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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

FEBRUARY 2009

The deficit of the central government amounted to HUF 256.6 billion in first two months of 2009. The net balance of transfers from the EAGGF fund of the European Union (EU) worth HUF 276.7 billion decreased the net borrowing requirement. Thus, the total net borrowing requirement amounted to HUF –20.1 billion in first two month. Net issuance was HUF -161.3 billion; out of which net HUF-denominated issuance was HUF –22.7 billion and net foreign currency denominated issuance was HUF –138.6 billion. The foreign currency bond maturity was financed from FX deposits placed at the NBH. Out of the international loan program HUF 1,446.8 billion was placed in the National Bank of Hungary in the form of foreign currency deposits at the end of February. The total amount of other liabilities increased by HUF 22.4 billion in 2009.

The HUF denominated debt of the central government decreased by HUF 22.4 billion in 2009 (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). Net government bond issuance was of HUF -76.9 billion, while discount Treasury bills increased by HUF 69.8 billion and retail government securities decreased by HUF 15.3 billion.

The foreign currency debt of the central government increased by HUF 756.4 billion in 2009. The drawdown of foreign currency denominated loans was HUF 13.2 billion, redemptions of foreign currency loans worth HUF 2.8 billion and redemptions of foreign currency government bonds worth HUF 149.0 billion decreased and exchange rate revaluations totalling HUF 894.9 billion increased the Hungarian Forint value of the foreign currency debt in 2009.

Short-term secondary market yields increased by 97-190 basis points, while long term yields increased by 72-227 basis points in February. The 1-year yield increased by 190 bps to 11.32%, the 3-year yield increased by 227 bps to 12.79%, the 10-year benchmark yield reached 10.85% at the end of February after increasing by 119 basis points.

Monthly OTC turnover of government securities was 16 % lower in February than a month before and reached HUF 2,518 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 31% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 148.1 billion in February, and amounted to HUF 2,526 billion at the end of the month. This volume represented 24.1% 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 296.54 at the last working day of February.

The credit rating of the long-term foreign currency debt of the Republic of Hungary is as follows at the last working day of February: BBB (Standard & Poor's); A3 (Moody's); BBB (Fitch).

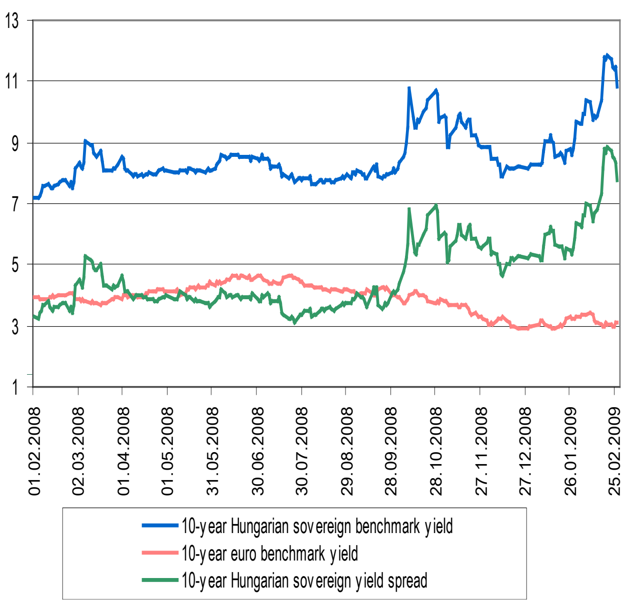
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

