

■ GOVERNMENT SECURITIES MARKET ■

MONTHLY REPORT APRIL 2015

The net issuance was HUF 454.6 billion; out of which net HUF-denominated issuance was HUF 725.7 billion and net foreign currency denominated issuance was HUF -271.2 billion in 2015.

HUF billion	2014		2015		Change	
	December	%	April	%	HUF billion	%
HUF denominated debt	14,612.0	61.2	15,337.8	62.5	725.7	5.0
Loans	623.3	2.6	772.8	3.1	149.5	24.0
Government bonds	9,989.0	41.8	10,246.5	41.8	257.4	2.6
Retail securities	2,411.1	10.1	2,653.7	10.8	242.6	10.1
Discount treasury bills	1,588.6	6.7	1,664.8	6.8	76.2	4.8
Foreign exchange denominated debt	8,957.9	37.5	8,368.0	34.1	-589.9	-6.6
Total	23,569.9	98.7	23,705.8	96.6	135.9	0.6
Other obligations	311.2	1.3	831.2	3.4	520.0	167.1
Total central government debt	23,881.1	100.0	24,537.0	100.0	655.9	2.7

The HUF denominated debt of the central government increased by HUF 725.7 billion in 2015. The increase in domestic debt was the result of net government bond issuance of HUF 258.3 billion, the amount of discount Treasury bills increased by HUF 76.2 billion and the total amount of retail government securities increased by HUF 242.6 billion. The volume of HUF loans increased by HUF 149.5 billion in 2015.

The foreign currency debt of the central government decreased by HUF 589.9 billion in 2015. The domestic PÉMAK and residence bond issuance was HUF 103.9 billion, the debt assumptions was HUF 1.1 billion, while the redemptions of foreign currency debt worth HUF 376.1 billion decreased the debt. The exchange rate revaluations totalling HUF 318.7 billion decreased the Hungarian Forint value of the foreign currency debt in April. The total amount of other liabilities increased by HUF 520.0 billion in April.

Benchmark yields

Maturity	30.12.2014.	31.03.2015.	30.04.2015.	Change in April, basis points
3-month	1.43	1.50	1.54	4
6-month	1.54	1.64	1.44	-20
1-year	1.80	1.63	1.50	-13
3-year	2.72	2.12	2.22	10
5-year	3.15	2.60	2.88	28
10-year	3.60	3.28	3.44	16
15-year	3.83	3.40	3.68	28

Monthly OTC turnover of government securities increased in April and reached HUF 6,309.9 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 61% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 17.1 billion in April, and amounted to HUF 4,889.1 billion at the end of the month. This volume represented 33.6% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 303.06 on the last working day of April.

The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of April: BB+ (Standard & Poor's); Ba1 (Moody's); BB+ (Fitch).

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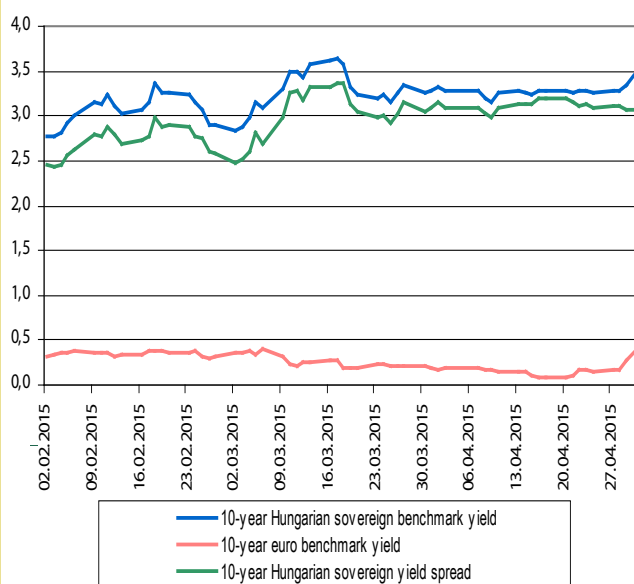
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

