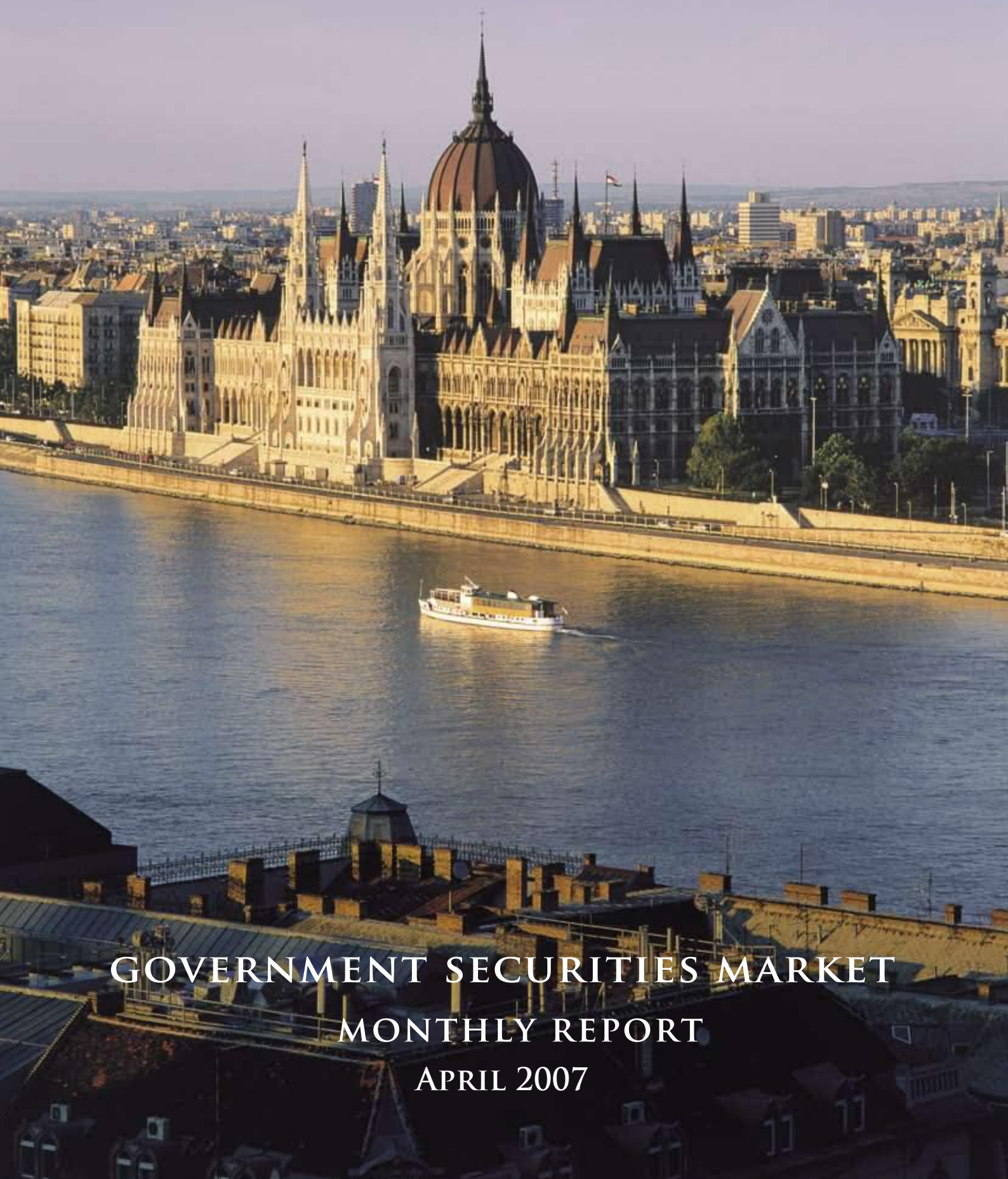




GOVERNMENT SECURITIES MARKET
MONTHLY REPORT
APRIL 2007

■ GOVERNMENT SECURITIES MARKET ■

The deficit of the central government amounted to HUF 687.2 billion in the first four months of 2007 without debt-assumption. The cash inflows worth HUF 87.2 billion from the EAGGF fund of the European Union decreased, the capital transfers to the NBH worth HUF 20.6 billion increased the net borrowing requirement. Thus the total net borrowing requirement was HUF 620.6 billion till the end of April. Net issuance was HUF 548.0 billion, out of which net HUF-denominated issuance was HUF 299.2 billion, net foreign currency denominated issuance was HUF 248.8 billion in the first four months.

