effective provision of the Personal Income Tax Act.

In accordance with the respective provisions of the Personal Income Tax Act, the tax regarding the interest income originating from the Premium Euro Hungarian Government Bonds shall be paid as follows:

a) if the interest income derives from the paying agent (meaning also the credit institutions, investment service providers paying the interest income instead of the paying agent) the tax is determined, deducted, paid and submitted by the paying agent for the time of the acquisition, provided that under the conditions specified in the laws the natural person may enforce in his tax return prepared without the involvement of the tax authority or by self-inspection that part of the value used for the acquisition of the securities and the additional expenses relating to the securities, which was not considered by the paying agent in the course of the definition of the income;

b) if the interest income derives not from a paying agent - the natural person determines the tax in its tax return prepared without the involvement of the tax authority, and pays it by the deadline set for the submission of the tax return in accordance with the provisions of the applicable tax laws.

The date of acquiring the interest income is the day of the transfer, posting or delivery of the involved amount to the investor.

The taxation takes place in accordance with the applicable and effective tax laws.

The Issuer and ÁKK suggest to the investors having interest in Premium Euro Hungarian Government Bonds to request an expert's opinion on the question how the consequences of purchasing, owning and transferring of the Premium Euro Hungarian Government Bonds affect their taxation.

ANNOUNCEMENTS

ÁKK shall publish its announcements related to the issuance of the Premium Euro Hungarian Government Bonds on its own websites (www.akk.hu and www.allampapir.hu), and also on the website operated by the Hungarian Financial Supervisory Authority (www.kozzetetelek.hu).

GOVERNING LAW, JURISDICTION OF COURT

The laws of Hungary - in particular the provisions of Government Decree no. 285/2001 (XII.26.) on Bonds, the Capital Market Act, and Act IV of 1959 on the Civil Code - are applicable to the conditions of issuance of the Premium Euro Hungarian Government Bonds.

Any future legal dispute between the Issuer, ÁKK and the owner(s) of the Premium Euro Hungarian Government Bond(s) in connection with legal relationships arising from the Premium Euro Hungarian Government Bonds, as securities, shall be settled through ordinary court procedure.

EFFECT

The provisions of this Offering Circular shall be applied with respect to the government bonds, series 2016/Y, named Premium Euro Hungarian Government Bonds.

Budapest, 14 May 2013

Annexes:

Annex "A":	List of Dealers
Annex "B":	Transaction Rules

ISSUER

is the Hungarian State, on whose behalf the minister responsible for public finances is entitled to act.

The minister responsible for public finances exercises this power via the Government Debt Management Agency Pte Ltd. (registered office: 1027 Budapest, Csalogány u. 9-11.).

List of Dealers

Citibank Europe Plc, Hungarian Branch

registered office: 1051 Budapest, Szabadság tér 7.

Concorde Értékpapír Zrt.

registered office: 1123 Budapest, Alkotás u. 50.

ERSTE Befektetési Zrt.

registered office: 1138 Budapest, Népfürdő u. 24-26.

FHB Bank Zrt.

registered office: 1082 Budapest, Üllői út 48.

ING Bank N.V.

registered office: NL-1081, Amsterdam, Amstelveenseweg 500
(the Hungarian Branch of ING Bank N.V.
1068 Budapest Dózsa György út 84/b.)

Magyar Takarékszövetkezeti Bank Zrt.

registered office: 1122 Budapest, Pethényi köz 10.

OTP Bank Nyrt.

registered office: 1051 Budapest V., Nádor u. 16.
(the designated branch offices of OTP Bank Nyrt)

Raiffeisen Bank Zrt.

registered office: 1054 Budapest, Akadémia u. 6.

Sopron Bank Zrt.

registered office: 9400 Sopron, Kossuth Lajos u. 19.

Hungarian State Treasury

registered office: 1054 Budapest Hold utca 4.
(the Treasury Offices as per Annex no. A/2)

Annex no. A/2 of the Offering Circular

Treasury Offices of the Hungarian State Treasury

Account number for the transfer of the cover of Premium Euro Hungarian Government Bonds

