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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

APRIL 2011

The deficit of the central government amounted to HUF 664.8 billion in first four months of 2011. The net prefinancing of cash transfers from the European Union decreased the net borrowing requirement by HUF 253.3 billion, while the capital transfer to the National Bank of Hungary (NBH) by law increased net borrowing requirement by HUF 29.1 billion. Thus, the total net borrowing requirement amounted to HUF 440.6 billion in 2011. Net issuance was HUF 1,164.6 billion; out of which net HUF-denominated issuance was HUF 353.9 billion and net foreign currency denominated issuance was HUF 810.7 billion.

	2010		2011		Change	
HUF billion	December	%	April	%	HUF billion	%
Foreign exchange denominated debt	8,842.8	44.1	9,143.8	44.5	301.0	3.4
Government securities	4,550.0	22.7	5,102.9	24.8	552.9	12.2
Loans	4,292.8	21.4	4,040.9	19.7	-251.8	-5.9
HUF denominated debt	10,978.2	54.8	11,332.3	55.1	354.0	3.2
Government securities	10,437.4	52.1	10,791.4	52.5	354.0	3.4
Loans	540.8	2.7	540.8	2.6	0.0	0.0
Total	19,821.0	98.9	20,476.1	99.6	655.1	3.3
Other obligations	220.0	1.1	76.3	0.4	-143.7	-65.3
Total central government debt	20,041.0	100.0	20,552.4	100.0	511.4	2.6
Out of the international loan program was placed in NBH or in commercial banks	974.1		875.3		-98.8	

The HUF denominated debt of the central government increased by HUF 354.0 billion in 2011 (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). The increase in domestic debt was the result of net government bond issuance of HUF 22.3 billion, the amount of discount Treasury bills increased by HUF 313.8 billion and the total amount of retail government securities increased by HUF 18.8 billion.

The foreign currency debt of the central government increased by HUF 301.0 billion in first four months. The foreign currency bond issue increased the debt by HUF 799.2 billion and the drawdown of foreign currency denominated loans worth HUF 22.5 increased, while redemptions of foreign currency debt worth HUF 11.0 billion decreased the debt and the exchange rate revaluations totalling HUF 509.6 billion decreased the Hungarian Forint value of the foreign currency debt in 2011.

Out of the international loan program HUF 875.3 billion was placed in the National Bank of Hungary as foreign currency deposits or in commercial banks as loans. The total amount of other liabilities was HUF 76.3 billion in April 2011.

Secondary market yields in April:

Benchmark yields

Maturity	31.12.2010.	31.03.2011.	29.04.2011.	Change, basis points
3-month	5.76	5.85	5.85	0
6-month	6.15	5.87	5.85	-2
1-year	6.33	5.85	5.88	3
3-year	7.72	6.64	6.46	-18
5-year	7.85	6.94	6.76	-18
10-year	7.95	7.19	7.00	-19
15-year	7.94	7.19	7.00	-19

Monthly OTC turnover of government securities was 9 % lower in April than a month before and reached HUF 4,868.3 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 67% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 121.8 billion in April, and amounted to HUF 3,088.5 billion at the end of the month. This volume represented 29.9% of the total amount of domestic government bonds and discount Treasury bills.

The EUR/HUF exchange rate according to the National Bank of Hungary was 264.14 on the last working day of April.

The credit rating of the long-term foreign currency debt of the Republic of Hungary is as follows on the last working day of April: BBB- (Standard & Poor's); Baa3 (Moody's); BBB- (Fitch).

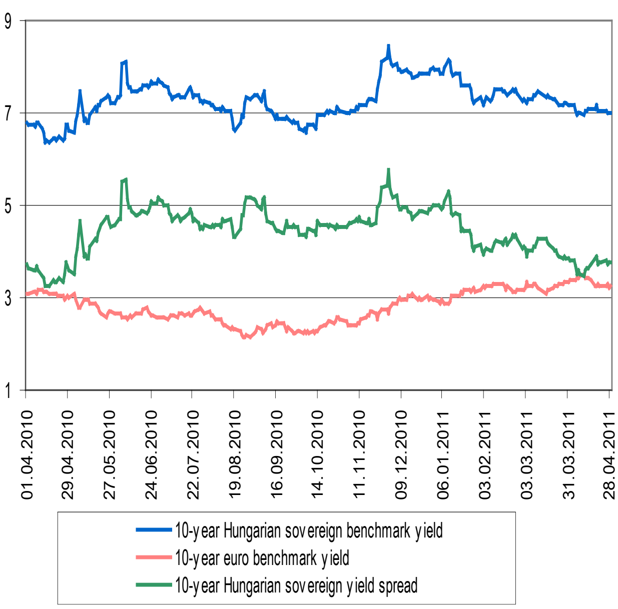
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