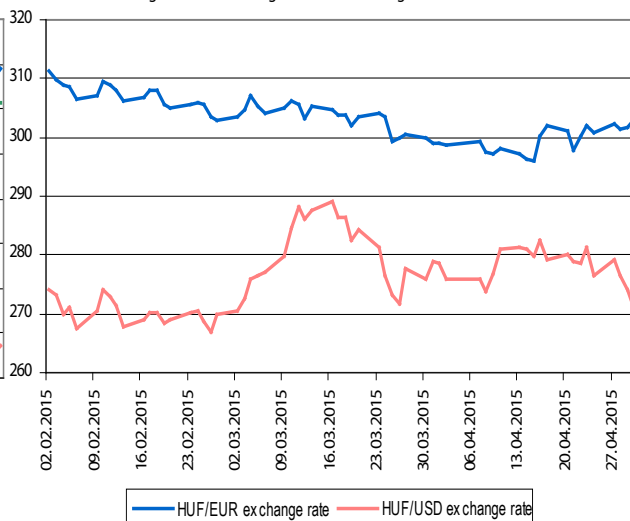
	2010	2011	2012	2013	2014	February 2015	March 2015	April 2015
1. Forint denominated debt	10,978.2	10,362.2	12,042.4	12,976.4	14,612.0	15,224.0	15,351.3	15,337.8
1.1. Loans	540.8	590.8	566.8	603.6	623.3	726.4	732.8	772.8
1.2. Government securities	10,437.4	9,771.4	11,475.6	12,372.8	13,988.7	14,497.6	14,618.5	14,565.0
1.2.1. Public issues	10,019.6	9,378.1	11,077.1	12,182.3	13,847.7	14,356.6	14,478.3	14,424.8
1.2.1.1. Bonds	7,965.8	7,353.4	8,184.1	8,588.8	9,848.0	9,942.2	9,950.1	10,106.3
1.2.1.2. Discount T-bills	1,618.2	1,540.9	1,906.5	1,904.9	1,588.6	1,923.7	1,925.7	1,664.8
1.2.1.3. Retail securities	435.7	473.8	986.6	1,688.5	2,411.1	2,490.6	2,602.5	2,653.7
1.2.2. Private placements	417.8	403.2	398.5	190.5	141.0	141.0	140.2	140.2
2. Foreign currency denominated debt*	8,842.8	10,170.4	8,326.6	8,904.9	8,957.9	8,324.0	8,245.0	8,368.0
2.1. Loans	4,292.8	4,458.1	3,312.5	2,735.6	2,164.3	2,086.4	2,056.4	2,073.4
2.1.1. Foreign loans	4,292.8	4,361.9	3,229.0	2,400.2	1,889.9	1,819.4	1,796.6	1,810.8
2.1.2. Domestic loans	0.0	96.2	83.5	335.4	274.4	267.0	259.8	262.6
2.2. Government securities	4,550.0	5,712.3	5,014.1	6,169.3	6,793.6	6,237.5	6,188.6	6,294.6
2.2.1. Issued abroad	4,550.0	5,712.3	4,924.2	5,736.9	5,844.6	5,275.9	5,209.9	5,278.2
2.2.2. Issued domestically	0.0	0.0	89.9	432.5	948.9	961.6	978.7	1,016.4
Total	19,821.0	20,532.6	20,369.0	21,881.4	23,569.9	23,548.0	23,596.3	23,705.8
Other liabilities	220.01	422.9	351.1	117.3	311.2	599.5	774.2	831.2
Total central government debt	20,041.0	20,955.5	20,720.1	21,998.6	23,881.1	24,147.5	24,370.5	24,537.0
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2.2.)	10,001.8	9,297.6	10,489.1	10,684.2	11,577.6	12,006.9	12,016.0	11,911.3
Gross debt/GDP	74.4%	74.7%	72.6%	73.7%	74.9%			

*Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.

