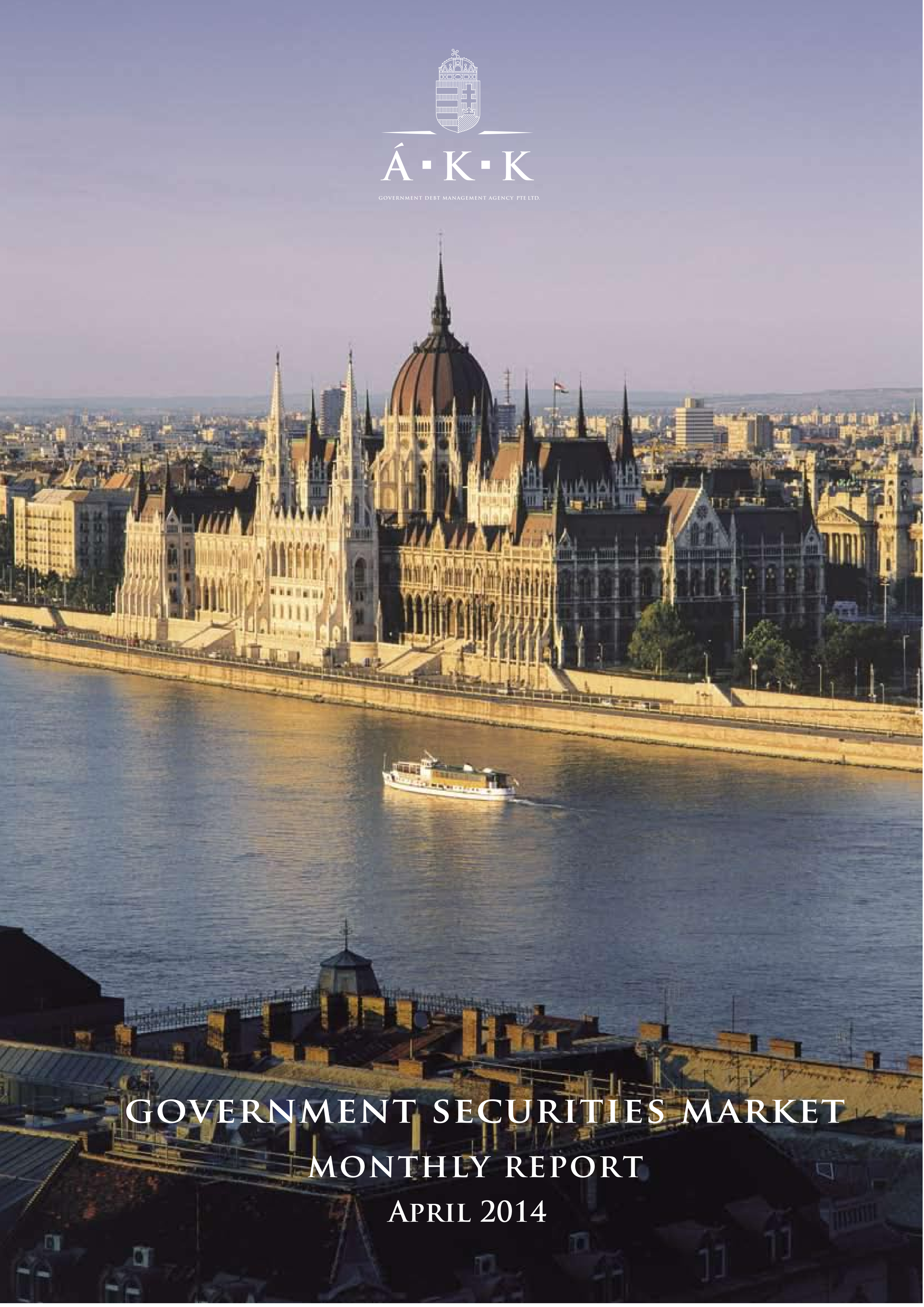

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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

April 2014

The deficit of the central government amounted to HUF 951.1 billion in April. The net prefinancing of cash transfers from the European Union decreased the net borrowing requirement by HUF 145.4 billion. Thus, the total net financing requirement amounted to HUF 805.7 billion in 2014. Net issuance was HUF 2,252.9 billion, including the sum of debt assumptions HUF 401.7 billion; out of which net HUF-denominated issuance was HUF 1,282.8 billion and net foreign currency denominated issuance was HUF 970.0 billion. Without debt assumptions net issuance was HUF 1,933.1 billion, out of which net HUF-denominated issuance was HUF 1,240.5 billion and net foreign currency denominated issuance was HUF 692.5 billion.