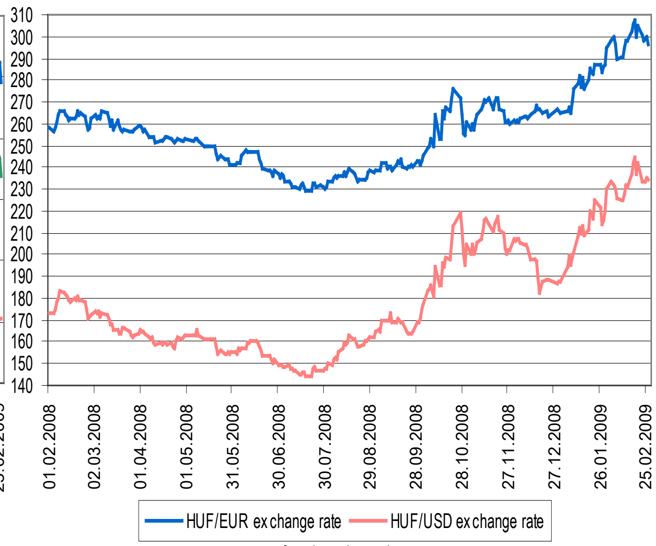
	2003	2004	2005	2006	2007	December 2008	January 2009	February 2009
1. Forint denominated debt	8,008.7	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	11,238.6	11,228.1
1.1. Loans	117.9	4.7	0.8	356.4	145.7	219.9	219.9	219.9
1.2. Government securities	7,890.8	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	11,018.7	11,008.2
1.2.1. Public issues	7,131.5	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	10,587.8	10,577.3
1.2.1.1. Bonds	5,056.5	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	8,528.0	8,493.7
1.2.1.2. Discount T-bills	1,541.4	1,463.3	1,530.9	1,755.9	1,664.9	1,482.4	1,521.5	1,552.3
1.2.1.3. Retail securities	533.5	628.4	588.7	667.4	555.2	546.4	538.3	531.4
1.2.2. Private placements	759.3	743.6	733.9	528.4	492.7	431.0	431.0	430.9
2. Foreign currency denominated debt*	2,579.0	2,983.5	3,590.7	4,124.4	4,472.6	6,774.8	7,649.5	7,531.2
2.1. Loans	1,084.1	916.8	720.6	803.7	846.5	2,529.4	2,920.6	2,924.8
2.1.1. Foreign loans	598.8	528.9	616.9	700.1	838.8	2,529.4	2,920.6	2,924.8
2.1.2. Domestic loans	485.3	387.8	103.8	103.6	104.0	0.0	0.0	0.0
2.1.2.1. Raised from National Bank of Hungary (NBH)	466.5	355.7	96.1	95.9	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	18.8	32.2	7.7	7.7	7.7	0.0	0.0	0.0
2.2. Government securities	1,494.9	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,728.9	4,606.4
2.2.1. Issued abroad	1,494.9	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,728.9	4,606.4
2.2.1.1. Foreign currency bonds	1,494.7	2,066.7	2,870.0	3,320.6	3,626.1	4,245.4	4,728.8	4,606.4
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1
2.2.2. Issued domestically	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	10,587.7	11,592.4	12,744.2	14,676.7	15,576.4	18,025.4	18,888.1	18,759.3
Other liabilities			21.4	29.0	9.1	78.5	85.8	100.9
Total central government debt			12,765.6	14,705.7	15,585.5	18,103.9	18,973.9	18,860.2
Foreign currency deposits from the international loan program placed at the NBH						*1,483.6*	*1,588.5*	*1,446.8*
Government debt adjusted with foreign currency deposits						16 620,3	17 385,4	17 413,4
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2..2.)	*7,357.3*	*7,975.8*	*8,563.9*	*9,528.4*	*10,402.9*	*10,484.0*	*10,480.4*	*10,476.9*
Gross debt/GDP	*55.9%*	*56.0%*	*57.9%*	*61.8%*	*61.3%*			

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

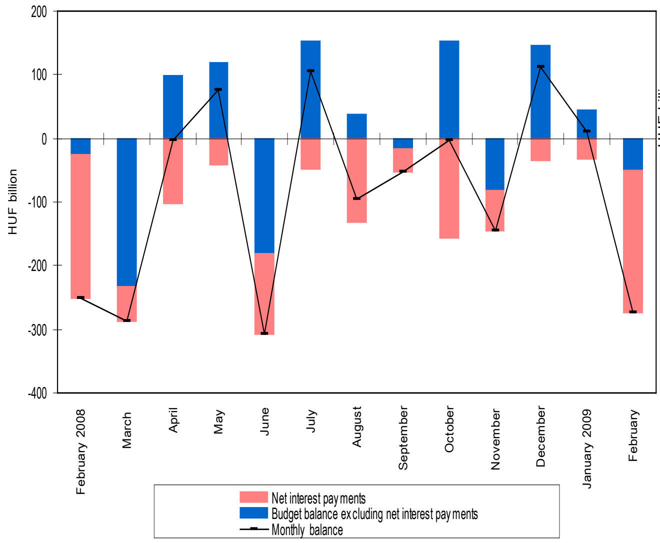
10-year Hungarian and eurozone benchmark yields during the last year



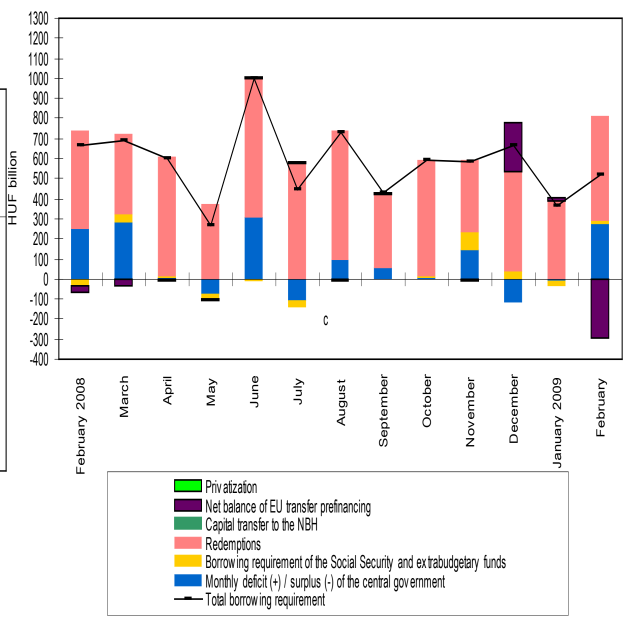
The exchange rate of the Hungarian Forint during the last year