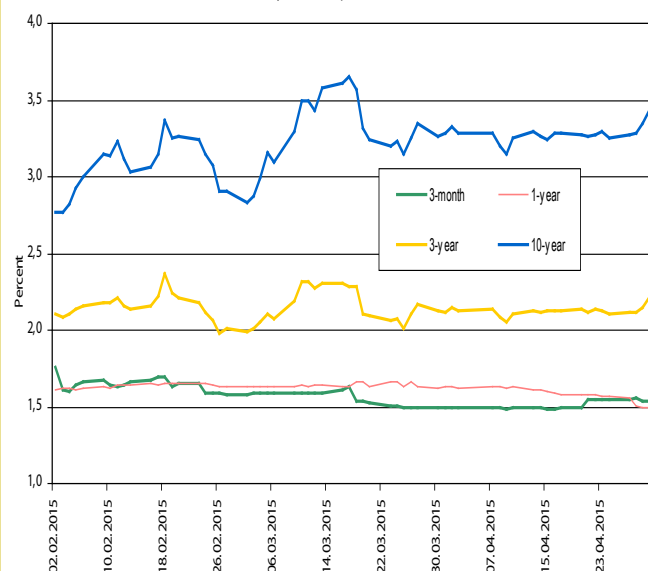
% 10-year Hungarian and eurozone benchmark yields during the last three months



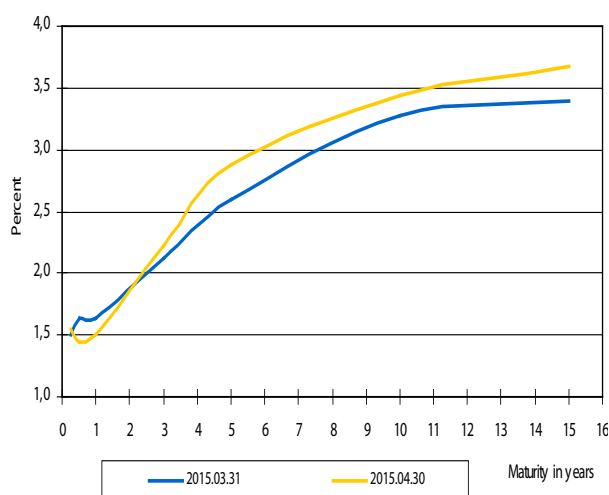
The exchange rate of the Hungarian Forint during the last three months