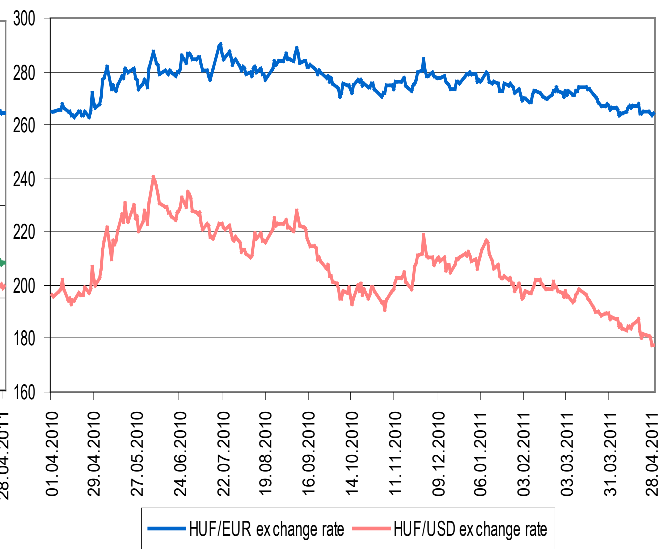
	2005	2006	2007	2008	2009	2010	February 2011	March 2011	April 2011
1. Forint denominated debt	9,153.5	10,552.3	11,103.8	11,250.6	10,476.2	10,978.2	11,419.5	11,581.6	11,332.3
1.1. Loans	0.8	356.4	145.7	219.9	438.7	540.8	540.8	540.8	540.8
1.2. Government securities	9,152.7	10,195.9	10,958.1	11,030.7	10,037.5	10,437.4	10,878.7	11,040.8	10,791.4
1.2.1. Public issues	8,418.8	9,667.5	10,465.4	10,599.7	9,613.2	10,019.6	10,460.9	10,623.8	10,374.5
1.2.1.1. Bonds	6,299.1	7,244.2	8,245.3	8,570.6	7,519.2	7,965.8	8,087.9	8,258.2	7,988.0
1.2.1.2. Discount T-bills	1,530.9	1,755.9	1,664.9	1,482.4	1,647.3	1,618.2	1,921.6	1,917.4	1,932.0
1.2.1.3. Retail securities	588.7	667.4	555.2	546.4	446.6	435.7	451.3	448.2	454.5
1.2.2. Private placements	733.9	528.4	492.7	431.0	424.3	417.8	417.8	417.0	417.0
2. Foreign currency denominated debt*	3,590.7	4,124.4	4,472.6	6,774.8	8,466.7	8,842.8	8,629.8	9,097.0	9,143.8
2.1. Loans	720.6	803.7	846.5	2,529.4	4,112.7	4,292.8	4,184.4	4,056.4	4,040.9
2.1.1. Foreign loans	616.9	700.1	838.8	2,529.4	4,112.7	4,292.8	4,184.4	4,056.4	4,040.9
2.1.2. Domestic loans	103.8	103.6	104.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2.1. Raised from National Bank of Hungary (NBH)	96.1	95.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	7.7	7.7	7.7	0.0	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,550.0	4,445.4	5,040.5	5,102.9
2.2.1. Issued abroad	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,550.0	4,445.4	5,040.5	5,102.9
2.2.1.1. Foreign currency bonds	2,870.0	3,320.6	3,626.1	4,245.4	4,354.0	4,550.0	4,445.4	5,040.5	5,102.9
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
2.2.2. Issued domestically	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12,744.2	14,676.7	15,576.4	18,025.4	18,942.9	19,821.0	20,049.3	20,678.6	20,476.1
Other liabilities	21.4	29.0	9.1	78.5	20.1	220.01	172.1	133.4	76.3
Total central government debt	12,765.6	14,705.7	15,585.5	18,103.9	18,963.1	20,041.0	20,221.4	20,812.0	20,552.4
Foreign currency deposits from the international loan program placed at the				*1,483.6*	*1,124.8*	*974.1*	*936.2*	*898.3*	*875.3*
Government debt adjusted with foreign currency deposits				16,620.3	17,838.3	19,066.9	19,285.2	19,913.7	19,677.1
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2..2.)	*8,563.9*	*9,528.4*	*10,402.9*	*10,484.0*	*9,623.3*	*10,001.8*	*10,427.4*	*10,592.6*	*10,337.0*
Gross debt/GDP	*57.9%*	*61.8%*	*61.3%*	*68.2%*	*72.7%*	*73.9%*			