	2013		2014		Change	
HUF billion	December	%	April	%	HUF billion	%
Foreign exchange denominated debt	8,904.9	40.2	10,232.6	41.6	1,327.6	14.9
Government securities	6,169.3	24.2	7,085.9	28.8	916.6	14.9
Loans	2,735.6	16.0	3,146.7	12.8	411.1	15.0
HUF denominated debt	12,976.4	58.1	14,259.3	58.0	1 282.8	9.9
Government securities	12,372.8	55.4	13,560.6	55.2	1 187.8	9.6
Loans	603.6	2.7	698.7	2.8	95.1	15.8
Total	21,881.4	98.3	24,491.8	99.6	2,610.5	11.9
Other obligations	117.3	1.7	94.8	0.4	-22.5	-19.2
Total central government debt	21,998.6	100.0	24,586.6	100.0	2,588.0	19.2

The HUF denominated debt of the central government increased by HUF 1,282.8 billion in 2014. The increase in domestic debt was the result of net government bond issuance of HUF 269.0 billion, the amount of discount Treasury bills increased by HUF 707.7 billion and the total amount of retail government securities increased by HUF 211.9 billion. The stock of non-marketable government bonds decreased by HUF 0.8 billion because of redemption. The volume of HUF loans increased by HUF 95.1 billion in 2014.

The foreign currency debt of the central government increased by HUF 1,327.6 billion in 2014. The foreign currency bond issue increased the debt by HUF 678.8 billion, the P€MAK and residence bond issuance was HUF 317.6 billion, the drawdown of foreign currency denominated loans was HUF 46.2 billion. The debt assumptions worth HUF 294.1 billion increased, while the redemptions of foreign currency debt worth HUF 368.2 billion decreased the debt. The exchange rate revaluations totalling HUF 357.6 billion increased the Hungarian Forint value of the foreign currency debt in 2014.

Benchmark yields

Maturity	31.12.2013.	31.03.2014.	30.04.2014.	Change, basis points
3-month	2.87	2.74	2.35	-39
6-month	2.95	2.75	2.45	-30
1-year	3.05	3.02	2.59	-43
3-year	4.04	4.53	4.08	-45
5-year	4.70	4.84	4.38	-46
10-year	5.70	5.54	5.35	-19
15-year	6.30	5.99	5.74	-25

Monthly OTC turnover of government securities was 25 % higher in April than a month before and reached HUF 4,807.4 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 72% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 178.4 billion in April, and amounted to HUF 4,780.6 billion at the end of the month. This volume represented 35.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 307.78 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).

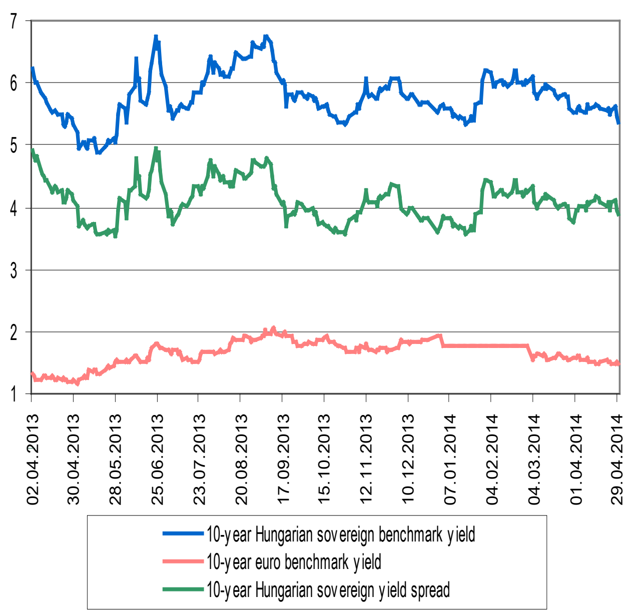
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