Benchmark yields in the past three months



Benchmark yield curves

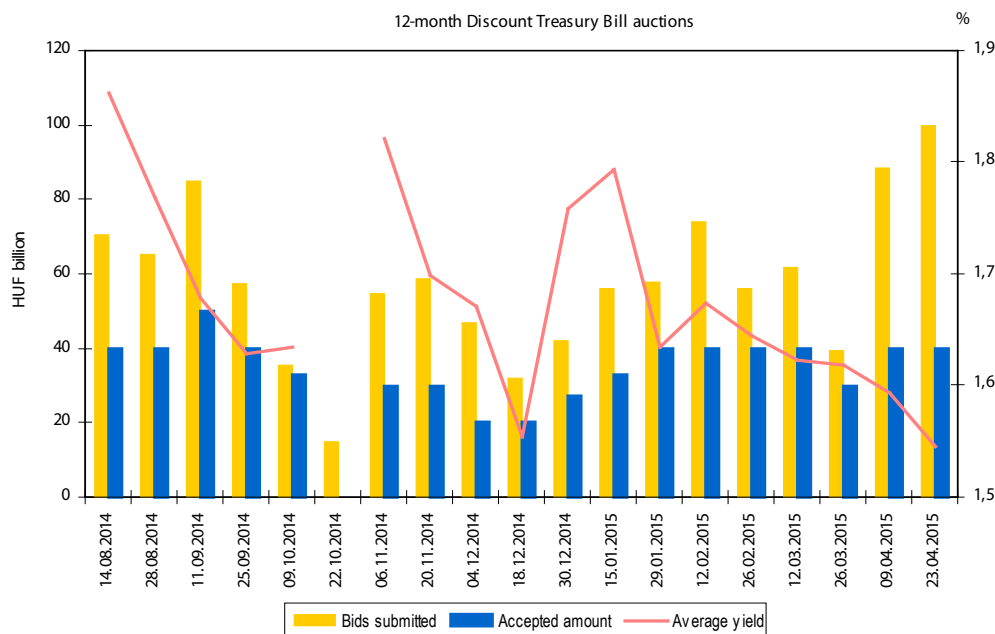
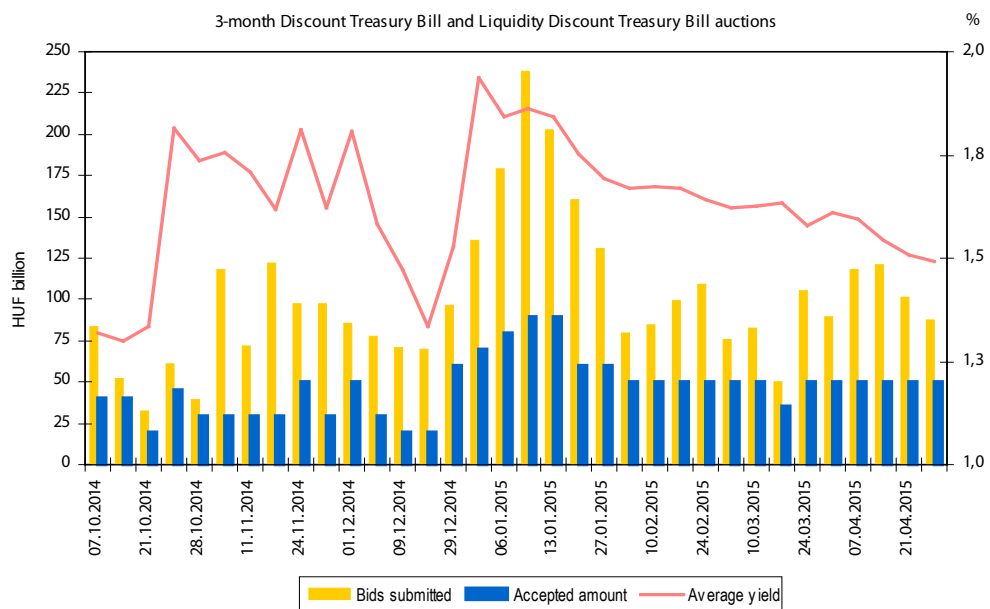


■ GOVERNMENT SECURITIES MARKET ■

DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D150715	D150722	D150729	D150805	D160413	D160413
ISIN code	HU0000520408	HU0000520085	HU0000520473	HU0000520481	HU0000520572	HU0000520572
Maturity in days	91	91	91	91	364	350
Date of auction	07.04.2015	14.04.2015	21.04.2015	28.04.2015	09.04.2015	23.04.2015
Date of financial settlement	15.04.2015	22.04.2015	29.04.2015	06.05.2015	15.04.2015	29.04.2015
Redemption date	15.07.2015	22.07.2015	29.07.2015	05.08.2015	13.04.2016	13.04.2016
Maximum yield (%) - ISMA	1.61	1.56	1.52	1.51	1.62	1.57
Minimum yield (%) - ISMA	1.57	1.50	1.48	1.45	1.56	1.50
Average yield (%) - ISMA	1.60	1.54	1.51	1.49	1.59	1.55
Maximum yield (%) - EHM	1.63	1.58	1.54	1.53	1.64	1.59
Minimum yield (%) - EHM	1.59	1.52	1.50	1.47	1.58	1.52
Average yield (%) - EHM	1.62	1.56	1.53	1.51	1.61	1.57
Average selling price (%)	99.5972	99.6122	99.6198	99.6248	98.4178	98.5154
Amount offered for sale (HUF million)	50,000.00	50,000.00	50,000.00	50,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	118,080.00	120,603.05	101,450.00	88,088.00	88,465.00	99,950.00
Amount of bids accepted (HUF million)	49,999.91	49,999.95	49,999.96	49,999.94	40,000.00	39,999.98
Bid-to-cover ratio	2.36	2.41	2.03	1.76	2.21	2.50
Bids submitted (pcs)	75	76	93	93	112	66
Bids accepted (pcs)	42	31	46	65	45	22
Market sales* (HUF million)	49,999.91	49,999.95	49,999.96	49,999.94	40,000.00	39,999.98
Retained on ÁKK's own account	15,000.09	15,000.05	15,000.04	15,000.06	40,000.00	40,000.02
Total amount issued (HUF million)	65,000.00	65,000.00	65,000.00	65,000.00	80,000.00	80,000.00