The HUF-denominated debt of the central government increased by HUF 296.6 billion till the end of April (the difference between net change and net issuance was caused by the change in the stock of matured but unclaimed securities). Out of the increase of government debt, government bonds and discount Treasury bills accounted for HUF 378.4 billion and HUF 31.1 billion respectively, while the stock of retail government securities decreased by HUF 5.7 billion. The stock of non-marketable government bonds decreased by HUF 1.1 billion because of redemption. In March there took place debt-assumption worth HUF 58.2 billion and prepayment worth HUF 164.3 billion. Thus the volume of HUF-denominated loans dropped by HUF 106.1 billion to HUF 250.3 billion in the period.

The foreign currency debt of the central government increased by HUF 140.8 billion till the end of April. The HUF 258.5 billion worth of issuance increased and redemptions of foreign currency loans worth HUF 9.7 billion and exchange rate gains totalling HUF 107.9 billion decreased the Hungarian forint value of the foreign currency debt.

Secondary market yields decreased on all maturities in April. The 1-year yield fell by 15 basis points to 7.35%, the 3-year yield dropped by 30 basis points to 7.00%, the 10-year benchmark yield came down by 13 basis points to 6.55%.

Monthly OTC turnover of government securities was 14% lower in April than a month before and reached HUF 4,567.1 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 48% of their secondary government securities deals with non-resident investors.

Non-resident holdings of Hungarian government securities decreased altogether by HUF 50.6 billion and amounted to HUF 3,034.1 billion at the end of April. This represented 30.5% of domestic government bonds and discount Treasury bills.

The EUR/HUF exchange rate according to the Hungarian National Bank was 246.42 at the last working day of April.

The credit rating of the long-term foreign currency debt of the Republic of Hungary at 30 April 2007 was: BBB+ (Standard & Poor's); A2 (Moody's); BBB+ (Fitch).

■ GOVERNMENT SECURITIES MARKET ■

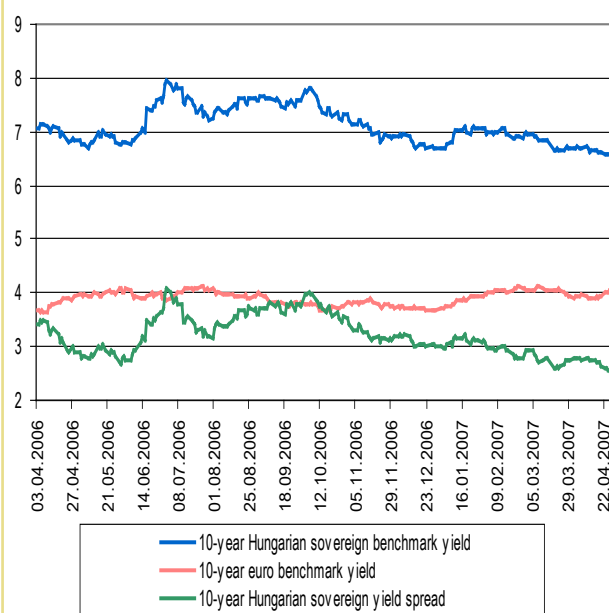
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

