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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

APRIL 2008

The deficit of the central government amounted to HUF 522.4 billion in the first four months of 2008. The capital transfers to the NBH worth HUF 2.8 billion increased the net borrowing requirement. The prefinancing of cash transfers from the EU decreased the net borrowing requirement by HUF 232.8 billion. The total net financing requirement of HUF 292.4 billion was met by a net issuance of HUF 390.4 billion (ca. EUR 1.6 billion1) out of which net domestic currency issuance was HUF 305.9 billion and net foreign exchange issuance totalled HUF 84.5 billion.

The HUF denominated debt of the central government increased by HUF 305.6 billion in the first four months of 2008 (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). Out of the increase in domestic debt, government bonds accounted for HUF 286.3 billion, discount Treasury bills for HUF 47.6 billion, while retail government securities decreased by HUF 27.3 billion. The stock of domestic loans remained unchanged.

The foreign currency debt of the central government increased by HUF 82.7 billion till the end of April. The redemptions of foreign currency loans was HUF 46.2 billion, the drawdown of foreign currency denominated loans worth HUF 130.7 billion. Exchange rate revaluation of HUF 1.8 billion decreased the HUF value of the foreign currency debt compared to the end of last year.

Short-term secondary yields decreased by 10-34 basis points in April, while the 1-3 year and 5-year yields decreased by 22-88 basis points. The 1-year yield decreased to 8.95% by 22 basis points, the 3-year yield decreased by 88 bps and amounted to 9.08%, the 10-year benchmark yield reached 8.10% at the end of April after decreasing by 46 basis points.

Monthly OTC turnover of government securities was 20% lower in April than a month before and reached HUF 5,343.5 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 35% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 77.2 in April, and amounted to HUF 3,189.7 billion at the end of the month. This volume represented 29.7% of the total amount of domestic government bonds and discount Treasury bills.

The EUR/HUF exchange rate according to the Hungarian National Bank was 253.43 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: BBB+ (Standard & Poor's); A2 (Moody's); BBB+ (Fitch).

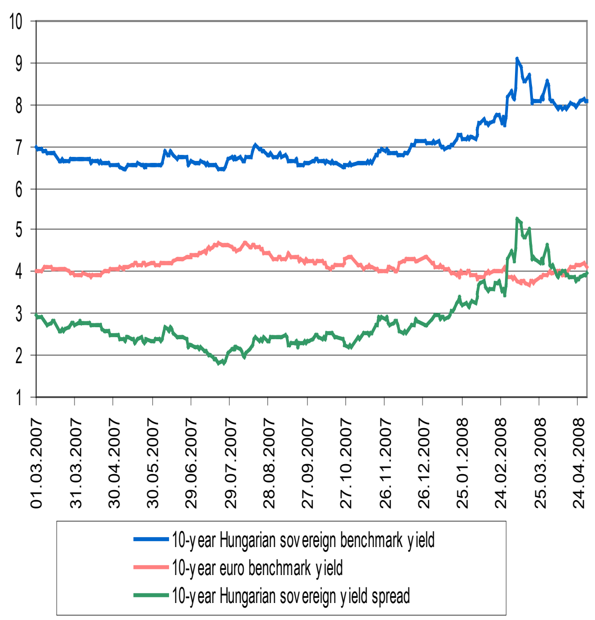
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