IBAN: HU18 1901 7004 8810 4264 7010 0001

Domestic: 19017004-88104264-70100001

Treasury Offices/District Offices*	Address	Working hours
Treasury Office of the Budapest and Pest County Directorate	<u>Branches:</u> 1139 Budapest, Váci út 71. 1027 Budapest, Csalogány u. 9-11. 1115 Budapest, Bartók Béla út 120-122.	Monday-Tuesday-Thursday: 8:00-16:00 Wednesday: 8:00-20:00 Friday: 8:00-15:00
	<u>District offices</u>	
	1051 Budapest, Erzsébet tér 3. tel: +3630-695-1531	Monday: 8:00-16:00 Tuesday: 8:00-14:00 Wednesday: 8:00-16:30 Thursday: - Friday: 8:00-13:30
	1073 Budapest, Erzsébet körút 6. tel: +3630-695-1292	Monday-Tuesday-Thursday: 8:00-16:00 Wednesday: 8:00-19:00 Friday: 8:00-13:00
Postal address for all Branches/Offices: 1398 Budapest, Pf: 554		
Treasury Office of the Baranya County Directorate	7621 Pécs, Apáca u. 6. 7602 Pécs, Pf. 338	Monday-Tuesday-Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
	<u>District office</u> 7700 Mohács, Széchenyi tér 3. 7602 Pécs, Pf. 338 tel: +3630-697-1106	For working hours temporarily please contact the District office directly by phone
Treasury Office of the Bács-Kiskun County Directorate	6000 Kecskemét, Szabadság tér 1. 6001 Kecskemét, Pf. 373	Monday-Tuesday-Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Békés County Directorate	5600 Békéscsaba, Dózsa Gy. u. 1. 5601 Békéscsaba, Pf. 120	Monday-Tuesday-Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00

Treasury Office of the Borsod-Abaúj-Zemplén County Directorate	3525 Miskolc, Hősök tere 3. 3502 Miskolc, Pf. 122	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Csongrád County Directorate	6720 Szeged, Vár u. 5. 6701 Szeged, Pf. 491	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
	<i>District office</i> 6800 Hódmezővásárhely, Kossuth tér 1. 6701 Szeged, Pf. 491 tel: +3630-733-8103	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday-Friday: 8:00-12:00
Treasury Office of the Fejér County Directorate	8000 Székesfehérvár, Ősz u. 11. 8050 Székesfehérvár, Pf. 387	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Győr-Moson-Sopron County Directorate	9022 Győr, Czuczor Gergely u. 26. 9020 Győr, Pf. 569	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
	<i>District office</i> 9400 Sopron, Fő tér 5. 9020 Győr, Pf. 569 tel: +3630-732-6126	Monday-Tuesday- Wednesday: 8:00-16:00 Thursday: 8:00-15:00 Friday: 8:00-13:00
Treasury Office of the Hajdú-Bihar County Directorate	4026 Debrecen, Hatvan u. 15. 4002 Debrecen, Pf. 112	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Heves County Directorate	3300 Eger, Eszterházy tér 5. 3301 Eger, Pf. 26	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Jász-Nagykun-Szolnok County Directorate	5000 Szolnok, Magyar út 8. 5002 Szolnok, Pf. 90	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
	<i>District office</i> 5300 Karcag, Kossuth tér 1. 5002 Szolnok, Pf. 90 tel: +3630-815-9069	Monday: 8:00-16:00 Tuesday: - Wednesday-Thursday: 8:00-16:00 Friday: 8:00-12:00
Treasury Office of the Komárom-Esztergom County Directorate	2800 Tatabánya, Fő tér 32. 2801 Tatabánya, Pf. 1305.	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00

Treasury Office of the Nógrád County Directorate	3100 Salgótarján, Rákóczi út 15. 3101 Salgótarján, Pf. 42	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Somogy County Directorate	7400 Kaposvár, Széchenyi tér 4. 7401 Kaposvár, Pf. 115	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Szabolcs-Szatmár-Bereg County Directorate	4400 Nyíregyháza, Széchenyi út 3. 4400 Nyíregyháza, Pf. 27	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
	<i>District office</i> 4600 Kisvárd, Kölcsey út 2/A 4400 Nyíregyháza, Pf. 27 tel: +3630-693-2795	Monday-Wednesday: 8:00-16:00 Thursday: 8:00-12:00 Tuesday-Friday: -
Treasury Office of the Tolna County Directorate	7100 Szekszárd, Augusz Imre u.7. 7101 Szekszárd, Pf. 73	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Vas County Directorate	9700 Szombathely, Széll Kálmán u. 20. 9701 Szombathely, Pf. 70	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Veszprém County Directorate	8200 Veszprém, Budapest út 4. 8201 Veszprém, Pf. 3000	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00
Treasury Office of the Zala County Directorate	8900 Zalaegerszeg, Dísz tér 7. 8901 Zalaegerszeg, Pf. 181	Monday-Tuesday- Thursday: 8:00-16:00 Wednesday: 8:00-18:00 Friday: 8:00-15:00

*For further information about new District offices please consult the website of the Hungarian State Treasury at www.allamkincstar.gov.hu.