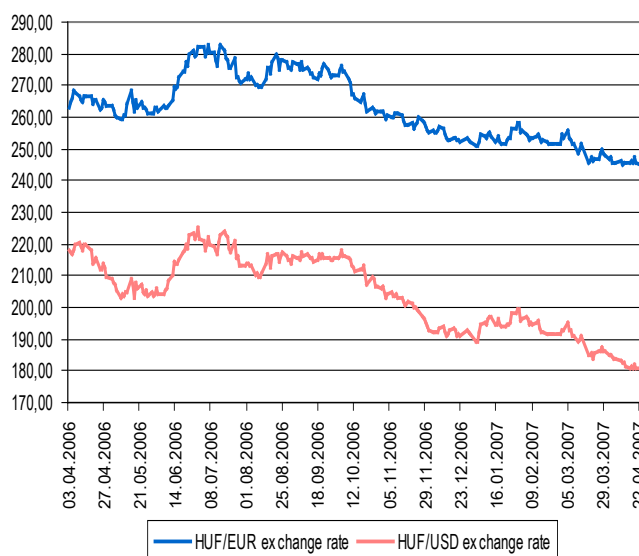
	2001	2002	2003	2004	2005	2006	Feb 2007	Mar 2007	Apr 2007
1. Forint denominated debt	5,397.4	6,956.9	8,008.7	8,608.8	9,153.5	10,552.3	10,740.8	10,892.4	10,848.9
1.1. Loans	228.3	353.2	117.9	4.7	0.8	356.4	356.4	250.3	250.3
1.2. Government securities	5,169.1	6,603.7	7,890.8	8,604.2	9,152.7	10,195.9	10,384.4	10,642.1	10,598.6
1.2.1. Public issues	4,360.0	5,826.3	7,131.5	7,860.6	8,418.8	9,667.5	9,856.3	10,114.0	10,071.3
1.2.1.1. Bonds	2,782.0	3,829.2	5,056.5	5,768.9	6,299.1	7,244.2	7,408.8	7,721.8	7,622.6
1.2.1.2. Discount T-bills	1,033.3	1,436.8	1,541.4	1,463.3	1,530.9	1,755.9	1,783.8	1,727.9	1,787.0
1.2.1.3. Retail securities	544.7	560.3	533.5	628.4	588.7	667.4	663.7	664.3	661.7
1.2.2. Private placements	809.1	777.4	759.3	743.6	733.9	528.4	528.1	528.1	527.3
2. Foreign currency denominated debt*	2,322.1	2,267.3	2,579.0	2,983.5	3,590.7	4,124.4	4,416.3	4,295.6	4,265.2
2.1. Loans	1,410.4	1,394.3	1,084.1	916.8	720.6	803.7	808.0	785.9	775.5
2.1.1. Foreign loans	317.8	461.9	598.8	528.9	616.9	700.1	703.4	684.2	674.4
2.1.2. Domestic loans	1,092.6	932.3	485.3	387.8	103.8	103.6	104.6	101.7	101.2
2.1.2.1. Raised from National Bank of Hungary (NBH)	1,092.6	849.6	466.5	355.7	96.1	95.9	96.8	94.2	93.7
2.1.2.2. Other loans	0.0	82.8	18.8	32.2	7.7	7.7	7.8	7.5	7.5
2.2. Government securities	911.7	873.0	1,494.9	2,066.8	2,870.1	3,320.7	3,608.3	3,509.7	3,489.7
2.2.1. Issued abroad	911.7	873.0	1,494.9	2,066.8	2,870.1	3,320.7	3,608.3	3,509.7	3,489.7
2.2.1.1. Foreign currency bonds	911.5	872.9	1,494.7	2,066.7	2,870.0	3,320.6	3,608.2	3,509.6	3,489.7
2.2.1.2. Kingdom of Hungary 1924 issues	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
2.2.2. Issued domestically	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,719.5	9,224.2	10,587.7	11,592.4	12,744.2	14,676.7	15,157.1	15,188.1	15,114.2
Other liabilities					21.4	29.0	25.6	25.4	25.3
Total central government debt					12,765.6	14,705.7	15,182.7	15,213.5	15,139.5
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2.)	4,624.4	6,043.4	7,357.3	7,975.8	8,563.9	9,528.4	9,720.7	9,977.8	9,936.9
Gross debt/GDP	50.5%	53.6%	55.9%	56.0%	58.0%	62.4%			

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

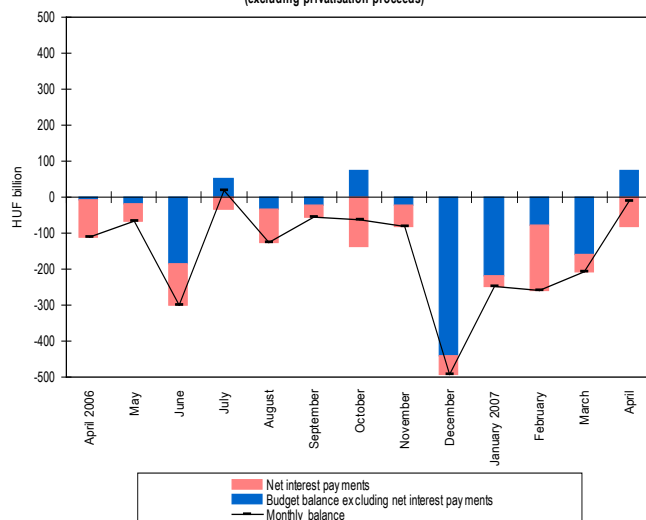
% 10-year Hungarian and eurozone benchmark yields during the last year