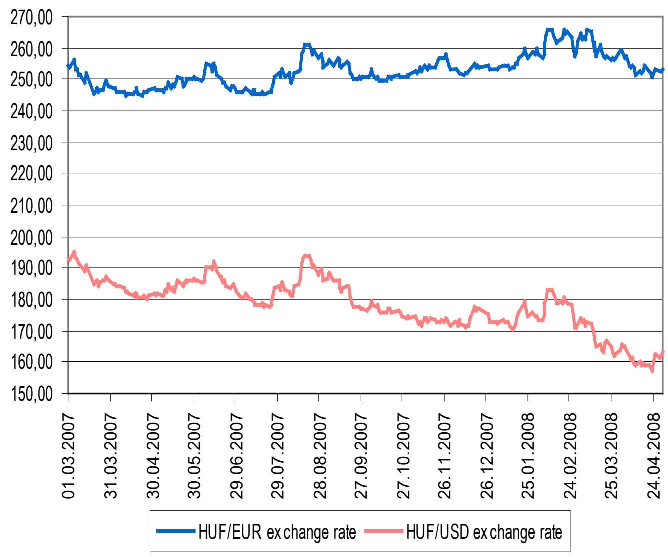
	2002	2003	2004	2005	2006	2007	February 2008	March 2008	April 2008
1. Forint denominated debt	6,956.9	8,008.7	8,608.8	9,153.5	10,552.3	11,103.8	11,325.7	11,476.4	11,409.4
1.1. Loans	353.2	117.9	4.7	0.8	356.4	145.7	145.7	145.7	145.7
1.2. Government securities	6,603.7	7,890.8	8,604.2	9,152.7	10,195.9	10,958.1	11,180.0	11,330.7	11,263.7
1.2.1. Public issues	5,826.3	7,131.5	7,860.6	8,418.8	9,667.5	10,465.4	10,687.5	10,839.7	10,722.0
1.2.1.1. Bonds	3,829.2	5,056.5	5,768.9	6,299.1	7,244.2	8,245.3	8,460.7	8,588.0	8,531.6
1.2.1.2. Discount T-bills	1,436.8	1,541.4	1,463.3	1,530.9	1,755.9	1,664.9	1,691.7	1,718.5	1,712.5
1.2.1.3. Retail securities	560.3	533.5	628.4	588.7	667.4	555.2	535.0	532.5	527.9
1.2.2. Private placements	777.4	759.3	743.6	733.9	528.4	492.7	492.5	491.7	491.7
2. Foreign currency denominated debt*	2,267.3	2,579.0	2,983.5	3,590.7	4,124.4	4,472.6	4,591.0	4,663.5	4,555.3
2.1. Loans	1,394.3	1,084.1	916.8	720.6	803.7	846.5	838.6	951.4	928.1
2.1.1. Foreign loans	461.9	598.8	528.9	616.9	700.1	838.8	830.6	943.5	920.4
2.1.2. Domestic loans	932.3	485.3	387.8	103.8	103.6	104.0	8.0	7.9	7.7
2.1.2.1. Raised from National Bank of Hungary (NBH)	849.6	466.5	355.7	96.1	95.9	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	82.8	18.8	32.2	7.7	7.7	7.7	8.0	7.9	7.7
2.2. Government securities	873.0	1,494.9	2,066.8	2,870.1	3,320.7	3,626.1	3,752.4	3,712.2	3,627.3
2.2.1. Issued abroad	873.0	1,494.9	2,066.8	2,870.1	3,320.7	3,626.1	3,752.4	3,712.2	3,627.3
2.2.1.1. Foreign currency bonds	872.9	1,494.7	2,066.7	2,870.0	3,320.6	3,626.1	3,752.3	3,712.1	3,627.2
2.2.1.2. Kingdom of Hungary 1924 issues	0.2	0.1	0.1	0.1	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	9,224.2	10,587.7	11,592.4	12,744.2	14,676.7	15,576.4	15,916.6	16,139.9	15,964.7
Other liabilities				21.4	29.0	9.1	15.4	15.3	5.3
Total central government debt				12,765.6	14,705.7	15,585.5	15,932.1	16,155.1	15,970.0
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2..2.)	*6,043.4*	*7,357.3*	*7,975.8*	*8,563.9*	*9,528.4*	*10,402.9*	*10,645.0*	*10,798.2*	*10,735.8*
Gross debt/GDP	*53.6%*	*55.9%*	*56.0%*	*57.9%*	*61.9%*	*61.4%*			

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

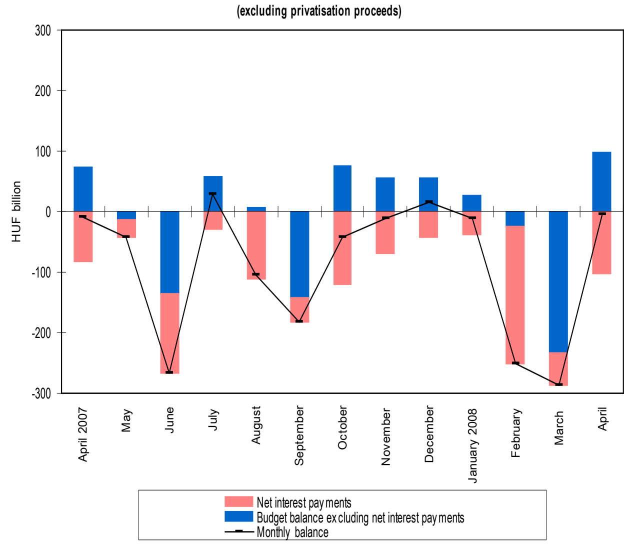
10-year Hungarian and eurozone benchmark yields during the last year



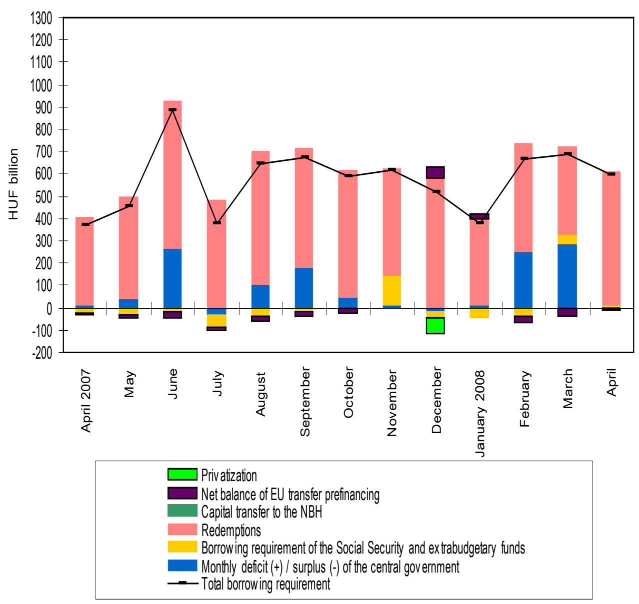
The exchange rate of the Hungarian Forint during the last year