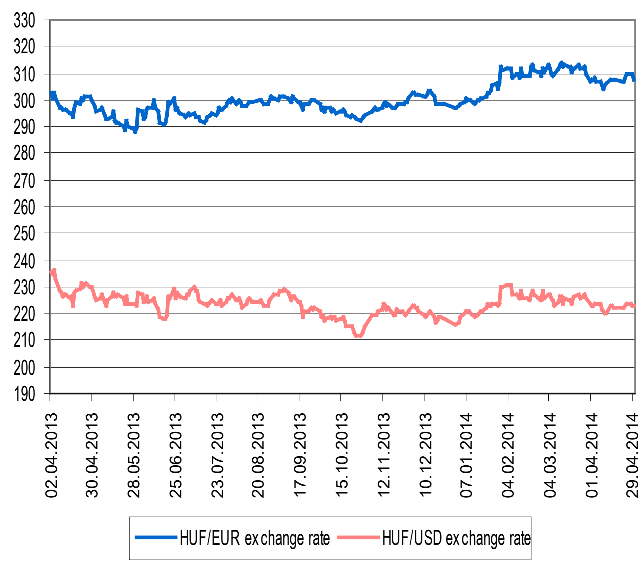
	2007	2008	2009	2010	2011	2012	2013	February 2014	March 2014	April 2014
1. Forint denominated debt	11,103.8	11,250.6	10,476.2	10,978.2	10,362.2	12,042.4	12,976.4	13,690.6	13,955.1	14,259.3
1.1. Loans	145.7	219.9	438.7	540.8	590.8	566.8	603.6	643.9	614.2	698.7
1.2. Government securities	10,958.1	11,030.7	10,037.5	10,437.4	9,771.4	11,475.6	12,372.8	13,046.7	13,341.0	13,560.6
1.2.1. Public issues	10,465.4	10,599.7	9,613.2	10,019.6	9,378.1	11,077.1	12,182.3	12,856.2	13,151.3	13,370.9
1.2.1.1. Bonds	8,245.3	8,570.6	7,519.2	7,965.8	7,353.4	8,184.1	8,588.8	8,561.2	8,615.7	8,857.8
1.2.1.2. Discount T-bills	1,664.9	1,482.4	1,647.3	1,618.2	1,540.9	1,906.5	1,904.9	2,495.9	2,647.1	2,612.6
1.2.1.3. Retail securities	555.2	546.4	446.6	435.7	473.8	986.6	1,688.5	1,799.0	1,888.4	1,900.5
1.2.2. Private placements	492.7	431.0	424.3	417.8	403.2	398.5	190.5	190.5	189.7	189.7
2. Foreign currency denominated debt*	4,472.6	6,774.8	8,466.7	8,842.8	10,170.4	8,326.6	8,904.9	9,595.4	10,202.3	10,232.6
2.1. Loans	846.5	2,529.4	4,112.7	4,292.8	4,458.1	3,312.5	2,735.6	3,134.2	3,140.8	3,146.7
2.1.1. Foreign loans	838.8	2,529.4	4,112.7	4,292.8	4,361.9	3,229.0	2,400.2	2,620.8	2,640.2	2,645.9
2.1.2. Domestic loans	104.0	0.0	0.0	0.0	96.2	83.5	335.4	513.4	500.7	500.7
2.2. Government securities	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	5,014.1	6,169.3	6,461.2	7,061.5	7,085.9
2.2.1. Issued abroad	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	4,924.2	5,736.9	5,694.7	6,297.2	6,312.0
2.2.2. Issued domestically	0.0	0.0	0.0	0.0	0.0	89.9	432.5	766.5	764.2	773.9
Total	15,576.4	18,025.4	18,942.9	19,821.0	20,532.6	20,369.0	21,881.4	23,286.0	24,157.4	24,491.8
Other liabilities	9.1	78.5	20.1	220.01	422.9	351.1	117.3	105.6	98.5	94.8
Total central government debt	15,585.5	18,103.9	18,963.1	20,041.0	20,955.5	20,720.1	21,998.6	23,391.6	24,255.9	24,586.6
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2..2.)	*10,402.9*	*10,484.0*	*9,623.3*	*10,001.8*	*9,297.6*	*10,489.1*	*10,684.2*	*11,247.6*	*11,452.5*	*11,660.1*
Gross debt/GDP	*61.3%*	*68.2%*	*74.0%*	*75.6%*	*75.8%*	*73.9%*	*75.7%*			

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

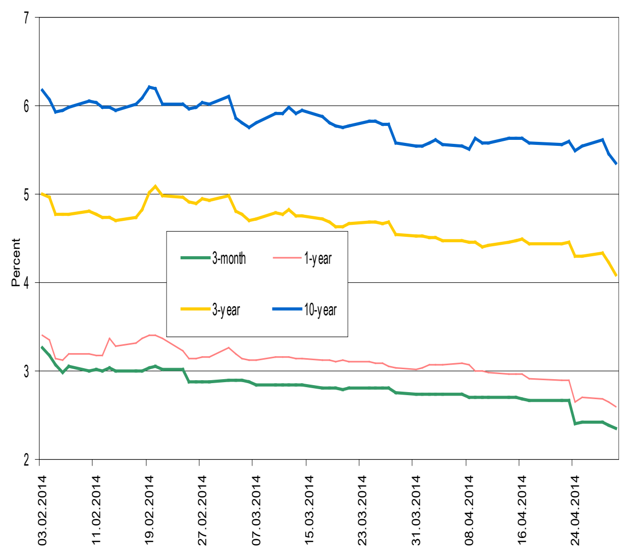
% 10-year Hungarian and eurozone benchmark yields during the last year



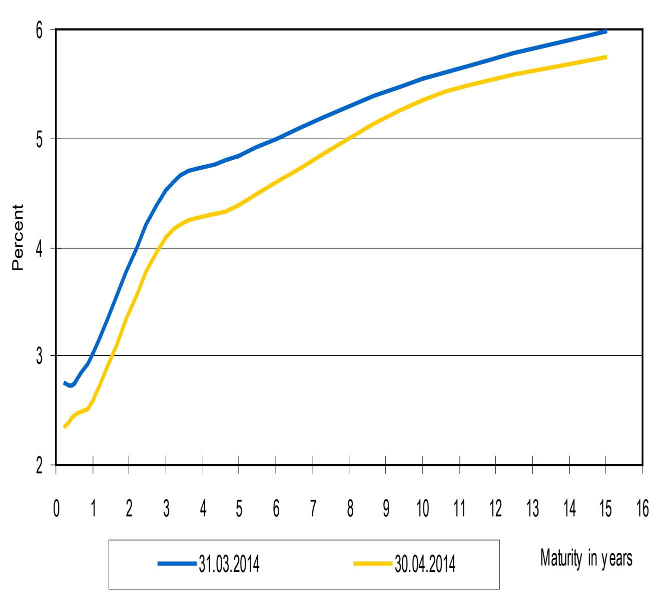
The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months