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

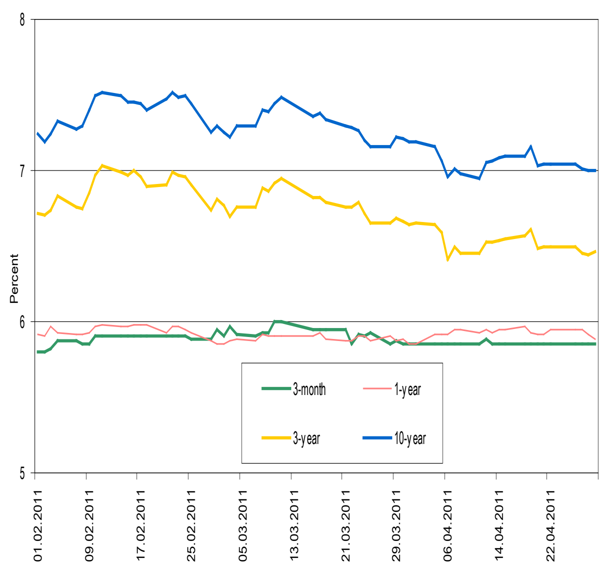
10-year Hungarian and eurozone benchmark yields during the last year



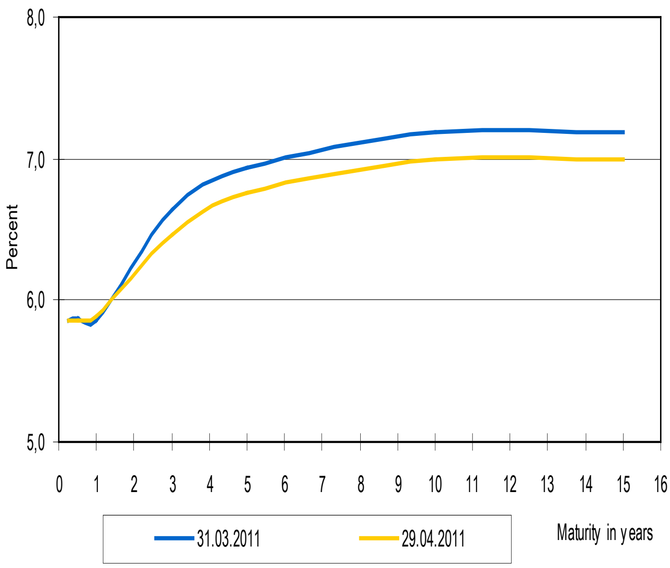
The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months