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



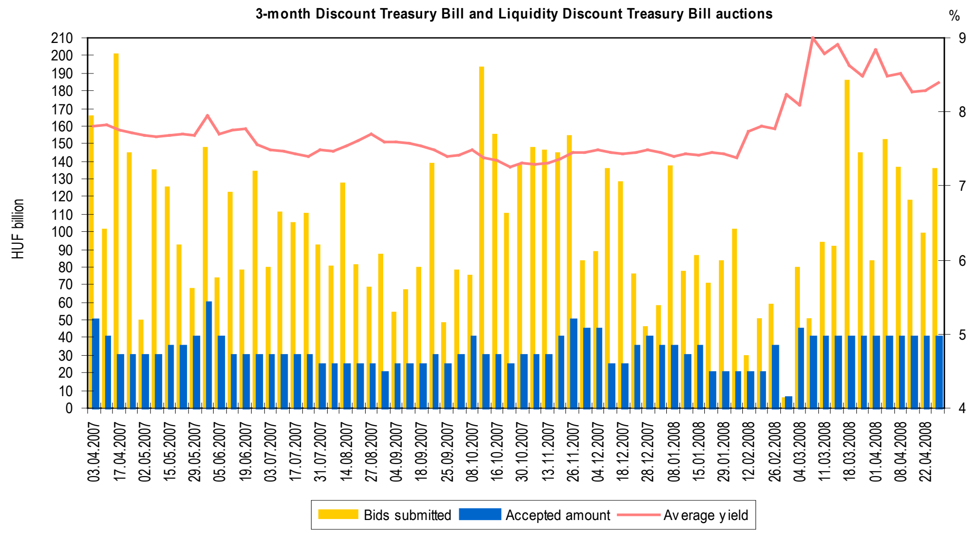
Gross borrowing requirement

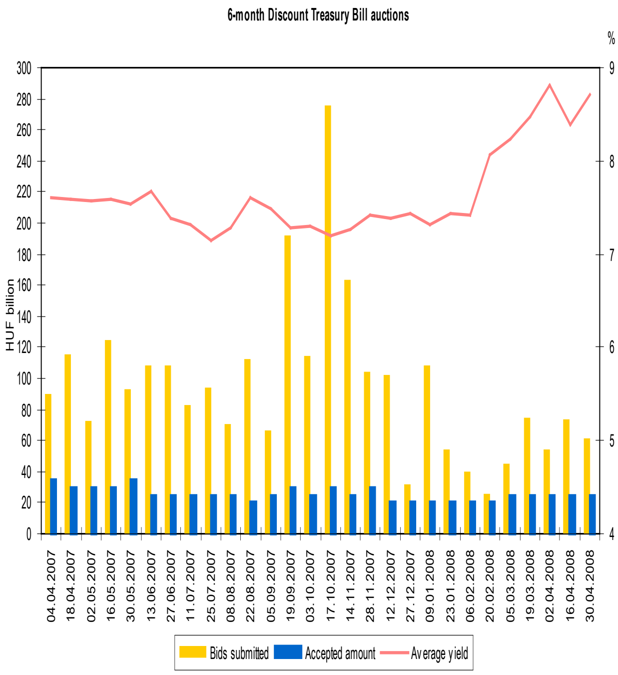


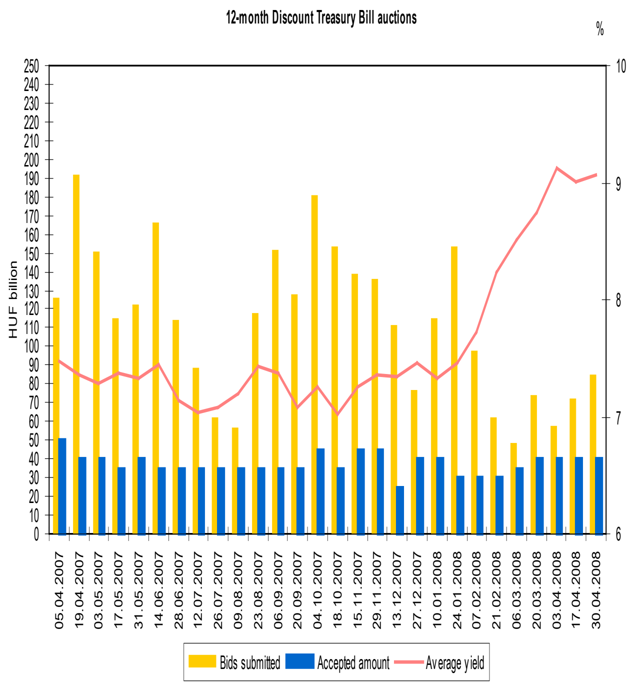
DISCOUNT TREASURY BILL AUCTION RESULTS

	Liquidity Discount T-bills	3-month Discount T-bills					6-month Discount T-bills			12-month Discount T-bills		
Code of T-bills	D080521	D080709	D080716	D080723	D080730	D080806	D080924	D080924	D08119	D090408	D090408	D090408
ISIN code	HU0000516711	HU0000516786	HU0000516802	HU0000516810	HU0000516679	HU0000516828	HU0000516760	HU0000516760	HU0000516836	HU0000516794	HU0000516794	HU0000516794
Maturity in days	42	91	91	91	91	91	168	154	196	364	364	364
Date of auction	07.04.2008	01.04.2008	08.04.2008	15.04.2008	22.04.2008	29.04.2008	02.04.2008	16.04.2008	30.04.2008	03.04.2008	03.04.2008	03.04.2008
Date of financial settlement	09.04.2008	09.04.2008	16.04.2008	23.04.2008	30.04.2008	07.05.2008	09.04.2008	23.04.2008	07.05.2008	09.04.2008	09.04.2008	09.04.2008
Redemption date	21.05.2008	09.07.2008	16.07.2008	23.07.2008	30.07.2008	06.08.2008	24.09.2008	24.09.2008	19.11.2008	08.04.2009	08.04.2009	08.04.2009
Maximum yield, (%) - ISMA	8.50	8.89	8.53	8.32	8.30	8.43	8.86	8.42	8.75	9.33	9.33	9.33
Minimum yield (%) - ISMA	8.30	8.50	8.43	8.00	8.20	8.25	8.50	8.25	8.50	8.80	8.80	8.80
Average yield (%) - ISMA	8.48	8.83	8.52	8.28	8.29	8.39	8.81	8.39	8.72	9.13	9.13	9.13