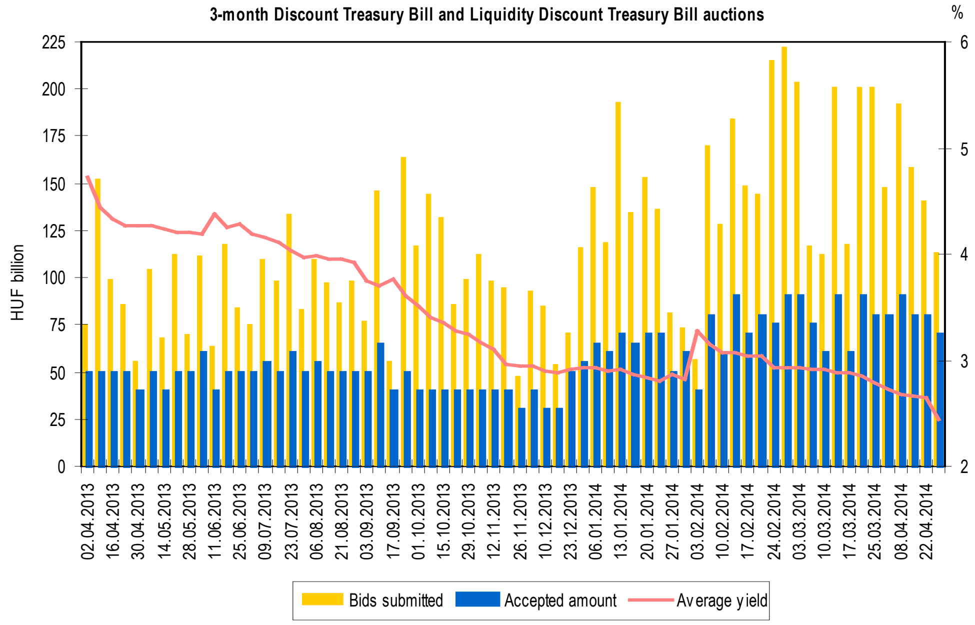
Benchmark yield curves

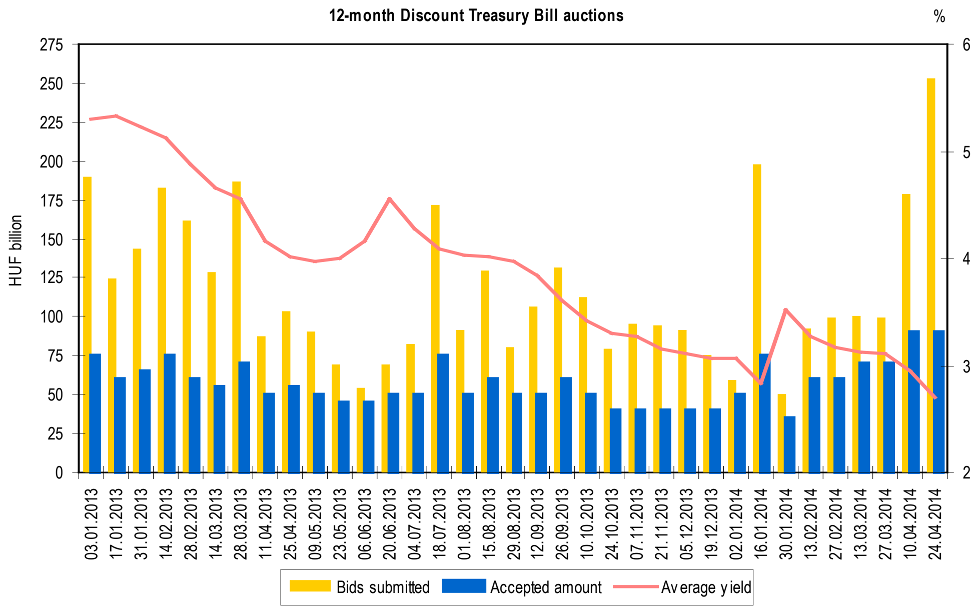


DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D140709	D140716	D140723	D140730	D140806	D150401	D150401
ISIN code	HU0000519939	HU0000519947	HU0000519954	HU0000519962	HU0000519806	HU0000519921	HU0000519921
Maturity in days	91	91	91	91	91	350	336
Date of auction	01.04.2014	08.04.2014	15.04.2014	22.04.2014	29.04.2014	10.04.2014	24.04.2014
Date of financial settlement	09.04.2014	16.04.2014	23.04.2014	30.04.2014	07.05.2014	16.04.2014	30.04.2014
Redemption date	09.07.2014	16.07.2014	23.07.2014	30.07.2014	06.08.2014	01.04.2015	01.04.2015
Maximum yield (%) - ISMA	2.76	2.70	2.68	2.66	2.48	2.97	2.72
Minimum yield (%) - ISMA	2.69	2.65	2.61	2.60	2.39	2.93	2.65
Average yield (%) - ISMA	2.73	2.68	2.66	2.65	2.44	2.95	2.69
Maximum yield (%) - EHM	2.80	2.74	2.72	2.70	2.51	3.01	2.76
Minimum yield (%) - EHM	2.73	2.69	2.65	2.64	2.42	2.97	2.69
Average yield (%) - EHM	2.77	2.72	2.70	2.69	2.47	2.99	2.73
Average selling price (%)	99.3146	99.3271	99.3321	99.3346	99.3870	97.2119	97.5508
Amount offered for sale (HUF million)	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Amount of bids submitted (HUF million)	147,629.78	192,120.00	158,794.23	141,252.91	113,715.00	178,695.00	253,217.00
Amount of bids accepted (HUF million)	79,999.96	89,999.91	79,999.90	79,999.97	70,000.00	89,999.93	90,000.00
Bid-to-cover ratio	1.85	2.13	1.98	1.77	1.62	1.99	2.81
Bids submitted (pcs)	123	120	120	113	86	133	148
Bids accepted (pcs)	73	76	66	67	62	60	45
Market sales* (HUF million)	78,999.96	89,999.91	79,999.90	79,999.97	70,000.00	89,999.93	90,000.00
Retained on ÁKK's own account	24,000.04	27,000.09	24,000.10	24,000.03	21,000.00	27,000.07	0.00
Total amount issued (HUF million)	104,000.00	117,000.00	104,000.00	104,000.00	91,000.00	117,000.00	90,000.00