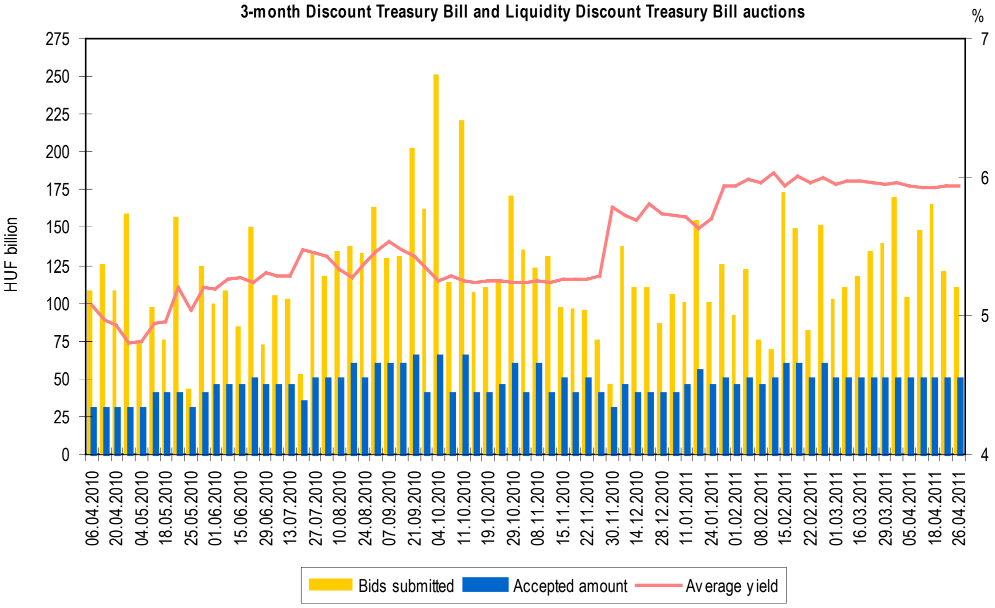
Benchmark yield curves



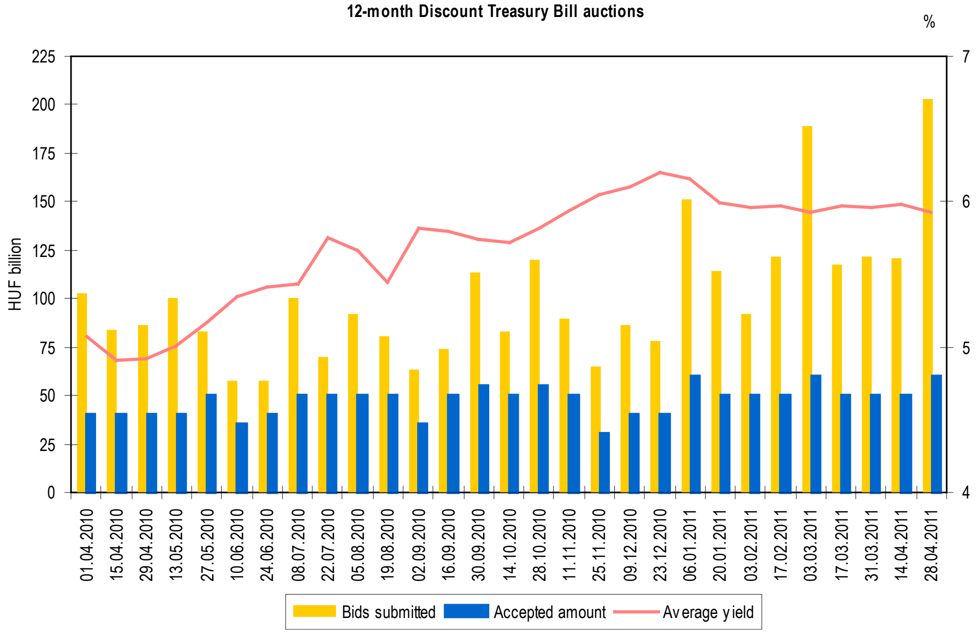
DISCOUNT TREASURY BILL AUCTION RESULTS

	Liquidity Discount T-bills		3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D110525	D110601	D110713	D110720	D110727	D110803	D120307	D120502
ISIN code	HU0000518287	HU0000517909	HU0000518485	HU0000518477	HU0000517974	HU0000518469	HU0000518303	HU0000518451
Maturity in days	49	42	91	91	91	91	322	364
Date of auction	04.04.2011	18.04.2011	05.04.2011	12.04.2011	19.04.2011	26.04.2011	14.04.2011	28.04.2011
Date of financial settlement	06.04.2011	20.04.2011	13.04.2011	20.04.2011	27.04.2011	04.05.2011	20.04.2011	04.05.2011
Redemption date	25.25.2011	01.06.2011	13.07.2011	20.07.2011	27.07.2011	03.08.2011	07.03.2012	02.05.2012
Maximum yield, (%) - ISMA	5.97	5.96	5.95	5.93	5.96	5.95	5.99	5.94
Minimum yield (%) - ISMA	5.93	5.89	5.85	5.90	5.89	5.86	5.90	5.92
Average yield (%) - ISMA	5.96	5.92	5.94	5.92	5.94	5.94	5.98	5.93
Maximum yield, (%) - EHM	6.05	6.04	6.03	6.01	6.04	6.03	6.07	6.02
Minimum yield (%) - EHM	6.01	5.97	5.93	5.98	5.97	5.94	5.98	6.00
Average yield (%) - EHM	6.04	6.00	6.02	6.00	6.02	6.02	6.06	6.01
Average selling price (%)	99.1953	99.3141	98.5207	98.5256	98.5207	98.5207	94.9228	94.3433
Amount offered for sale (HUF million)	40,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Amount of bids submitted (HUF million)	169,450.00	165,419.11	103,912.00	148,507.29	121,049.60	110,596.88	120,480.00	203,030.62
Amount of bids accepted (HUF million)	49,999.97	49,999.97	49,999.95	49,999.99	49,999.97	49,999.94	49,999.94	59,999.97
Bid-to-cover ratio	3.39	3.31	2.08	2.97	2.42	2.21	2.41	3.38
Bids submitted (pcs)	69	40	88	94	100	68	116	134
Bids accepted (pcs)	21	18	45	20	62	44	46	27
Market sales* (HUF million)	49,999.97	49,999.97	49,999.95	49,999.99	49,999.97	49,999.94	49,999.94	59,999.97
Retained on ÁKK's own account	0.03	0.03	15,000.05	15,000.01	15,000.03	15,000.06	15,000.06	18,000.03
Total amount issued (HUF million)	50,000.00	50,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	78,000.00