Maximum yield, (%) - EHM	8.62	9.01	8.65	8.44	8.42	8.55	8.98	8.54	8.87	9.46	9.46	9.46
Minimum yield (%) - EHM	8.41	8.62	8.55	8.11	8.31	8.36	8.62	8.36	8.62	8.92	8.92	8.92
Average yield (%) - EHM	8.60	8.95	8.64	8.40	8.41	8.51	8.93	8.51	8.84	9.26	9.26	9.26
Average selling price (%)	99.0204	97.8167	97.8917	97.9499	97.9475	97.9232	96.0510	96.5353	95.4676	91.5487	91.5487	91.5487
Amount offered for sale (HUF m)	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	25,000.00	25,000.00	25,000.00	40,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF m)	152,771.83	83,557.78	136,893.28	118,296.72	99,602.43	136,107.00	53,645.54	73,595.75	61,435.79	57,200.05	57,200.05	57,200.05
Amount of bids accepted (HUF m)	39,999.99	39,999.98	39,999.98	39,999.98	39,999.94	39,999.96	24,999.99	24,999.98	24,999.97	40,000.00	40,000.00	40,000.00
Bid-to-cover ratio	3.82	2.09	3.42	2.96	2.49	3.40	2.15	2.94	2.46	1.43	1.43	1.43
Bids submitted (pcs)	66	113	105	99	99	124	83	72	77	80	80	80
Bids accepted (pcs)	15	64	28	45	43	57	41	39	46	68	68	68
Market sales* (HUF million)	39,999.99	39,999.98	39,999.98	39,999.98	39,999.94	39,999.96	24,999.99	24,999.98	24,999.97	40,000.00	40,000.00	40,000.00
Retained on ÁKK's own account	0.01	4,000.02	4,000.02	4,000.02	4,000.06	12,000.04	5,000.01	5,000.02	7,500.03	12,000.00	12,000.00	12,000.00
Total amount issued (HUF million)	40,000.00	44,000.00	44,000.00	44,000.00	44,000.00	52,000.00	30,000.00	30,000.00	32,500.00	52,000.00	52,000.00	52,000.00