Monthly balance of the central government budget (excluding privatisation proceeds)



Gross borrowing requirement

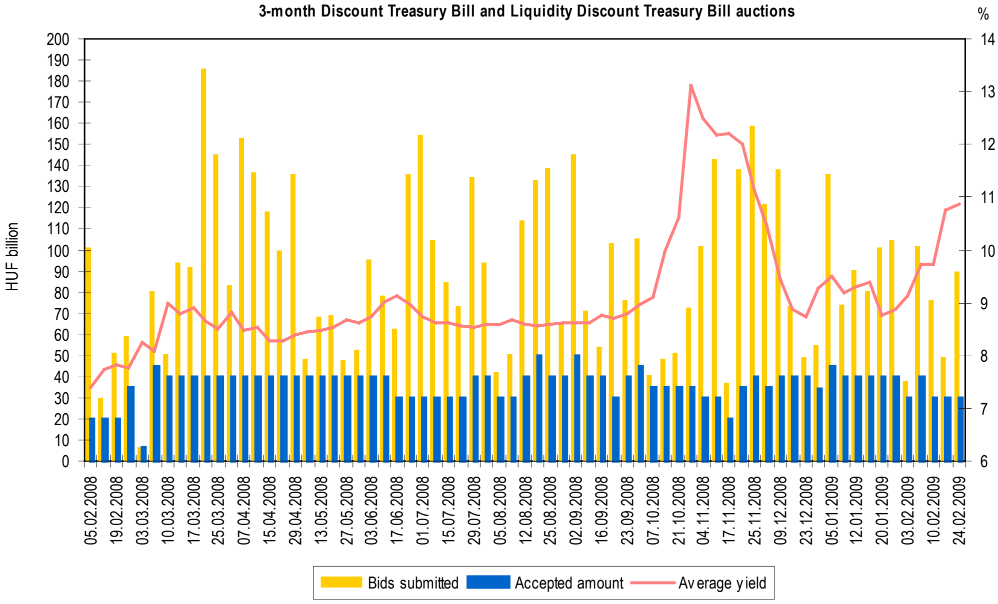


DISCOUNT TREASURY BILL AUCTION RESULTS

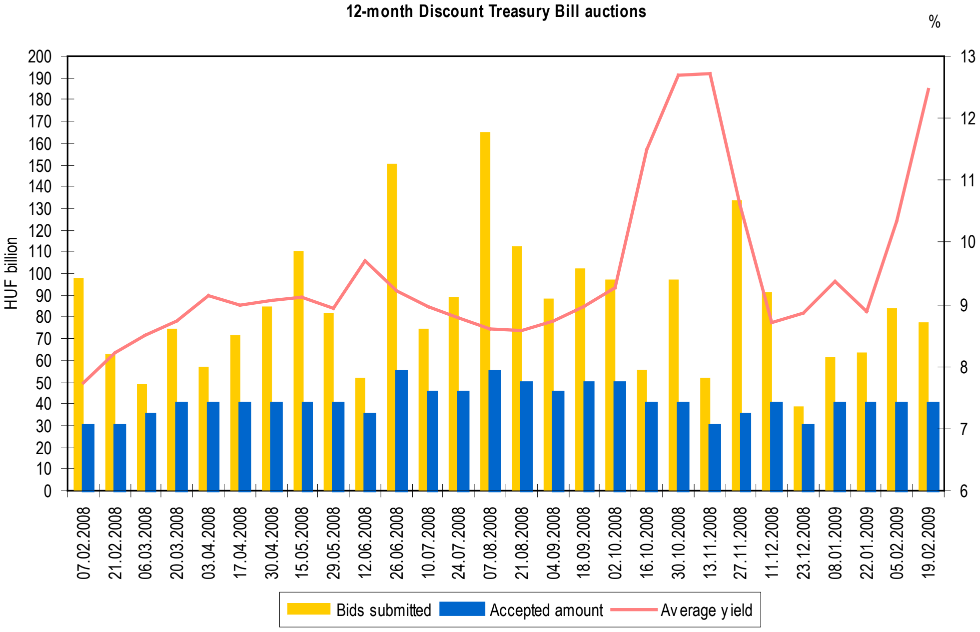
	Liquidity Discount T-bills	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D090325	D090513	D090520	D090527	D090603	D100113	D100113
ISIN code	HU0000517149	HU0000517206	HU0000517214	HU0000517222	HU0000517877	HU0000517271	HU0000517271
Maturity in days	42	91	91	91	91	336	322
Date of auction	09.02.2009	03.02.2009	10.02.2009	17.02.2009	24.02.2009	05.02.2009	19.02.2009
Date of financial settlement	11.02.2009	11.02.2009	18.02.2009	25.02.2009	04.03.2009	11.02.2009	25.02.2009
Redemption date	25.03.2009	13.05.2009	20.05.2009	27.05.2009	03.06.2009	13.01.2010	13.01.2010
Maximum yield, (%) - ISMA	9.85	9.50	9.80	11.50	11.00	10.50	12.70
Minimum yield (%) - ISMA	9.48	8.96	9.50	10.00	10.50	9.89	11.80
Average yield (%) - ISMA	9.72	9.14	9.73	10.75	10.86	10.34	12.46
Maximum yield, (%) - EHM	9.99	9.63	9.94	11.66	11.15	10.65	12.88
Minimum yield (%) - EHM	9.61	9.08	9.63	10.14	10.65	10.03	11.96