*Without issuance onto ÁKK's own account



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2018/C	2020/B	2025/B	2018D	2018/C	2020/B	2031/A	2021/A	2018/C	2020/B	2025/B
ISIN code	HU0000402979	HU0000402953	HU0000402748	HU0000402987	HU0000402979	HU0000402953	HU0000403001	HU0000402995	HU0000402979	HU0000402953	HU0000402748
Maturity (in years)	3	5	10	3	3	5	15	5	3	5	10
Coupon (%)	2.50%	3.50%	5.50%	2.10%	2.50%	3.50%	3.25%	2.10%	2.50%	3.50%	5.50%
Auction	7th auction	14th auction	29th auction	4th auction	8th auction	15th auction	1st auction	4th auction	9th auction	16th auction	30th auction
Date of auction	02.04.2015	02.04.2015	02.04.2015	09.04.2015	16.04.2015	16.04.2015	16.04.2015	23.04.2015	30.04.2015	30.04.2015	30.04.2015
Date of financial settlement	08.04.2015	08.04.2015	08.04.2015	15.04.2015	22.04.2015	22.04.2015	22.04.2015	29.04.2015	06.05.2015	06.05.2015	06.05.2015
Redemption date	22.06.2018	24.06.2020	24.06.2025	24.10.2018	22.06.2018	24.06.2020	22.10.2031	23.06.2021	22.06.2018	24.06.2020	24.06.2025
Maximum annual yield (%) - ISMA	2.12	2.65	3.29		2.12	2.60	3.60		2.27	2.92	3.47
Minimum annual yield (%) - ISMA	2.07	2.62	3.25		2.06	2.57	3.54		2.21	2.85	3.43
Average annual yield (%) - ISMA	2.11	2.64	3.27		2.10	2.59	3.56		2.24	2.89	3.45
Maximum annual yield (%) - EHM	2.12	2.65	3.29		2.12	2.60	3.60		2.27	2.92	3.47
Minimum annual yield (%) - EHM	2.07	2.62	3.25		2.06	2.57	3.54		2.21	2.85	3.43
Average annual yield (%) - EHM	2.11	2.64	3.28		2.10	2.58	3.56		2.24	2.89	3.45
Maximum price (%)	101.3232	104.2342	119.2738	99.5500	101.3380	104.4509	96.4365	98.4500	100.8693	103.0640	117.4601
Minimum price (%)	101.1685	104.0862	118.8917	99.3400	101.1545	104.3035	95.7163	98.1000	100.6891	102.7284	117.0874
Average price (%)	101.1948	104.1415	119.0134	99.4500	101.2208	104.3720	96.1568	98.3600	100.7865	102.8495	117.2405
Amount offered for sale (HUF million)	18,000.00	18,000.00	15,000.00	10,000.00	20,000.00	15,000.00	10,000.00	10,000.00	20,000.00	16,000.00	12,000.00
Amount of bids submitted (HUF million)	40,700.00	33,200.00	31,905.45	28,600.00	38,792.35	32,850.00	19,950.00	12,200.00	28,500.00	45,000.00	46,300.00
Amount of bids accepted (HUF million)	20,000.00	17,999.96	17,999.97	12,000.00	22,499.98	16,999.97	9,999.99	8,000.00	14,999.98	18,999.98	16,999.98
Bid-to-cover ratio	2.04	1.84	1.77	2.38	1.72	1.93	2.00	1.53	1.90	2.37	2.72
Bids submitted (pcs)	41	48	45	48	45	64	61	26	42	54	65
Bids accepted (pcs)	18	26	26	25	30	26	28	16	31	28	20
Tail (average price - minimum price)	0.03	0.06	0.12	0.11	0.07	0.07	0.44	0.26	0.10	0.12	0.15
Market sales* (HUF million)	20,000.00	17,999.96	17,999.97	12,000.00	22,499.98	16,999.97	9,999.99	8,000.00	14,999.98	18,999.98	16,999.98
Non-competitive offer (HUF million)	5,280.00	2,019.98	4,566.90	800.00	7,326.23	353.42	1,269.56	-	-	6,072.70	6,079.97
Total amount issued (HUF million)	28,000.00	25,200.00	25,200.00	24,000.00	31,000.00	23,800.00	20,000.00	16,000.00	15,000.00	19,000.00	17,000.00