3-month Discount Treasury Bill and Liquidity Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

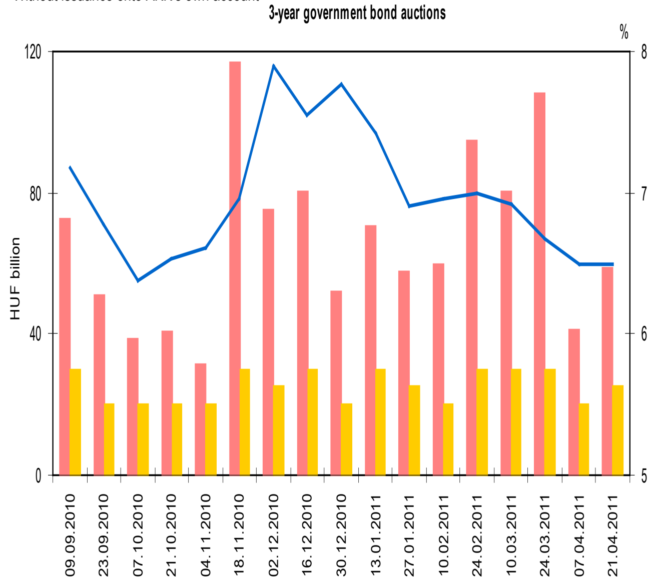


GOVERNMENT BOND AUCTION RESULTS

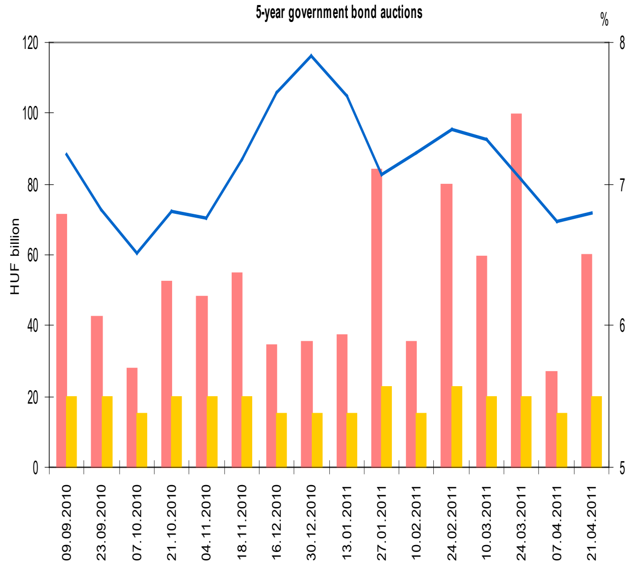
Government Bond	2014/D	2017/B	2022/A	2014/D	2017/B	2028/A	2015/B
ISIN code	HU0000402516	HU0000402375	HU0000402524	HU0000402516	HU0000402375	HU0000402532	HU0000402482
Maturity (in years)	3	5	10	3	5	15	5
Coupon (%)	6.75%	6.75%	7.00%	6.75%	6.75%	6.75%	5.44%
Auction	7th auction	21st auction	6th auction	8th auction	22nd auction	2nd auction	10th auction
Date of auction	07.04.2011	07.04.2011	07.04.2011	21.04.2011	21.04.2011	21.04.2011	28.04.2011
Date of financial settlement	13.04.2011	13.04.2011	13.04.2011	27.04.2011	27.04.2011	27.04.2011	04.05.2011
Redemption date	22.08.2014	24.02.2017	24.06.2022	22.08.2014	24.02.2017	22.10.2028	22.12.2015
Maximum annual yield (%) - ISMA	6.52	6.76	7.00	6.52	6.80	7.06	
Minimum annual yield (%) - ISMA	6.46	6.70	6.95	6.48	6.78	7.00	
Average annual yield (%) - ISMA	6.49	6.74	6.98	6.50	6.79	7.04	
Maximum annual yield (%) - EHM	6.51	6.75	6.99	6.51	6.79	7.05	
Minimum annual yield (%) - EHM	6.45	6.69	6.94	6.47	6.77	6.99	
Average annual yield (%) - EHM	6.48	6.73	6.98	6.49	6.79	7.04	
Maximum price (%)	100.8681	100.2114	100.3939	100.7970	99.8284	97.5466	96.7800
Minimum price (%)	100.6912	99.9278	100.0136	100.6803	99.7347	96.9652	96.6000
Average price (%)	100.7811	100.0225	100.1536	100.7370	99.7739	97.1485	96.6700
Amount offered for sale (HUF million)	20,000.00	15,000.00	10,000.00	20,000.00	15,000.00	10,000.00	5,000.00
Amount of bids submitted (HUF million)	41,265.00	27,138.00	15,800.00	58,828.60	59,847.32	12,070.00	14,900.00
Amount of bids accepted (HUF million)	20,000.00	14,999.99	9,999.97	24,999.97	20,000.00	7,499.96	7,499.97
Bid-to-cover ratio	2.06	1.81	1.58	2.35	2.99	1.61	1.99
Bids submitted (pcs)	64	67	45	93	81	49	47
Bids accepted (pcs)	40	33	33	44	22	35	28
Tail (average price - minimum price)	0.09	0.09	0.14	0.06	0.04	0.18	0.07
Market sales* (HUF million)	20,000.00	14,999.99	9,999.97	24,999.97	20,000.00	7,499.96	7,499.97
Non-competitive offer (HUF million)	0.00	0.00	0.00	8,201.00	7,040.00	0.00	2,034.00
Total amount issued (HUF million)	20,000.00	15,000.00	10,000.00	35,000.00	28,000.00	15,000.00	15,000.00