Average yield (%) - EHM	9.86	9.27	9.87	10.90	11.01	10.48	12.63
Average selling price (%)	98.8787	97.7418	97.5995	97.3545	97.3282	91.1987	89.9727
Amount offered for sale (HUF million)	40,000.00	40,000.00	30,000.00	40,000.00	30,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	101,981.11	37,886.00	75,961.14	48,994.36	89,666.49	83,721.44	77,475.00
Amount of bids accepted (HUF million)	39,999.99	29,999.99	29,999.95	29,999.99	29,999.94	39,999.99	39,999.97
Bid-to-cover ratio	2.55	1.26	2.53	1.63	2.99	2.09	1.94
Bids submitted (pcs)	44	55	98	55	131	72	104
Bids accepted (pcs)	31	46	55	45	50	33	56
Market sales* (HUF million)	39,999.99	29,999.99	29,999.95	29,999.99	29,999.94	39,999.99	39,999.97
Retained on ÁKK's own account	0.01	9,000.01	9,000.05	9,000.01	9,000.06	12,000.01	12,000.03
Total amount issued (HUF million)	40,000.00	39,000.00	39,000.00	39,000.00	39,000.00	52,000.00	52,000.00

*Without issuance onto ÁKK's own account

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



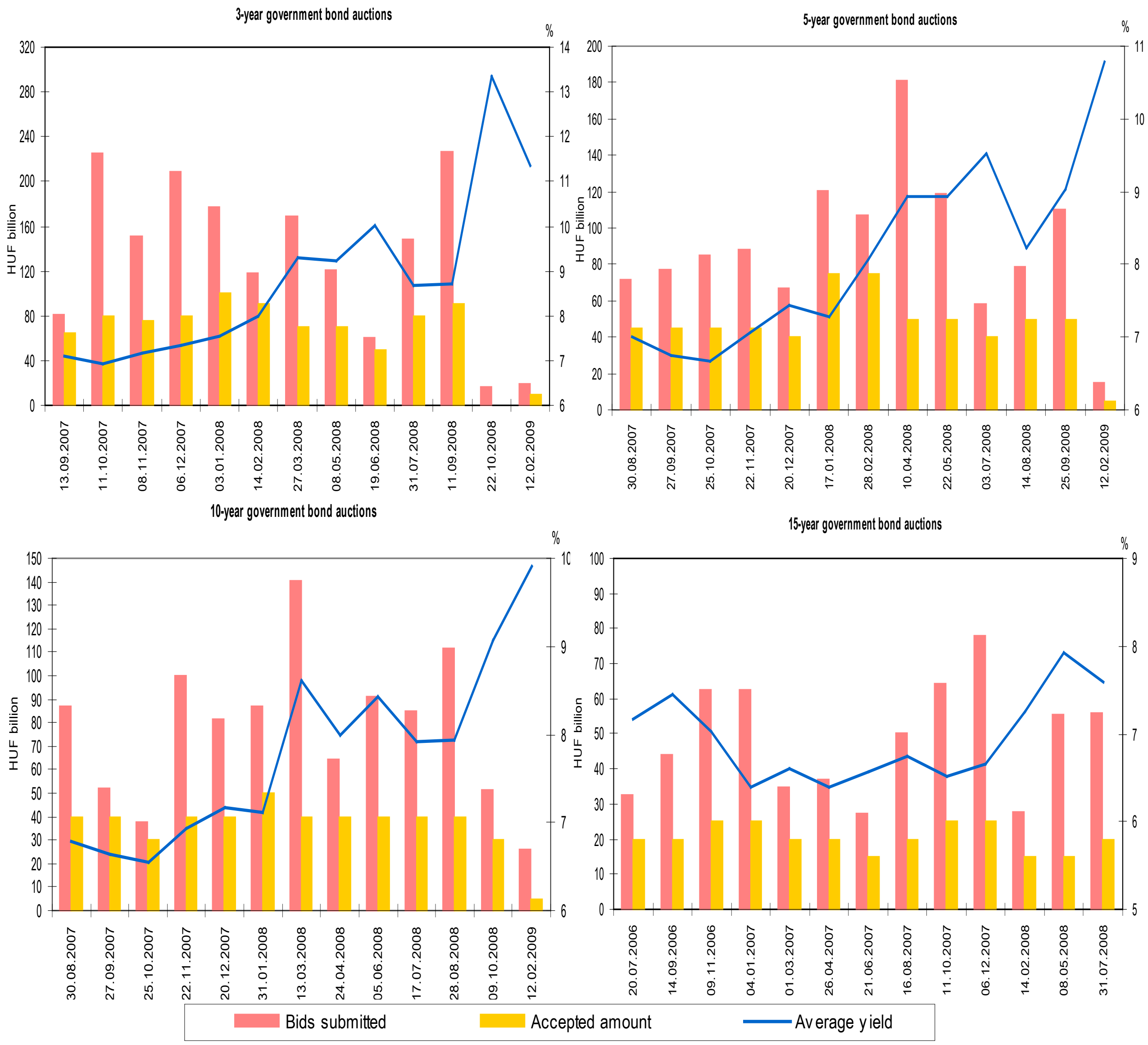
12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