*Without issuance onto ÁKK's own account



■ GOVERNMENT SECURITIES MARKET ■

GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

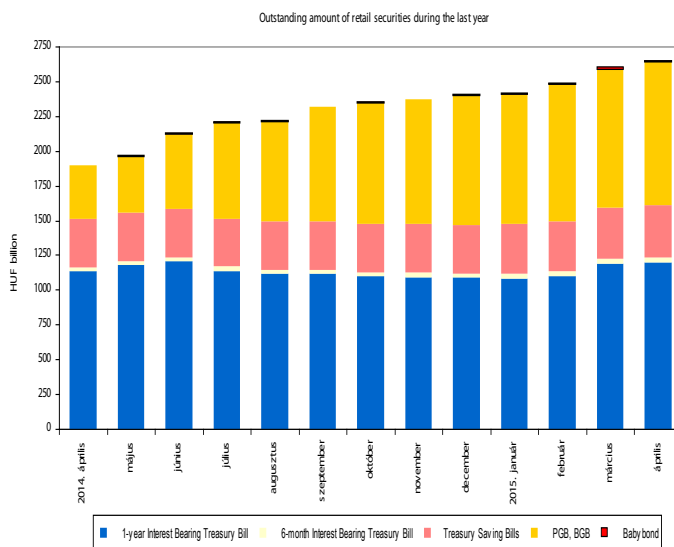
Government bond	2015/C	2016/C	2016/C	2016/D	2016/C	2016/C
ISIN code	HU0000402581	HU0000402318	HU0000402318	HU0000402623	HU0000402318	HU0000402318
Coupon (%)	7.75	5.50	5.50	5.50	5.50	5.50
Date of reverse auction	01.04.2015	01.04.2015	15.04.2015	15.04.2015	29.04.2015	29.04.2015
Date of financial settlement	08.04.2015	08.04.2015	22.04.2015	22.04.2015	06.05.2015	06.05.2015
Redemption date	24.08.2015	12.02.2016	12.02.2016	22.12.2016	12.02.2016	22.12.2016
Minimum annual yield (%)	1.51	1.51	1.49	1.53	1.55	1.57
Average annual yield - ISMA (%)	1.54	1.53	1.54	1.53	1.56	1.57
Average annual yield - EHM (%)	1.53	1.53	1.54	1.53	1.56	1.57
Amount of bids submitted (HUF million)	17,201.73	4,616.43	54,254.40	15,060.96	44,305.37	28,758.59
Amount of bids accepted (HUF million)	9,643.79	1,616.43	54,254.40	3,857.03	43,887.05	13,324.70