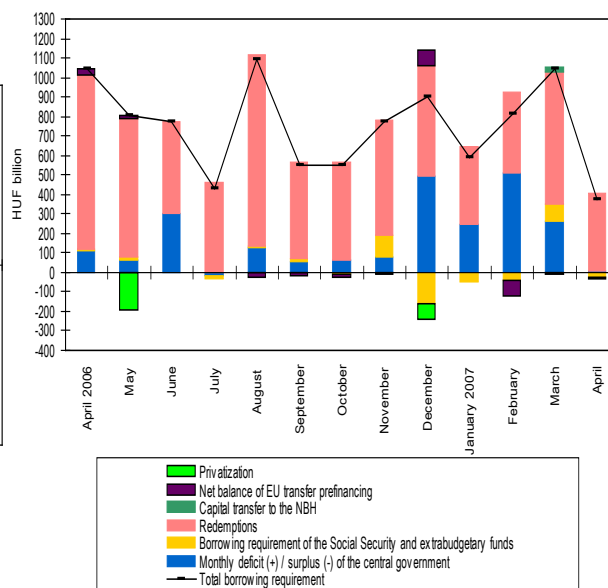
The exchange rate of the Hungarian Forint during the last year



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



Gross borrowing requirement

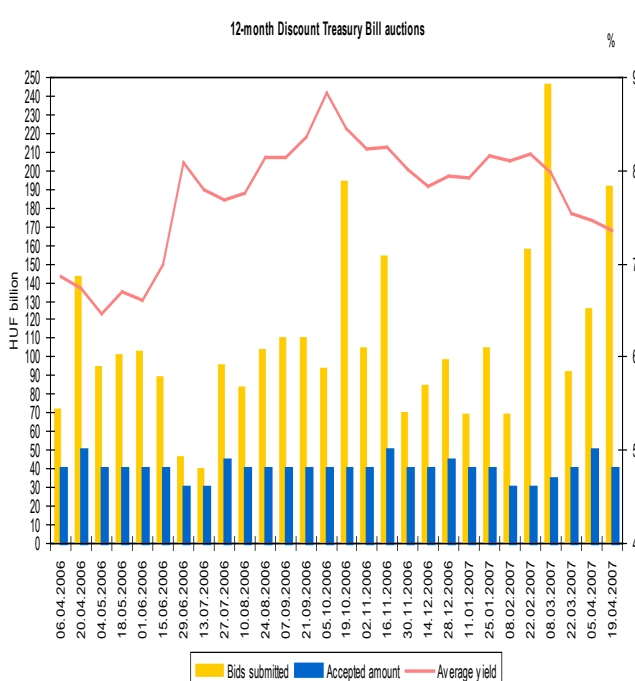
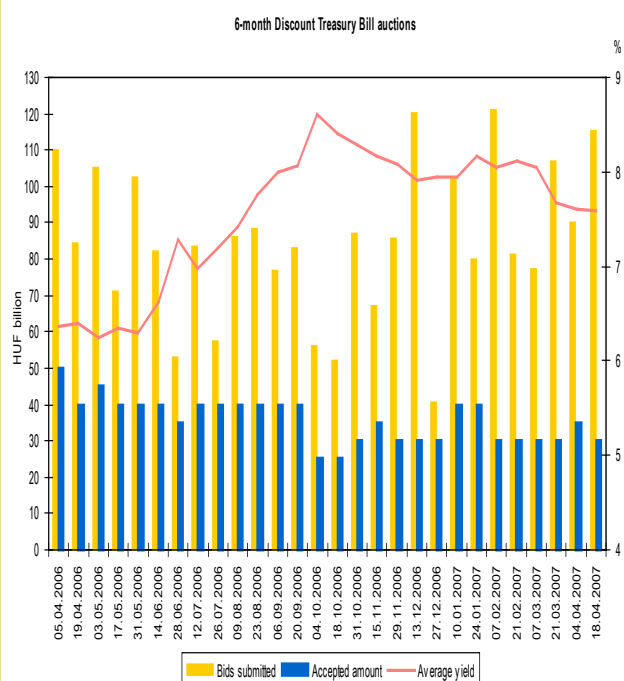
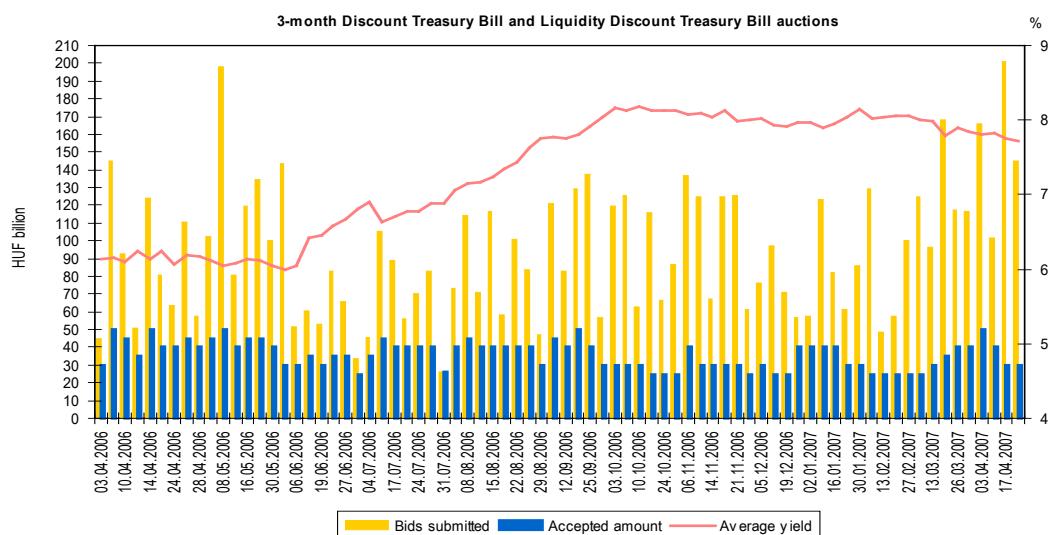


■ GOVERNMENT SECURITIES MARKET ■

DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills		12-month Discount T-bills	
Code of T-bills	D070711	D070718	D070725	D070801	D071024	D071024	D080312	D080312
ISIN code	HU0000516257	HU0000516273	HU0000516281	HU0000515895	HU0000516265	HU0000516265	HU0000516224	HU0000516224
Maturity in days	91	91	91	91	196	182	336	322
Date of auction	06.04.2007	10.04.2007	17.04.2007	24.04.2007	04.04.2007	18.04.2007	04.04.2007	19.04.2007
Date of financial settlement	11.04.2007	18.04.2007	25.04.2007	02.05.2007	11.04.2007	25.04.2007	11.04.2007	25.04.2007
Redemption date	11.07.2007	18.07.2007	25.07.2007	01.08.2007	24.10.2007	24.10.2007	12.03.2008	12.03.2008
Maximum yield, (%) - ISMA	7.83	7.84	7.78	7.74	7.62	7.61	7.50	7.36
Minimum yield (%) - ISMA	7.70	7.75	7.73	7.68	7.51	7.40	7.30	7.30