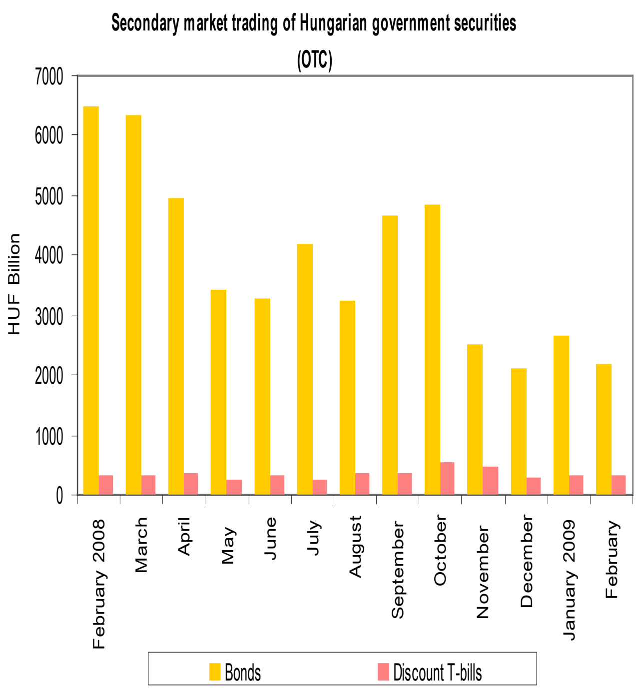
Government Bond	2012/B	2015/A	2019/A
ISIN code	HU0000402367	HU0000402268	HU0000402433
Maturity (in years)	3	5	10
Coupon (%)	7.25%	8.00%	6.50%
Auction	12th auction	17th auction	8th auction
Date of auction	12.02.2009	12.02.2009	12.02.2009
Date of financial settlement	18.02.2009	18.02.2009	18.02.2009
Redemption date	12.06.2012	12.02.2015	24.06.2019
Maximum annual yield (%) - ISMA	11.49	10.83	9.95
Minimum annual yield (%) - ISMA	11.30	10.75	9.70
Average annual yield (%) - ISMA	11.37	10.78	9.90
Maximum annual yield (%) - EHM	11.48	10.83	9.94
Minimum annual yield (%) - EHM	11.29	10.75	9.69
Average annual yield (%) - EHM	11.36	10.78	9.89
Maximum price (%)	89.2156	88.2986	79.6019
Minimum price (%)	88.7517	87.9860	78.2530
Average price (%)	89.0373	88.1620	78.5234
Amount offered for sale (HUF million)	10,000.00	5,000.00	5,000.00
Amount of bids submitted (HUF million)	19,520.35	14,975.00	25,906.00
Amount of bids accepted (HUF million)	9,999.98	5,000.00	5,000.00
Bid-to-cover ratio	1.95	3.00	5.18
Bids submitted (pcs)	68	45	66
Bids accepted (pcs)	35	18	13
Tail (average price - minimum price)	0.29	0.18	0.27
Market sales* (HUF million)	9,999.98	5,000.00	5,000.00
Retained on ÁKK's own account (HUF million)	3,000.02	1,500.00	1,500.00
Total amount issued (HUF million)	13,000.00	6,500.00	6,500.00