*Without issuance onto ÁKK's own account



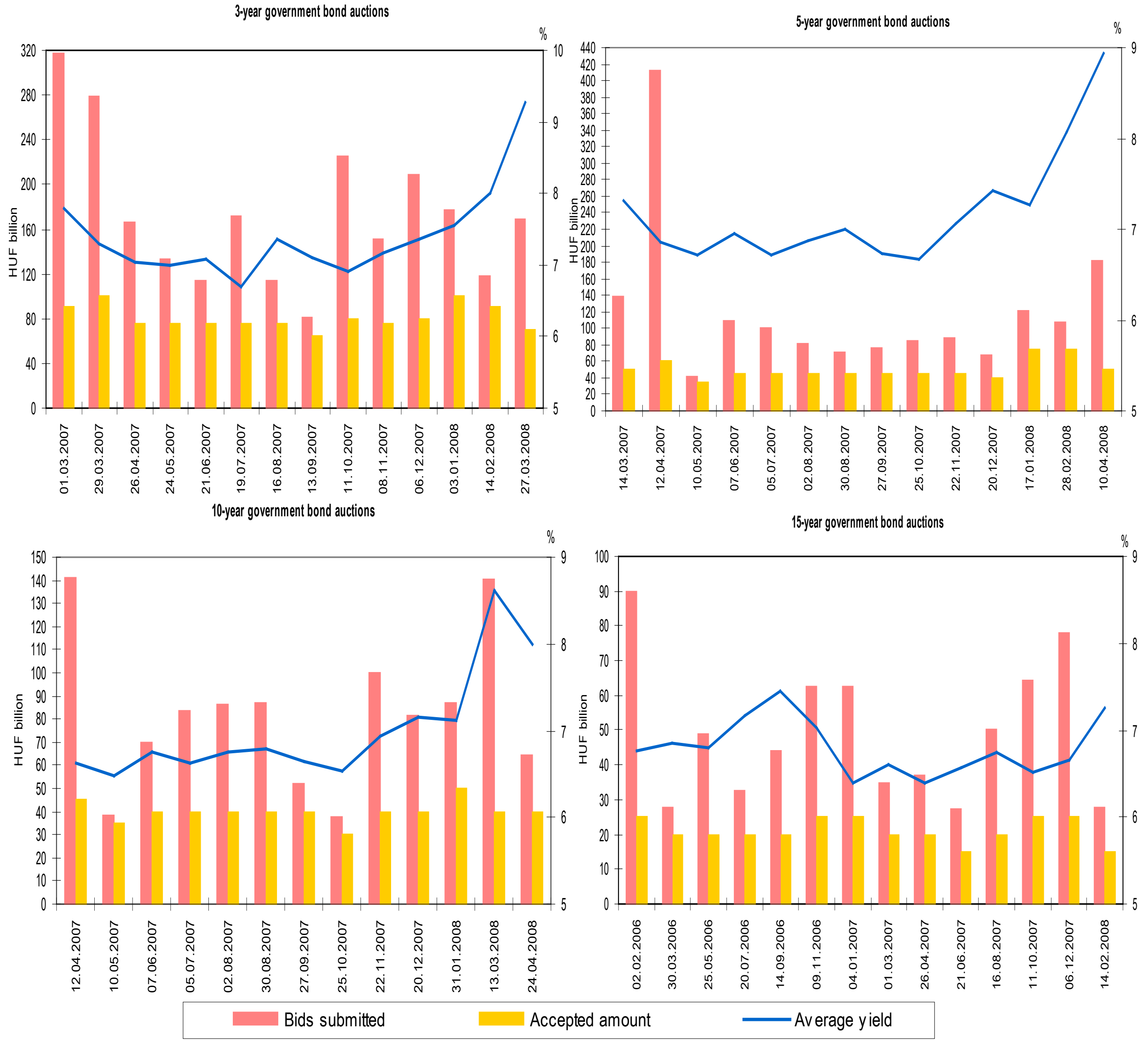




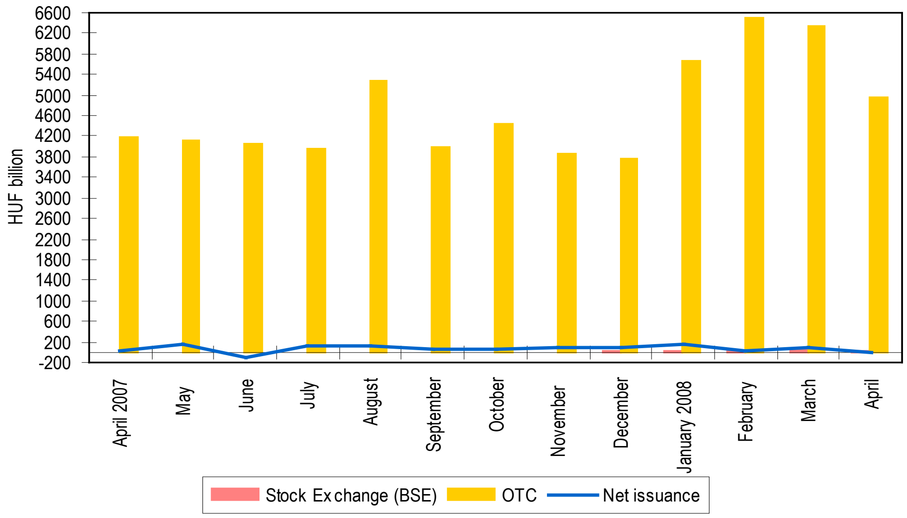
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2012/C	2019/A
ISIN code	HU0000402417	HU0000402433
Maturity (in years)	5	10
Coupon (%)	6.00%	6.50%
Auction	2nd auction	3th auction
Date of auction	10.04.2008	24.04.2008
Date of financial settlement	16.04.2008	30.04.2008
Redemption date	24.10.2012	24.06.2019
Maximum annual yield (%) - ISMA	8.94	8.03
Minimum annual yield (%) - ISMA	8.94	7.97
Average annual yield (%) - ISMA	8.94	8.00
Maximum annual yield (%) - EHM	8.93	8.03
Minimum annual yield (%) - EHM	8.93	7.97
Average annual yield (%) - EHM	8.93	7.99
Maximum price (%)	89.3782	89.4150
Minimum price (%)	89.3782	89.0148
Average price (%)	89.3782	89.2220
Amount offered for sale (HUF million)	50,000.00	40,000.00
Amount of bids submitted (HUF million)	181,212.08	64,150.00
Amount of bids accepted (HUF million)	50,000.00	39,999.95
Bid-to-cover ratio	3.62	1.60
Bids submitted (pcs)	121	86
Bids accepted (pcs)	13	44
Tail (average price - minimum price)	0.00	0.21
Market sales* (HUF million)	50,000.00	39,999.95
Retained on ÁKK's own account (HUF million)	0.00	8,000.05
Total amount issued (HUF million)	50,000.00	48,000.00