*Without issuance onto ÁKK's own account

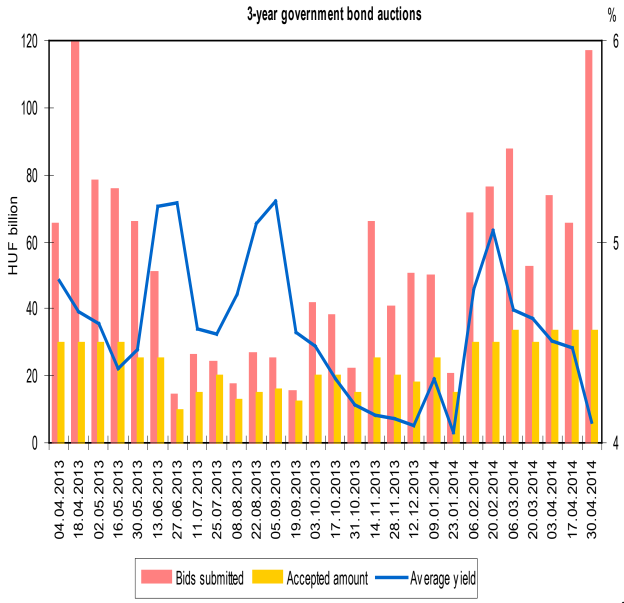


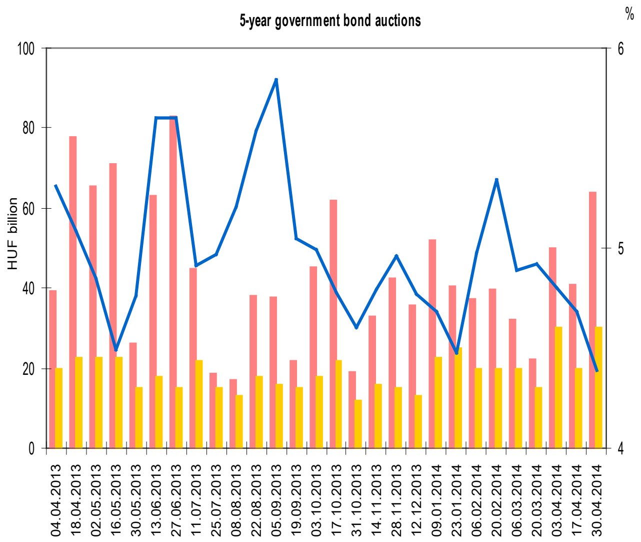


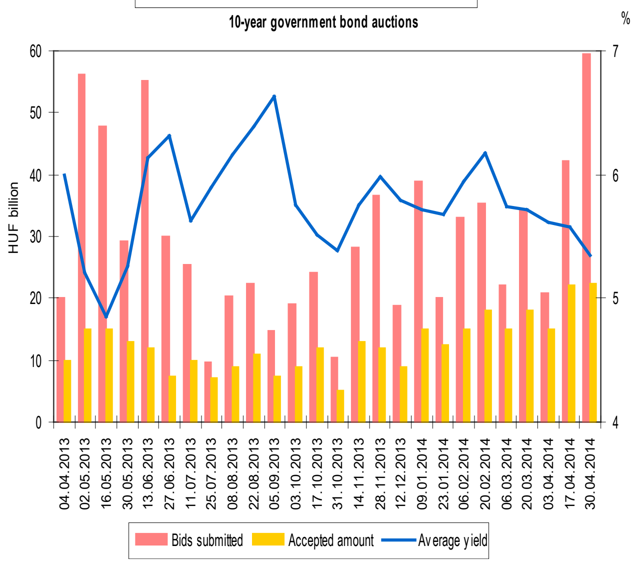
GOVERNMENT BOND AUCTION RESULTS

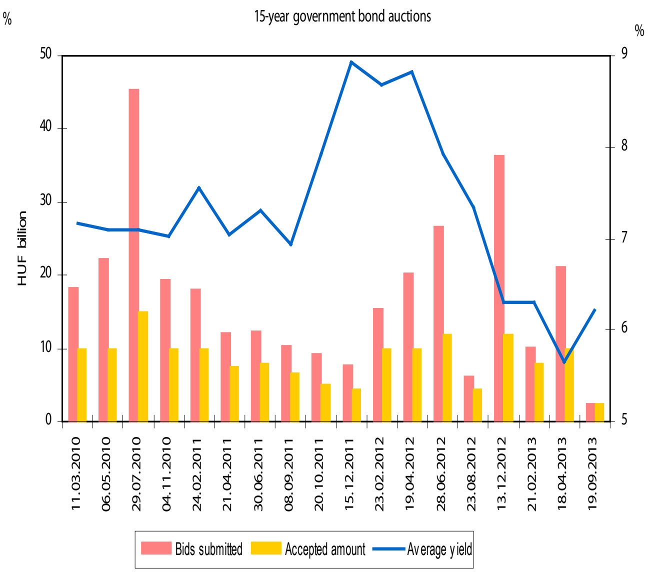
Government Bond	2018/B	2019/A	2025/B	2019/B	2018/B	2019/A	2025/B	2017/C	2018/B	2019/A	2025/B
ISIN code	HU0000402730	HU0000402433	HU0000402748	HU0000402649	HU0000402730	HU0000402433	HU0000402748	HU0000402821	HU0000402730	HU0000402433	HU0000402748
Maturity (in years)	3	5	10	5	3	5	10	3	3	5	10
Coupon (%)	4.00%	6.50%	5.50%	3.17%	4.00%	6.50%	5.50%	2.65%	4.00%	6.50%	5.50%
Auction	7th auction	67th auction	7th auction	17th auction	8th auction	68th auction	8th auction	1st auction	9th auction	69th auction	9th auction
Date of auction	03.04.2014	03.04.2014	03.04.2014	10.04.2014	17.04.2014	17.04.2014	17.04.2014	24.04.2014	30.04.2014	30.04.2014	30.04.2014
Date of financial settlement	09.04.2014	09.04.2014	09.04.2014	16.04.2014	23.04.2014	23.04.2014	23.04.2014	30.04.2014	07.05.2014	07.05.2014	07.05.2014
Redemption date	25.04.2018	24.06.2019	24.06.2025	20.05.2019	25.04.2018	24.06.2019	24.06.2025	20.12.2017	25.04.2018	24.06.2019	24.06.2025
Maximum annual yield (%) - ISMA	4.53	4.82	5.65		4.49	4.69	5.58		4.10	4.40	5.38
Minimum annual yield (%) - ISMA	4.30	4.60	5.56		4.44	4.65	5.58		4.08	4.37	5.33
Average annual yield (%) - ISMA	4.51	4.80	5.61		4.47	4.68	5.58		4.10	4.39	5.35
Maximum annual yield (%) - EHM	4.53	4.82	5.65		4.49	4.69	5.58		4.10	4.40	5.38
Minimum annual yield (%) - EHM	4.30	4.60	5.56		4.44	4.65	5.58		4.08	4.37	5.33