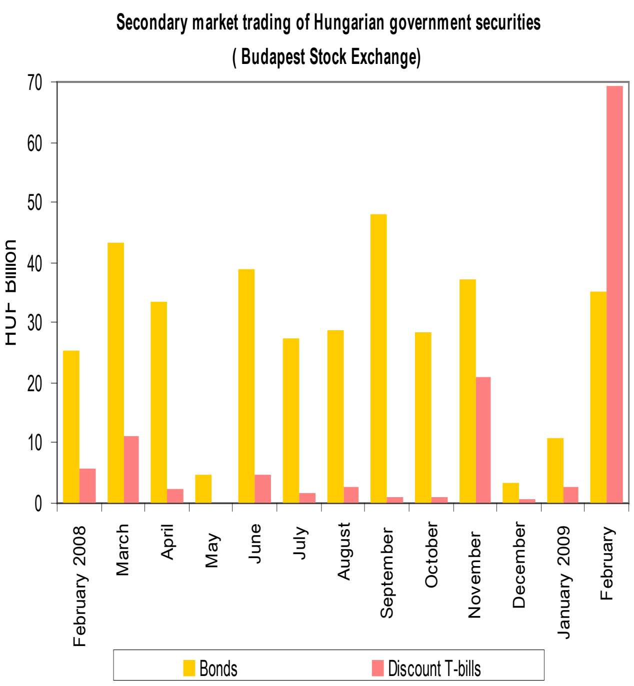
*Without issuance onto ÁKK's own account

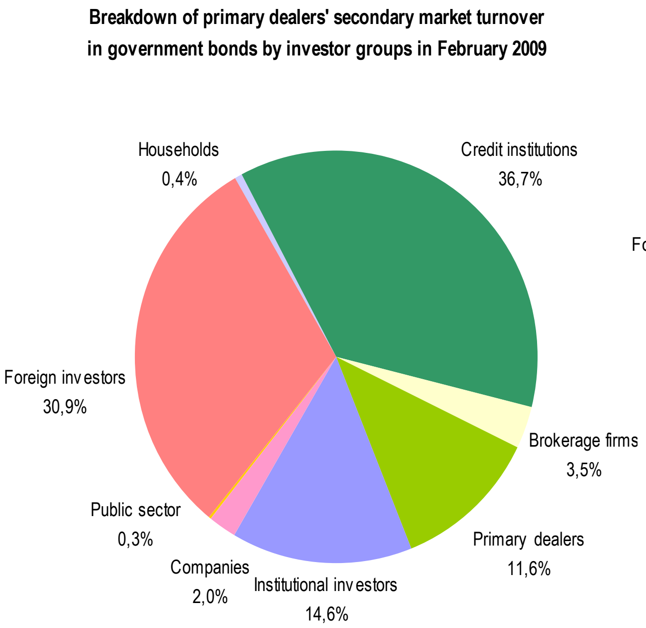


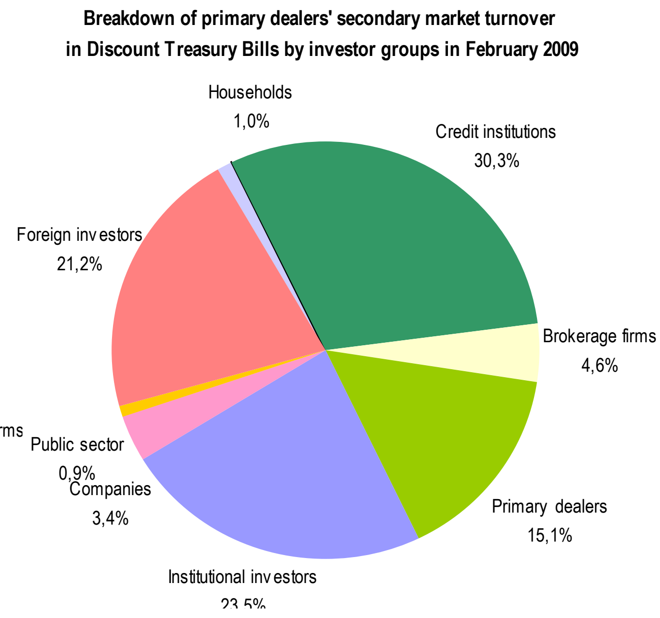
GOVERNMENT SECURITIES BUY-BACK AUCTION

Government bond	2009/D	2009/F	2010/C
ISIN code	HU0000402243	HU0000402359	HU0000402391
Coupon (%)	8.25	6.50	6.75
Date of reverse auction	25.02.2009	25.02.2009	25.02.2009
Date of financial settlement	04.03.2009	04.03.2009	04.03.2009
Redemption date	12.10.2009	12.08.2009	12.04.2010
Minimum annual yield (%)	12.00	12.00	12.89
Average annual yield - ISMA (%)	12.24	12.10	13.02
Average annual yield - EHM (%)	11.96	11.71	13.02
Amount of bids submitted (HUF million)	5,189.61	7,429.11	8,392.98
Amount of bids accepted (HUF million)	1,324.87	5,783.88	4,112.07