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2015

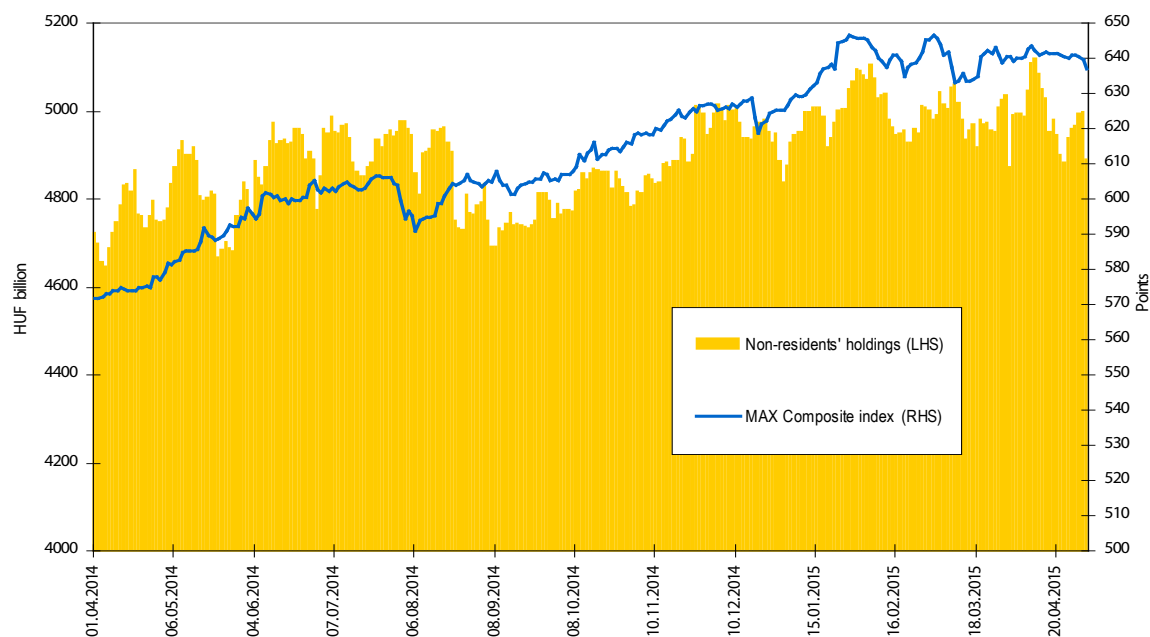
Government Bond	Date of interest rate reset	Interest period	Date of interest payment	Reset interest rate (%)	Interest payable (%)
2016/J	30.04.2015	02.05.2015	02.05.2016	3.00	3.00
2018/N	17.04.2015	20.04.2015	20.04.2016	3.37	3.43
2018/O	20.04.2015	20.04.2015	20.04.2016	3.37	3.43
2018/I	23.04.2015	25.04.2015	25.04.2016	3.00	3.00
2018/D	21.04.2015	24.04.2015	24.07.2015	1.82	0.46
2020/I	22.04.2015	24.04.2015	24.04.2016	4.00	4.00
2026/B	24.04.2015	24.04.2015	24.10.2015	1.61	0.82
2026/C	24.04.2015	24.04.2015	24.10.2015	1.61	0.82

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		Change
	31.12.2014	30.04.2015	HUF billion
1-year Interest Bearing T-bill	1,089.0	1,203.7	114.7
6-month Interest Bearing T-bill	28.8	34.4	5.6
Treasury Saving Bills	355.1	370.4	15.3
PGB, BGB	927.8	1,031.8	104.0
Babybond	10.3	13.4	3.1
Total	2,411.0	2,653.7	242.6



Non-residents' holdings of Hungarian government securities during the last year and the MAX index



■ GOVERNMENT SECURITIES MARKET ■

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 April 2015	664.1442	538.4322	636.7553	526.8067
Changes compared to the end of the month before	-4.2227	0.8607	-3.5351	0.7827
Annual yield earned on the index portfolio	10.66%	2.33%	9.47%	1.89%