Average yield (%) - ISMA	7.80	7.82	7.76	7.71	7.60	7.59	7.47	7.36
Maximum yield, (%) - EHM	7.94	7.95	7.89	7.85	7.73	7.72	7.60	7.46
Minimum yield (%) - EHM	7.81	7.86	7.84	7.79	7.61	7.50	7.40	7.40
Average yield (%) - EHM	7.91	7.93	7.87	7.82	7.71	7.70	7.57	7.46
Average selling price (%)	98.0665	98.0616	98.0762	98.0883	96.0266	96.3046	93.4824	93.8235
Amount offered for sale (HUF million)	40,000.00	40,000.00	30,000.00	30,000.00	30,000.00	30,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	165,572.00	101,625.68	200,697.94	144,994.07	90,047.64	115,505.76	125,650.38	191,626.16
Amount of bids accepted (HUF million)	49,999.92	39,999.90	29,999.96	29,999.92	34,999.95	29,999.97	49,999.92	39,999.98
Bid-to-cover ratio	3.31	2.54	6.69	4.83	2.57	3.85	2.51	4.79
Bids submitted (pcs)	98	104	105	104	110	110	119	105
Bids accepted (pcs)	79	60	27	29	72	60	81	13
Market sales* (HUF million)	49,999.92	39,999.90	29,999.96	29,999.92	34,999.95	29,999.97	49,999.92	39,999.98
Retained on ÁKK's own account (HUF m.)	5,000.08	4,000.10	3,000.04	3,000.08	10,500.05	6,000.03	10,000.08	8,000.02
Total amount issued (HUF million)	55,000.00	44,000.00	33,000.00	33,000.00	45,500.00	36,000.00	60,000.00	48,000.00