Average annual yield (%) - EHM	4.51	4.80	5.60		4.47	4.67	5.58		4.09	4.39	5.35
Maximum price (%)	98.9138	108.6010	99.5182	95.6500	98.4216	108.3105	99.3543	98.9500	99.7098	109.5894	101.4038
Minimum price (%)	98.0870	107.5532	98.7881	95.5100	98.2438	108.1208	99.3543	98.0000	99.6381	109.4459	100.9894
Average price (%)	98.1553	107.6529	99.1197	95.5700	98.3176	108.1864	99.3543	98.3300	99.6472	109.4750	101.2342
Amount offered for sale (HUF million)	25,000.00	20,000.00	15,000.00	7,000.00	25,000.00	20,000.00	15,000.00	20,000.00	25,000.00	20,000.00	15,000.00
Amount of bids submitted (HUF million)	73,678,35	50,102,60	20,760,00	16,300,00	65,396.00	41,070.00	42,200.00	137,100,00	116,775,00	63,700,00	59,610,00
Amount of bids accepted (HUF million)	33,499.92	29,999.93	14,999.97	10,000.00	33,499.94	19,999.98	21,999.98	29,999.98	33,499.98	29,999.95	22,500.00
Bid-to-cover ratio	2.20	1.67	1.38	1.63	1.95	2.05	1.92	4.57	3.49	2.12	2.65
Bids submitted (pcs)	93	77	58	23	94	59	58	95	107	68	71
Bids accepted (pcs)	56	51	45	13	42	26	12	41	23	28	30
Tail (average price - minimum price)	0.07	0.10	0.33	0.06	0.07	0.07	0.00	0.33	0.01	0.03	0.24
Market sales* (HUF million)	33,499.92	29,999.93	14,999.97	10,000.00	33,499.94	19,999.98	21,999.98	29,999.98	33,499.98	29,999.95	22,500.00
Non-competitive offer (HUF million)	10,355.81	10,895.72	0.00	3,680.00	12,460.51	7,199.98	238.82	11,262.21	11,639.97	11,119.96	5,840.00
Total amount issued (HUF million)	33,500.00	30,000.00	15,000.00	14,000.00	46,900.00	28,000.00	44,000.00	60,000.00	46,900.00	42,000.00	31,500.00