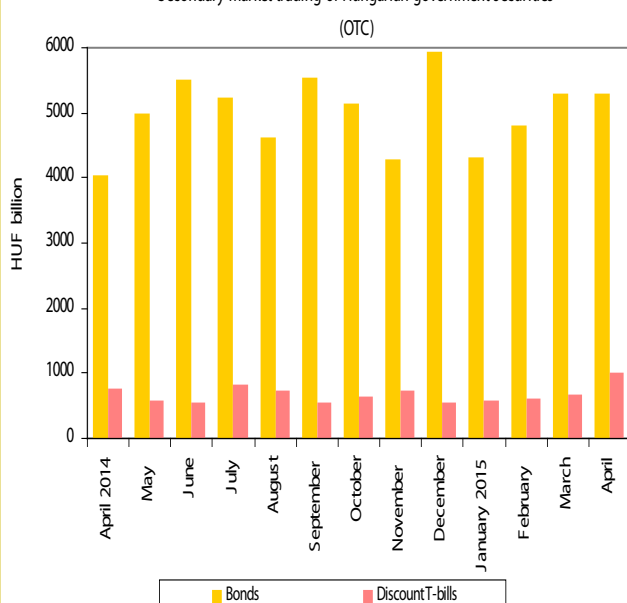
Government securities with the highest secondary market turnover in April 2015

Government security	Date of redemption	Turnover (HUF billion)
2019/A	24.06.2019	1,566.7
2022/A	24.06.2022	1,107.2
2023/A	24.11.2023	1,089.7
2025/B	24.06.2025	706.5
2018/B	25.04.2018	559.3
2017/A	24.11.2017	412.1
2017/B	24.02.2017	392.3
2020/B	24.06.2020	276.8
2018/A	20.12.2018	233.9
2024/B	26.06.2024	229.9

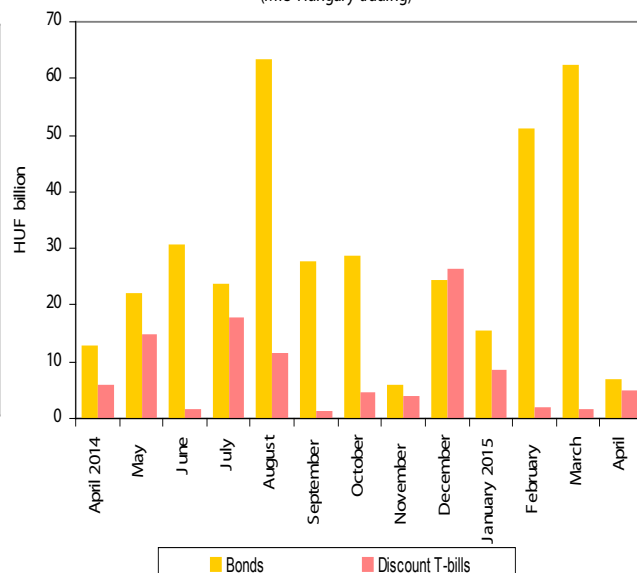
The outstanding volume of government bonds with benchmark status at the end of April 2015

Government bond	31.03.2015	30.04.2015
2018/C	154.62	209.93
2020/B	364.13	401.80
2025/B	588.13	611.13
2028/A	195.19	195.29

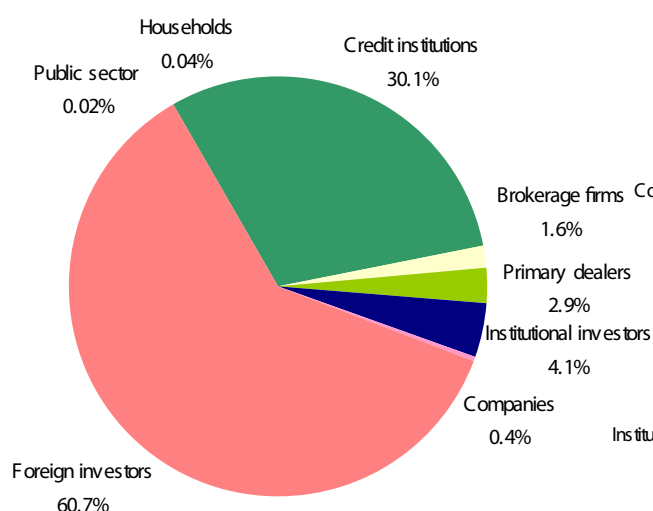
Secondary market trading of Hungarian government securities



Secondary market trading of Hungarian government securities



Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in April 2015



Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in April 2015