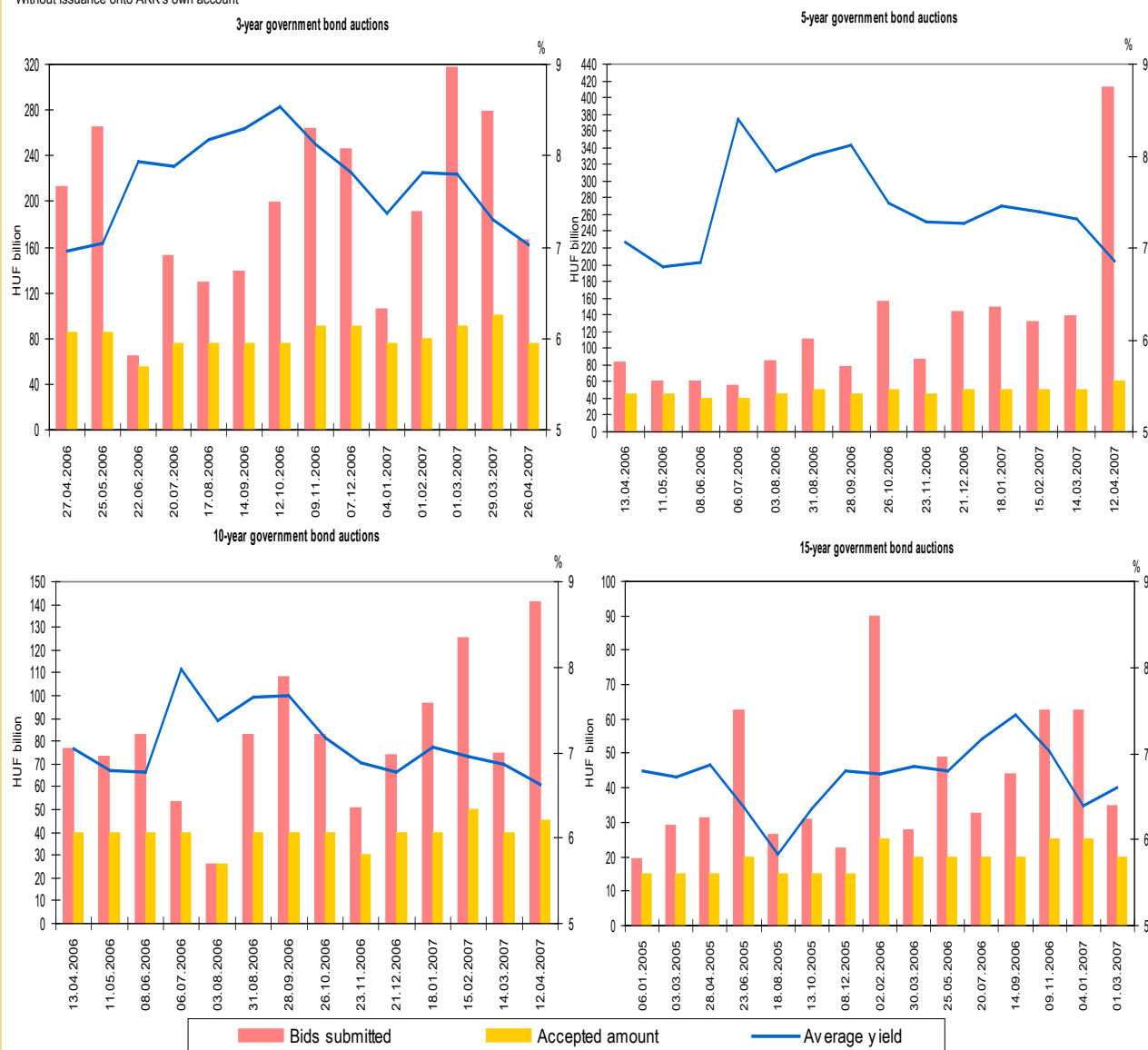
*Without issuance onto ÁKK's own account