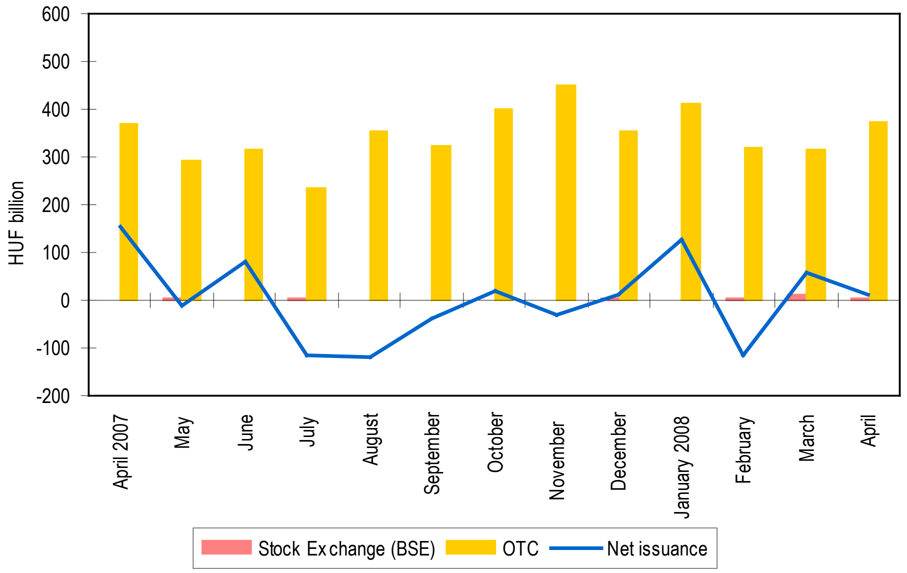
*Without issuance onto ÁKK's own account



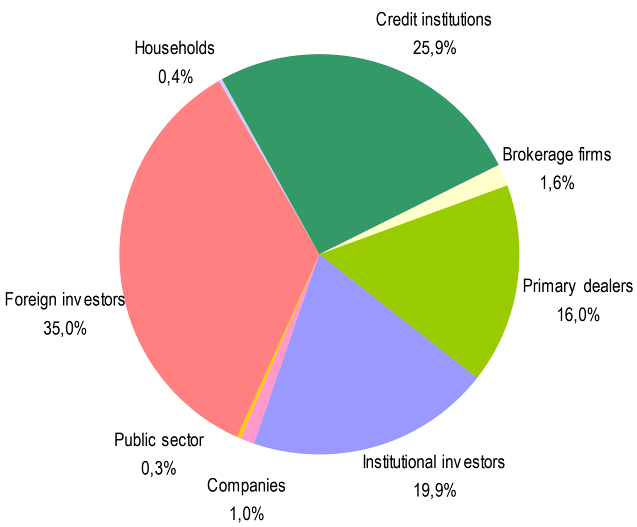
Secondary market trading of government bonds



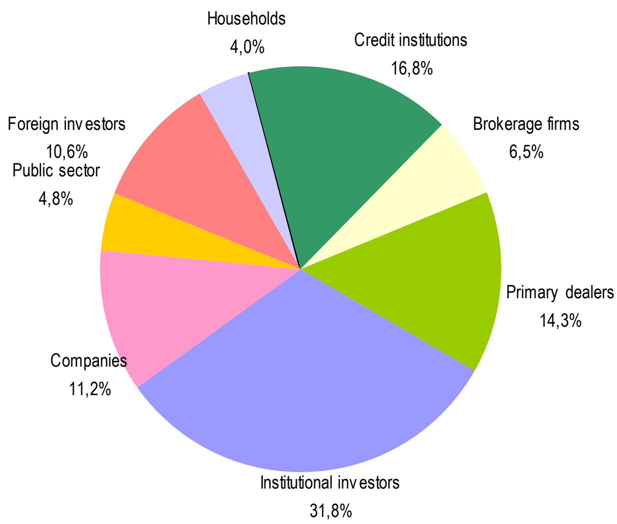
Secondary market trading of Discount Treasury Bills