Annex B of the Offering Circular

The transaction rules applied for the issuance of Premium Euro Hungarian Government Bonds through tap issue

Valid: from 14 May 2013

These transaction rules (hereinafter as: “Transaction Rules”) shall determine the conditions of issuance of the Premium Euro Hungarian Government Bonds through tap issue, to be issued by the Hungarian State (hereinafter as: “Issuer”), and the general procedural rules to be followed during the issuance.

All participants are obliged to observe the currently effective laws, in particular the provisions of Act CXX of 2001 on the Capital Market and Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices, and act in accordance with fair business practice and the rules of fair competition in the course of the tap issue.

1. General Provisions

- 1.1. The Issuer shall issue the Premium Euro Hungarian Government Bonds through a tap issue announced by the Government Debt Management Agency Pte Ltd. (hereinafter: “ÁKK”).
- 1.2. The Premium Euro Hungarian Government Bond series are issued and placed by the Hungarian State in the form of dematerialised securities.
- 1.3. The dealers (hereinafter: the Dealers) having entered into an agency contract with ÁKK regarding the performance of the dealer tasks related to the issuance of the government securities named Premium Euro Hungarian Government Bonds, issued by the Hungarian State, can participate in the execution of the tap issue.
Dealers undertake to place the Offering Circular, together with the Annexes attached thereto, at the points of distribution and on the website of the Dealer, in a clearly visible manner, for the purpose of providing information to the clients.
- 1.4. ÁKK shall publish the Public Offering on its own websites (www.akk.hu and www.allampapir.hu), and also on the website operated by the Hungarian Financial Supervisory Authority (www.kozzetetelek.hu), at least 3 (three) working days prior to the issue date, wherein it shall, among others, announce the series number of the Premium Euro Hungarian Government Bond to be issued, its ISIN code, the conditions of the issuance of the given series, including the start date and the expected end date of the sale, the amount announced for sale, the interest rate effective for the first interest period, the conditions of interest payment and redemption, and the maturity date.
- 1.5. The times specified in these Transaction Rules refer to Budapest time.

2. Execution of the issuance procedure

2.1. Receipt of the purchase statements of investors

- 2.1.1. The purchase statement can be made in writing, or on any other durable medium, as defined in the Investment Services Act, by submitting such statement to the Dealers, during the issuance period.
- 2.1.2. A purchase statement can be made for at least 100 pieces (that is one hundred pieces) of Premium Euro Hungarian Government Bonds with a face value of one euro each, i.e. regarding Premium Euro Hungarian Government Bond(s) having the aggregate face value of at least one hundred euros.
- 2.1.3. If the investor submits the purchase statement to the Dealer until 12:00 p.m. of the given day, the earliest time when settlement (i.e. crediting of the concerned Premium Euro Hungarian Government Bonds on the securities account of the Dealer receiving the investor's purchase statement) regarding the Premium Euro Hungarian Government Bonds is performed shall be the first working day following the submission of the purchase statement, provided that all other preconditions of sale are fully met as well. If the investor submits the purchase statement to the Dealer following 12:00 p.m. of the given day, the earliest time when settlement (i.e. crediting of the concerned Premium Euro Hungarian Government Bonds on the securities account of the Dealer receiving the investor's purchase statement) regarding the Premium Euro Hungarian Government Bonds is performed shall be the second working day following the submission of the purchase statement, with a face value increased with the accrued interest valid for such day, provided that all other preconditions of sale are fully met as well.
- 2.1.4. If purchase is made through a proxy, the general terms of business/contractual terms of the given Dealer must be followed, thus the proxy must have an authorisation drafted in the form of an authentic instrument (deed) or a private document with a full probative value, whereby the investor, as principal, empowers the proxy to purchase Premium Euro Hungarian Government Bonds on behalf and for the benefit of the principal. If purchase is made in writing and through a proxy, the original copy of the authorisation must be attached to the purchase statement, whereas if purchase is made in any other manner and through a proxy, the validity if challenged, of the authorisation must be proved in a credible manner.
If purchase is made through a proxy pursuant to a certain piece of legislation, an official regulation or articles of incorporation, the general terms of business/contractual terms of the given Dealer must be followed, thus the legal entity or the organisation without legal personality can only be represented by a (legal) representative defined in the articles of incorporation of the given legal entity or organisation without legal personality or in the currently effective legislation or by a person empowered by such representative under an authentic instrument (deed) or a private document with a full probative value, in conformity with the currently effective general terms of business/contractual terms of the given Dealer. The legal representative (parent, guardian, conservator) of the natural person shall have the right to act in the interest of the represented person according to the provisions of the deed proving his/her rights of representation.