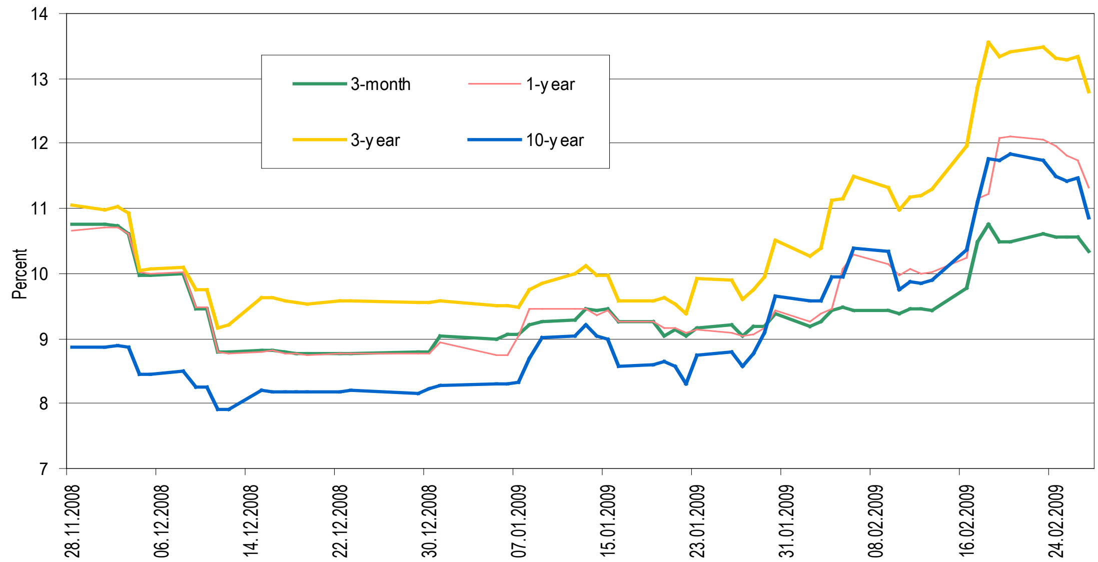




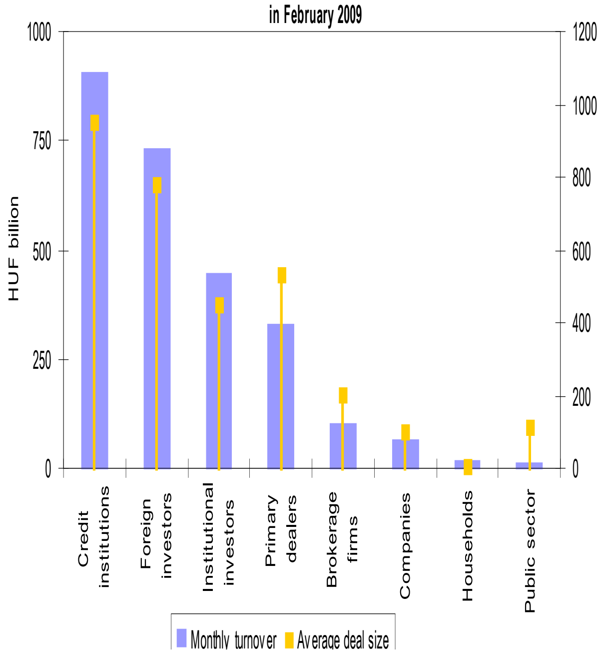




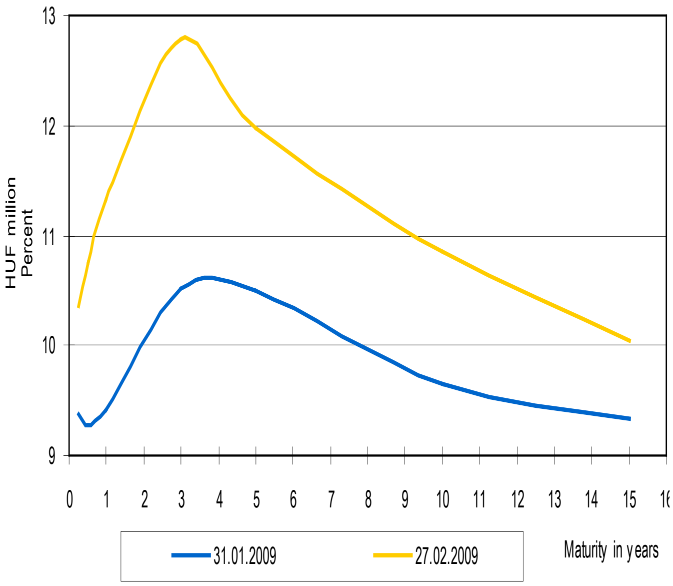
Benchmark yields in the past three months