*Without issuance onto ÁKK's own account





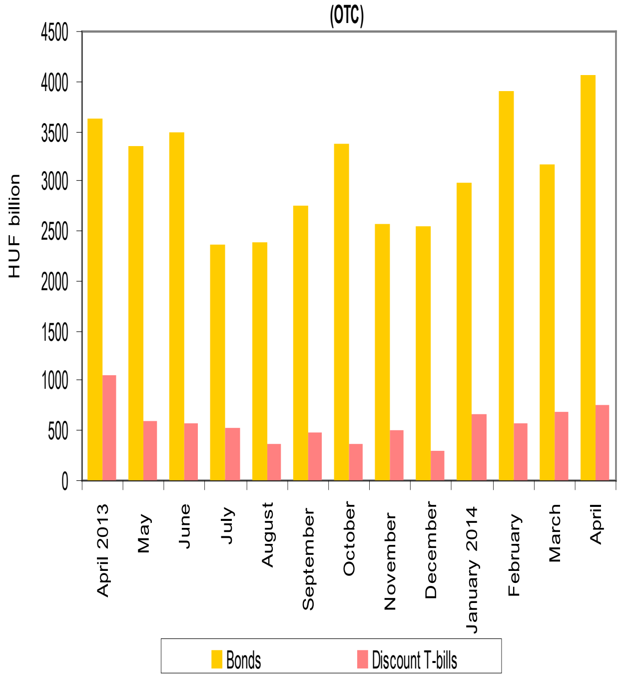




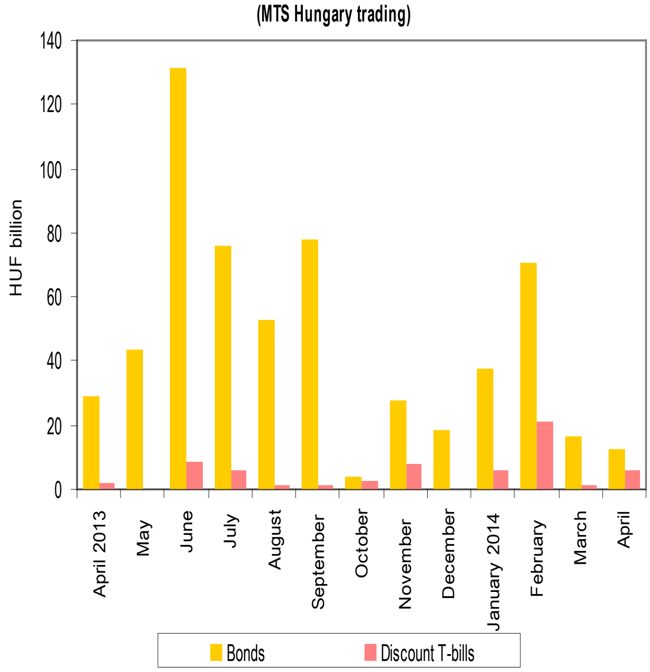
INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2014

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/C	24.04.2014	24.04.2014	24.10.2014	24.10.2014	2.86	3.32
2026/B	24.04.2014	24.04.2014	24.10.2014	24.10.2014	2.86	1.45
2018/I	23.04.2014	25.04.2014	25.04.2015	27.04.2015	3.10	3.10
2016/J	30.04.2014	02.05.2014	02.05.2015	04.05.2015	3.10	3.10
2017/C	30.04.2014	30.04.2014	20.06.2014	20.06.2014	2.65	0.38

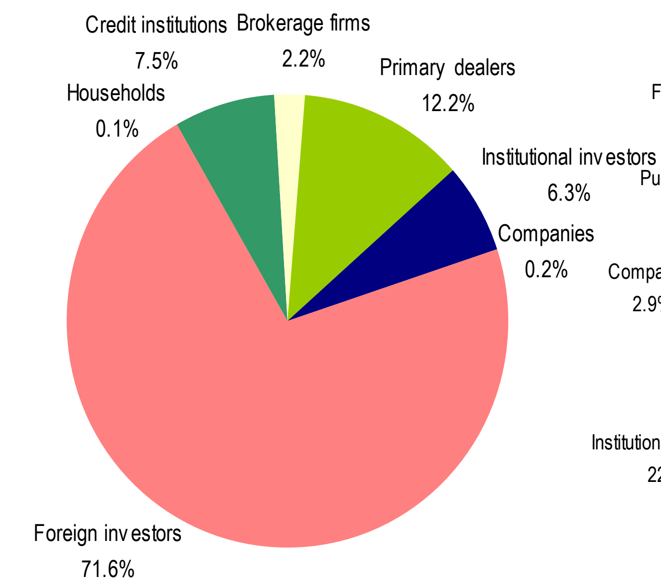
Secondary market trading of Hungarian government securities (OTC)