3. Financial settlement and crediting of the securities

3.1. Dealer shall be obliged to submit to ÁKK, until 12:30 p.m. of each working day during the issuance period, the summary of the purchase statements received regarding the working day (i.e. the settlement date) following the given working day. The summary is to be submitted via encrypted fax (Fax: 488-9445) or by e-mail (e-mail address: pemak@akk.hu) or personally delivered in the official premises of ÁKK (1027 Budapest, Csalogány u. 9-11, 5th floor, room 514).

3.2. The summary, submitted properly by the given Dealer during the issuance period, incorporating the valid purchase statement(s), shall be accepted automatically by ÁKK, up to the maximum amount announced for sale. Dealer shall transfer the consideration payable for the Premium Euro Hungarian Government Bonds, to be credited on the given value date, as settlement date, according to the purchase statement summary submitted to ÁKK, to the bank account of ÁKK held with the National Bank of Hungary (SWIFT code: MANEHUHBXXX; SWIFT code of the account holder of the National Bank of Hungary: KREDBEBBXXX) having the IBAN number of HU78190170048812022112000003, in such a way that the consideration must be credited on the above mentioned account until 14:00 p.m. of the given value date. If the consideration is credited after the above mentioned time on the given value date, settlement shall be performed on the first working day following the crediting. Depending on the crediting of the consideration, ÁKK shall submit to KELER a security transfer order in favour of the securities account of the Dealer held with KELER, in order to ensure that the crediting is performed as per Section 2.1.3 above on the settlement date. ÁKK shall transfer the securities to the securities account determined by the Dealer in its summary.

If the amount of the consideration is not credited, or not fully credited until the deadline set for financial settlement, Dealer shall be entitled to perform its payment obligation within 3 (three) working days, however, based on the notice sent by ÁKK, it shall be obliged to pay a default interest regarding the part of the consideration affected by late payment, for the duration of the default, in the amount equalling EONIA² applicable for the given day of default, + 1%, to the same bank account where the purchase price is required to be transferred.

3.3. If the total amount of the purchase price (plus any default interest possibly required) is not credited fully on the account specified under Section 3.2 of these Transaction Rules, within 3 (three) working days from the deadline set for financial settlement, ÁKK shall consider that the Dealer cancelled the transaction. In case of cancellation, ÁKK requires the payment of a penalty payment amounting to 10% of the unpaid consideration, increased with the default interest, to be paid in the following manner

² EONIA: the so called Euro OverNight Index Average interest rate, being the interest rate for the deposits held in euro, calculated with the mutual support from the European Banking Federation and ACI - The Financial Market Association, determined and published in line with the decisions of the above mentioned organisations (currently it is published on the Thomson Reuters "EONIA=" page, with the calculation of the European Central Bank).

- a) if the credited amount covers the amount of the penalty, ÁKK shall retain the amount of the penalty from the amount paid by the Dealer, whereas it shall transfer the remaining amount back to the bank account of the Dealer, on the fourth working day following the deadline set for financial settlement;
- b) if the bidder has not made any payments or if the amount paid does not cover the amount of the penalty payment, the Dealer shall be obliged to pay the amount of the penalty payment according to the notice sent by ÁKK, to the bank account specified in such notice, within 8 (eight) days. If the due amount is not credited on the specified bank account within the above mentioned time limit, ÁKK shall have the right to deduct such amount from the future commission of the Dealer, due on the basis of the agency contract concluded for the issuance and distribution of the retail government securities issued by the Hungarian State.

The Issuer and ÁKK shall not assume any liability for the damages and other consequences arising from the non-performance or late performance of the Dealer, as specified above.

- 3.4. The securities account certificates shall be issued in favour of the Clients by that Dealer, where the purchase was originally performed.
- 3.5. Dealer shall be liable for all damages and other legal consequences caused to the clients as a result of non-compliance with the deadlines stipulated in this Chapter, provided that such non-compliance is attributable to the Dealer.

ÁKK