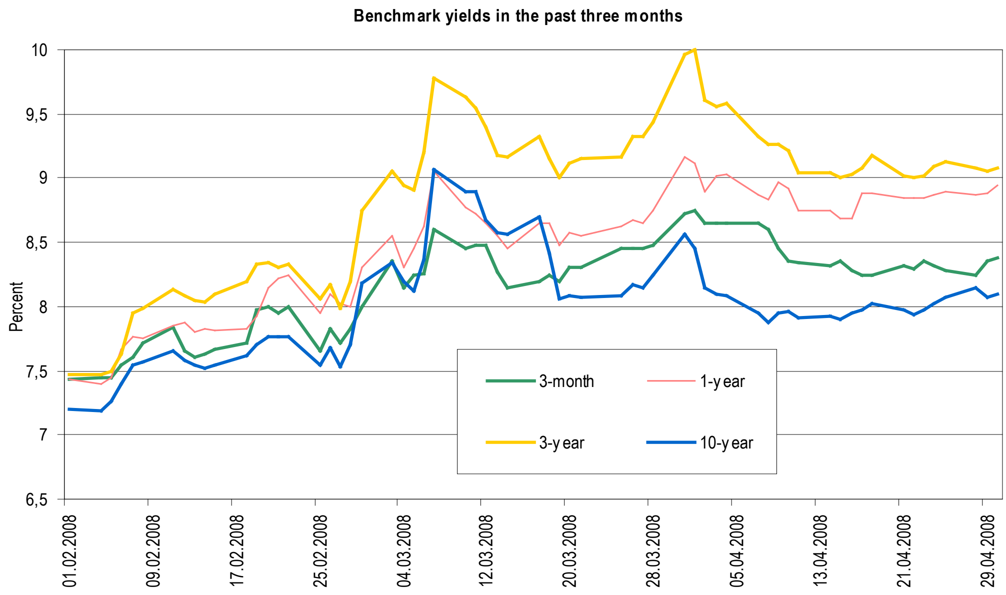


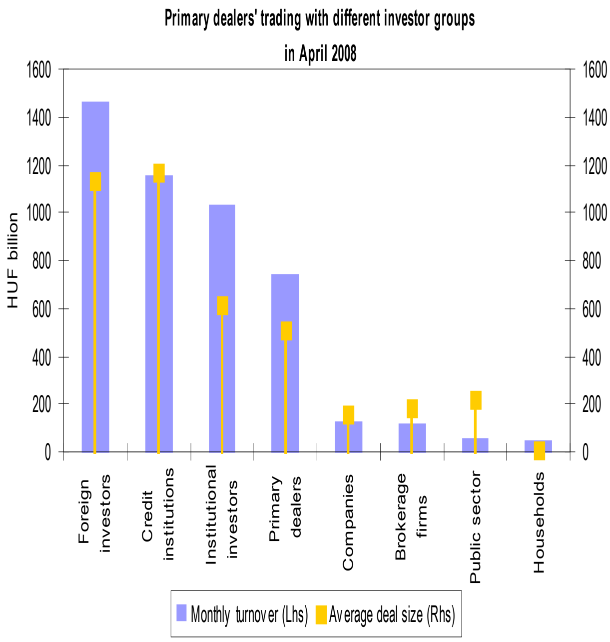
Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in April 2008