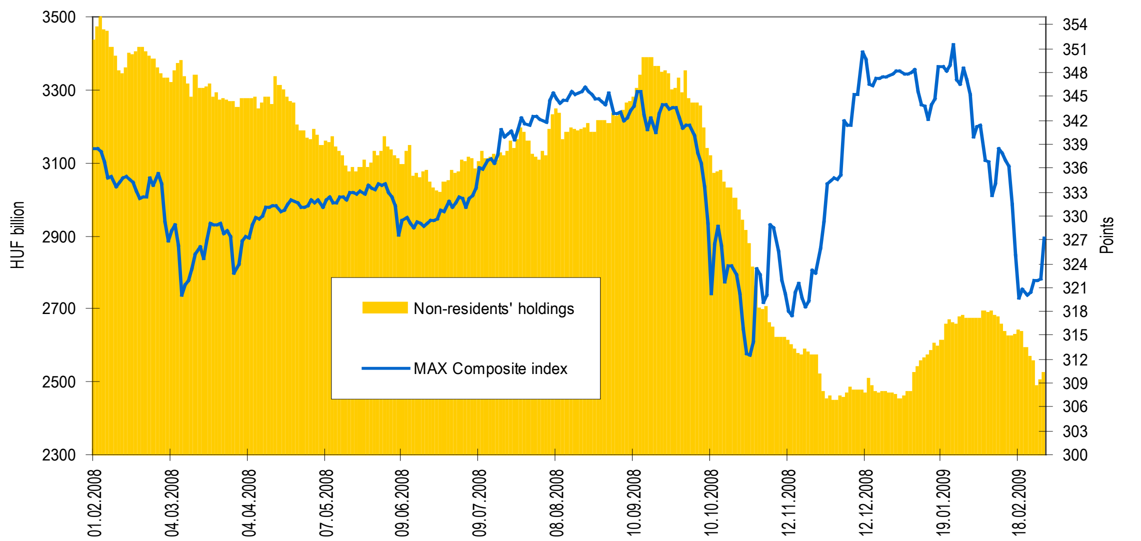
Primary dealers' trading with different investor groups in February 2009



Benchmark yield curves



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



INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN FEBRUARY 2008

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2009/A	11.02.2009	12.02.2009	12.08.2009	12.08.2009	8.90	4.47
2010/A	11.02.2009	12.02.2009	12.08.2009	12.08.2009	8.90	4.47

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 28 February 2009	322.8363	369.4871	327.2440	377.0471
Changes compared to the end of the month before	-16.3627	-0.0575	-12.6764	1.5491
Annual yield earned on the index portfolio	-4.28%	7.85%	-2.02%	8.89%

Government securities with the highest secondary market turnover in February 2008

Government security	Date of redemption	Turnover (HUF billion)
2011/C	22.04.2011	278.3
2017/B	24.02.2017	198.1
2012/C	24.10.2012	186.6
2010/D	24.08.2010	180.3
2019/A	24.06.2019	167.3
D100113	13.01.2010	145.8
2010/C	12.04.2010	142.9
D090422	22.04.2009	120.4
2011/B	12.10.2011	101.0
D090429	29.04.2009	93.1

The outstanding volume of government bonds with benchmark status at the end of February 2008

	HUF billion	
Government bond	31.01.2009	28.02.2009
2011/C	555.81	556.17
2012/C	656.14	656.33
2019/A	280.18	285.24
2023/A	200.10	200.12

PRIMARY DEALERS - AS AT 28 FEBRUARY 2009

Primary dealers:		Primary dealers for retail securities:
CIB Bank Zrt.	Magyar Külkereskedelmi Bank Zrt.	CIB Bank Zrt.
CITIBANK Zrt.	Magyar Takarékszövetkezeti Bank Zrt.	UniCredit Bank Hungary Zrt.
Deutsche Bank Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt	Kereskedelmi és Hitelbank Zrt.
ERSTE Bank Befektetési Magyarország Zrt.	Raiffeisen Bank Zrt.	Magyar Takarékszövetkezeti Bank Zrt.
ING Bank N.V.	UniCredit Bank Hungary Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.
Kereskedelmi és Hitelbank Zrt.		the branch network of the Hungarian State Treasury