*Without issuance onto ÁKK's own account

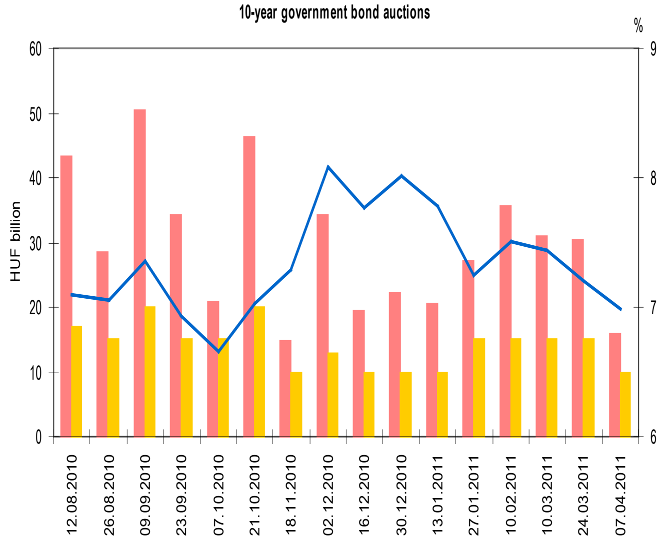
3-year government bond auctions



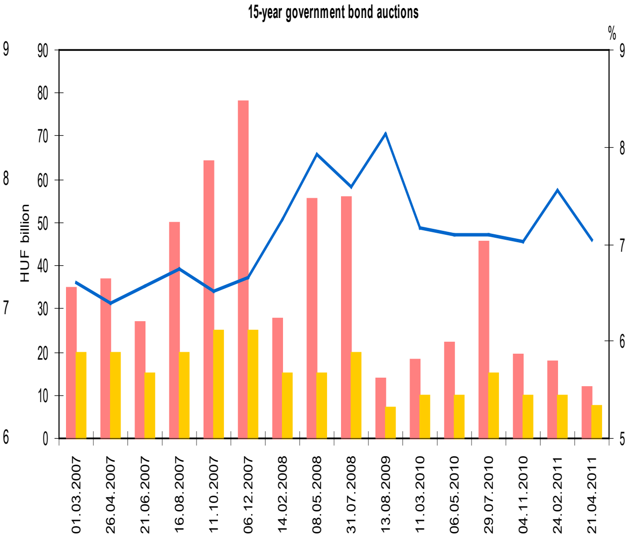
5-year government bond auctions



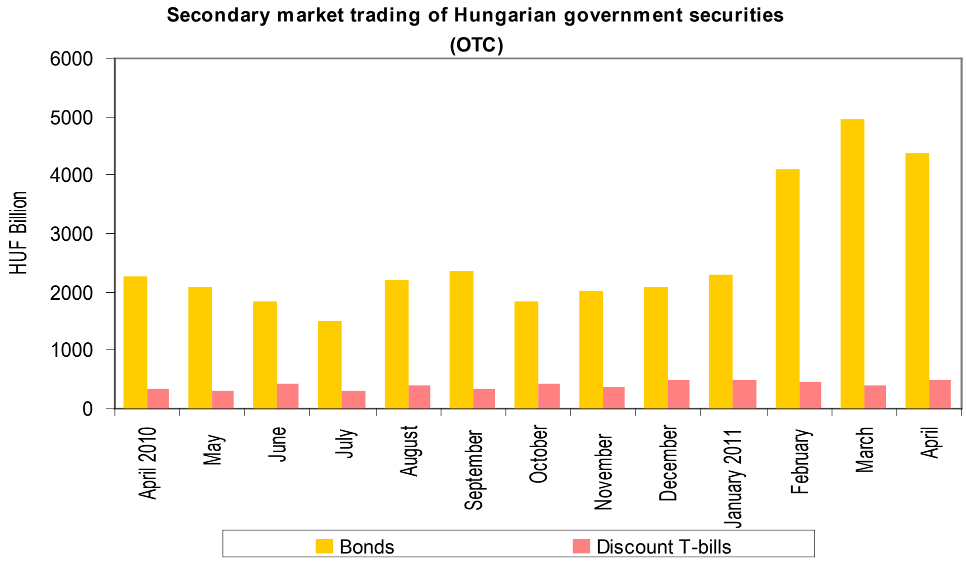
10-year government bond auctions

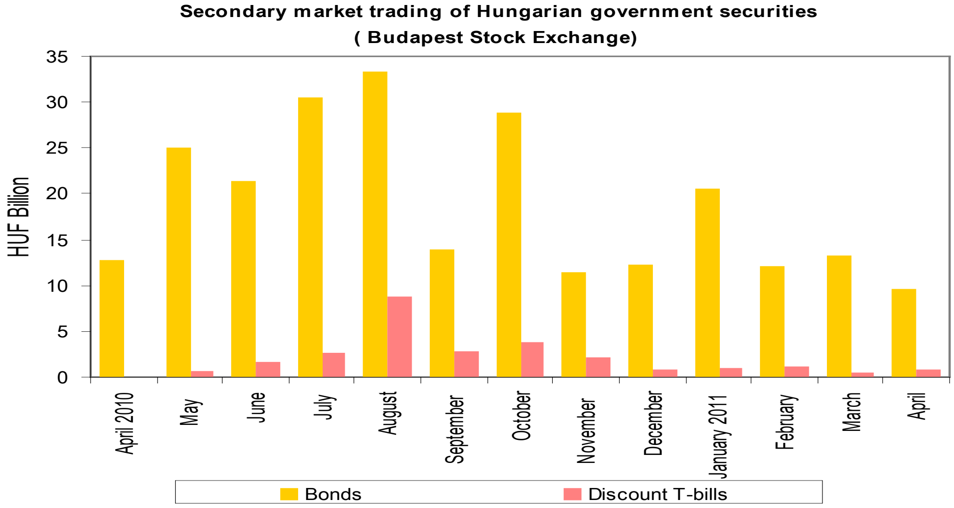


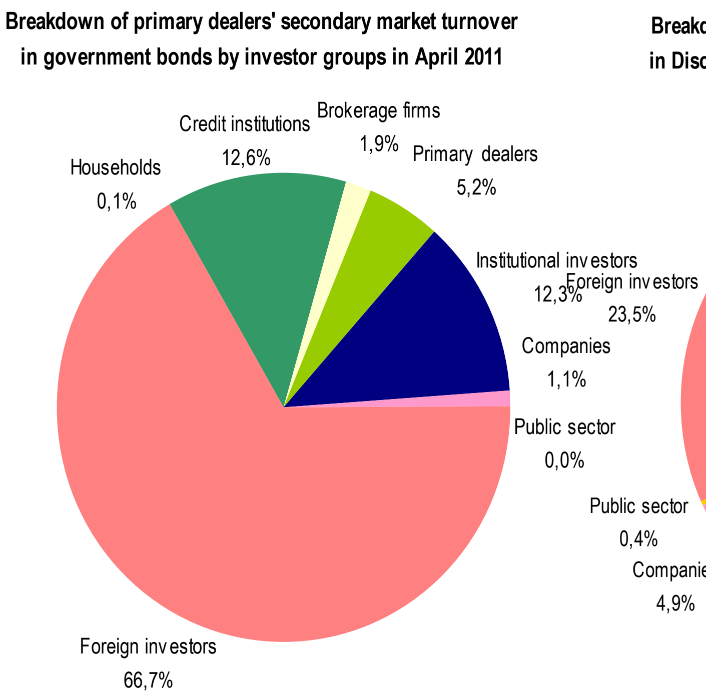
15-year government bond auctions

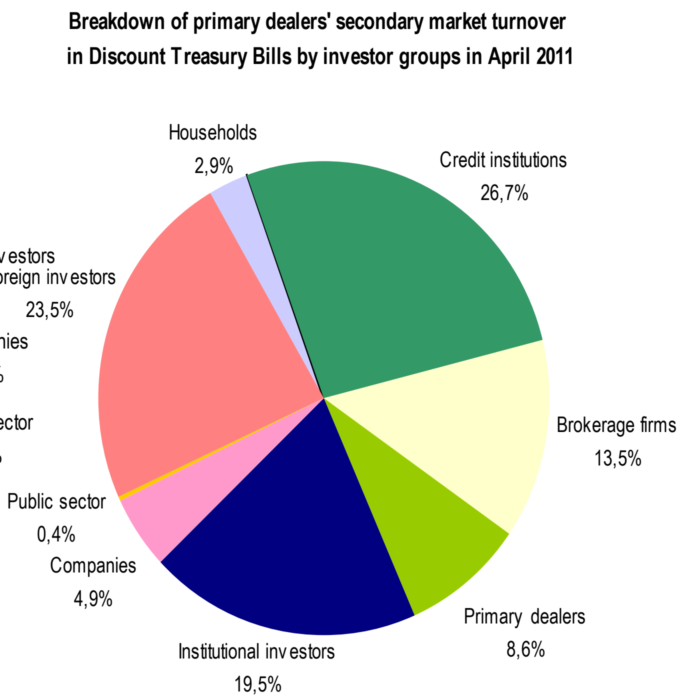


Bids submitted   Accepted amount   Average yield


Secondary market trading of Hungarian government securities
(OTC)
HUF Billion
6000
5000
4000
3000
2000
1000
0
April 2010
May
June
July
August
September
October
November
December
January 2011
February
March
April
Bonds
Discount T-bills


Secondary market trading of Hungarian government securities
(Budapest Stock Exchange)
HUF Billion
35
30
25
20
15
10
5
0
April 2010
May
June
July
August