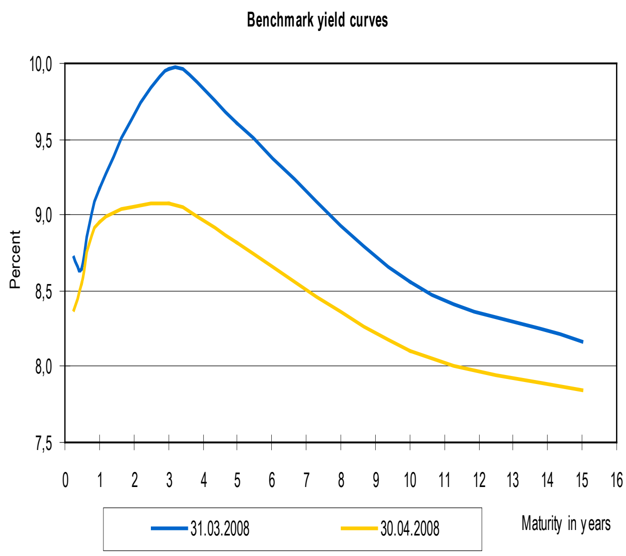


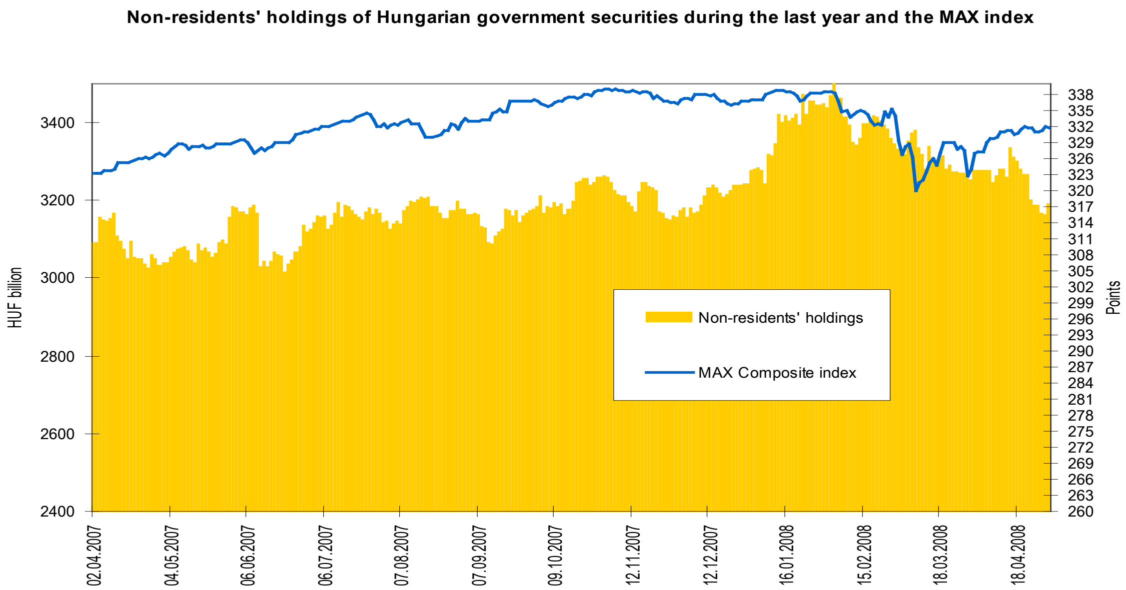
Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in April 2008




Benchmark yields in the past three months
Percent
10
9,5
9
8,5
8
7,5
7
6,5
01.02.2008
09.02.2008
17.02.2008
25.02.2008
04.03.2008
12.03.2008
20.03.2008
28.03.2008
05.04.2008
13.04.2008
21.04.2008
29.04.2008
3-month
1-year
3-year
10-year


Primary dealers' trading with different investor groups
in April 2008
HUF billion
HUF million
1600
1400
1200
1000
800
600
400
200
0
Foreign investors
Credit institutions
Institutional investors
Primary dealers
Companies
Brokerage firms
Public sector
Households
Monthly turnover (Lhs)
Average deal size (Rhs)


Benchmark yield curves
Percent
10,0
9,5
9,0
8,5
8,0
7,5
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
31.03.2008
30.04.2008
Maturity in years


Non-residents' holdings of Hungarian government securities during the last year and the MAX index
HUF billion
3400
3200
3000
2800
2600
2400
Points
338
335
332
329
326
323
320
317
314
311
308
305
302
299
296
293
290
287
284
281
278
275
272
269
266
263
260
Non-residents' holdings
MAX Composite index
02.04.2007
04.05.2007
06.06.2007
06.07.2007
07.08.2007
07.09.2007
09.10.2007
12.11.2007
12.12.2007
16.01.2008
15.02.2008
18.03.2008
18.04.2008

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2008

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/B	23.04.2008	24.04.2008	24.10.2008	27.10.2008	8.42	-
2026/C	23.04.2008	24.04.2008	24.10.2008	27.10.2008	8.42	8.07
2008/A	23.04.2008	24.04.2008	24.07.2008	24.07.2008	8.56	-

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 April 2008	333.8015	346.4604	331.6380	350.8347
Changes compared to the end of the month before	9.6091	3.2851	8.7659	2.8726
Annual yield earned on the index portfolio	0.45%	6.96%	1.41%	7.60%

Government securities with the highest secondary market turnover in April 2008

Government security	Date of redemption	Turnover (HUF billion)
2012/C	24.10.2012	645.1
2010/D	24.08.2010	436.2
2011/C	22.04.2011	420.4
2010/C	12.04.2010	337.8
2017/B	24.02.2017	301.7
2012/B	12.06.2012	225.0
2011/B	12.10.2011	213.5
2009/E	24.04.2009	157.8
2009/F	12.08.2009	155.3
2013/D	12.02.2013	148.5

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

	HUF billion	
Government bond	31.03.2008	30.04.2008
2011/C	190.41	261.53
2012/C	415.13	465.16
2019/A	90.02	130.02
2023/A	165.08	165.08

PRIMARY DEALERS - AS AT 30 APRIL 2008

Primary dealers:		Primary dealers for retail securities:
CIB Bank Zrt.	Magyar Külkereskedelmi Bank Zrt.	CIB Bank Zrt.
CITIBANK Zrt.	Magyar Takarékszövetkezeti Bank Zrt.	HVB 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 Zrt.	UniCredit Bank Hungary Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.
Kereskedelmi és Hitelbank Zrt.		the branch network of the Hungarian State Treasury