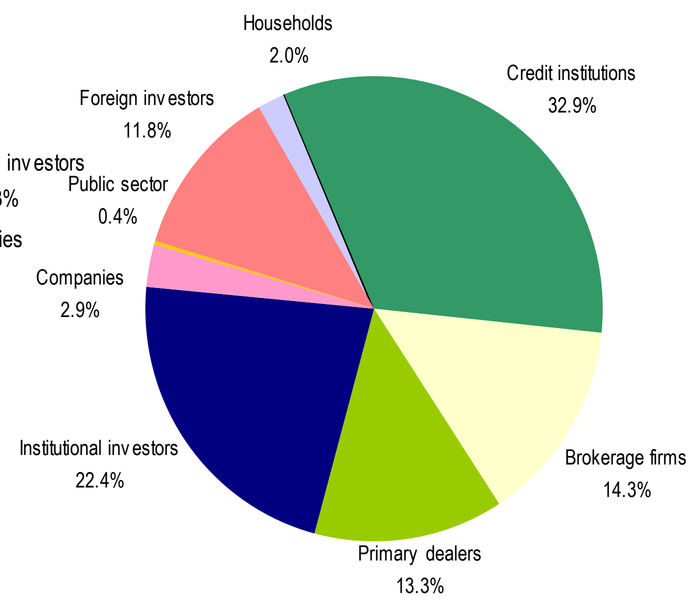
Secondary market trading of Hungarian government securities (MTS Hungary trading)



Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in April 2014



Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in April 2014



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 April 2014	600.1888	526.1581	581.6460	517.0426
Changes compared to the end of the month before	11.9450	2.6929	9.8103	1.5804
Annual yield earned on the index portfolio	7.97%	4.64%	7.07%	3.85%

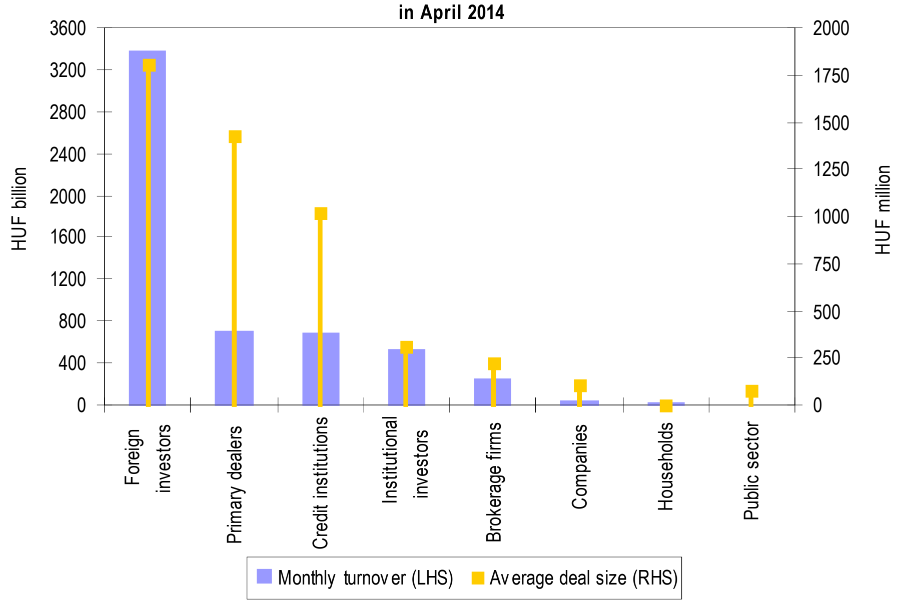
Government securities with the highest secondary market turnover in April 2014

Government security	Date of redemption	Turnover (HUF billion)
2023/A	24.11.2023	1,189.8
2019/A	24.06.2019	956.7
2017/A	24.11.2017	469.2
2022/A	24.06.2022	427.2
D150401	01.04.2015	256.2
2015/A	12.02.2015	220.6
2020/A	12.11.2020	203.7
2018/B	25.04.2018	181.6
2025/B	24.06.2025	169.2
2016/D	22.12.2016	158.1

The outstanding volume of government bonds with benchmark status at the end of April 2014

	HUF billion	
Government bond	31.03.2014	30.04.2014
2018/B	189.60	280.16
2019/A	783.99	852.39
2025/B	112.25	149.84
2028/A	120.79	120.84

Primary dealers' trading with different investor groups in April 2014



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