September
October
November
December
January 2011
February
March
April
Bonds
Discount T-bills


Breakdown of primary dealers' secondary market turnover
in government bonds by investor groups in April 2011
Credit institutions
12,6%
Brokerage firms
1,9%
Primary dealers
5,2%
Households
0,1%
Institutional investors
12,3%
Companies
1,1%
Public sector
0,0%
Foreign investors
66,7%


Breakdown of primary dealers' secondary market turnover
in Discount Treasury Bills by investor groups in April 2011
Households
2,9%
Credit institutions
26,7%
Foreign investors
23,5%
Brokerage firms
13,5%
Public sector
0,4%
Companies
4,9%
Primary dealers
8,6%
Institutional investors
19,5%

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2011

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/C	26.04.2011	24.04.2011	24.10.2011	24.10.2011	5.96	5.79
2026/B	22.04.2010	24.04.2011	24.10.2011	24.10.2011	5.96	3.03

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 29 April 2011	453.0152	438.9212	447.5121	438.1117
Changes compared to the end of the month before	4.5650	1.9839	4.1898	2.0947
Annual yield earned on the index portfolio	4.58%	5.21%	5.12%	5.48%

Government securities with the highest secondary market turnover in April 2011

Government security	Date of redemption	Turnover (HUF billion)
2014/C	12.02.2014	754.7
2012/B	12.06.2012	628.6
2016/C	12.02.2016	510.1
2013/E	24.10.2013	437.1
2017/B	24.02.2017	405.9
2020/A	12.11.2020	335.3
2014/D	22.08.2014	307.4
2019/A	24.06.2019	273.6
2013/D	12.02.2013	172.8
2015/A	12.02.2015	167.0

The outstanding volume of government bonds with benchmark status at the end of April 2011

Government bond	HUF billion 31.03.2011	29.04.2011
2014/D	201.63	254.91
2017/B	746.11	788.27
2022/A	81.96	91.97
2028/A	13.12	20.64