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2012/B	2017/B	2010/C	2023/A
ISIN code	HU0000402367	HU0000402375	HU0000402391	HU0000402383
Maturity (in years)	5	10	3	15
Coupon (%)	7.25%	6.75%	6.75%	6.00%
Auction	8th auction	8th auction	5th auction	3rd auction
Date of auction	12.04.2007	12.04.2007	26.04.2007	26.04.2007
Date of financial settlement	18.04.2007	18.04.2007	02.05.2007	02.05.2007
Redemption date	12.06.2012	24.02.2017	12.04.2010	24.11.2023
Maximum annual yield (%) - ISMA	6.87	6.64	7.05	6.41
Minimum annual yield (%) - ISMA	6.84	6.60	6.99	6.37
Average annual yield (%) - ISMA	6.86	6.62	7.03	6.39
Maximum annual yield (%) - EHM	6.86	6.63	7.04	6.41
Minimum annual yield (%) - EHM	6.83	6.59	6.98	6.37
Average annual yield (%) - EHM	6.86	6.62	7.02	6.38
Maximum price (%)	101.7268	101.0356	99.3687	96.2634
Minimum price (%)	101.5988	100.7508	99.2146	95.8726
Average price (%)	101.6250	100.8646	99.2637	96.0720
Amount offered for sale (HUF million)	45,000.00	40,000.00	75,000.00	20,000.00
Amount of bids submitted (HUF million)	412,964.00	141,350.00	166,390.00	36,995.00
Amount of bids accepted (HUF million)	59,999.96	44,999.93	74,999.85	19,999.94
Bid-to-cover ratio	6.88	3.14	2.22	1.85
Bids submitted (pcs)	126	113	111	91
Bids accepted (pcs)	30	59	52	50
Tail (average price - minimum price)	0.03	0.11	0.05	0.20
Market sales* (HUF million)	59,999.96	44,999.93	74,999.85	19,999.94
Retained on ÁKK's own account (HUF million)	0.04	0.07	0.15	4,000.06
Total amount issued (HUF million)	60,000.00	45,000.00	75,000.00	24,000.00

*Without issuance onto ÁKK's own account

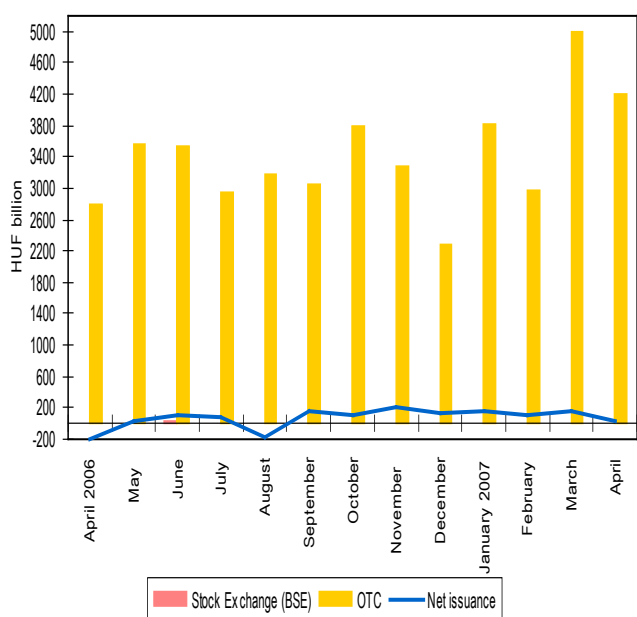


■ GOVERNMENT SECURITIES MARKET ■

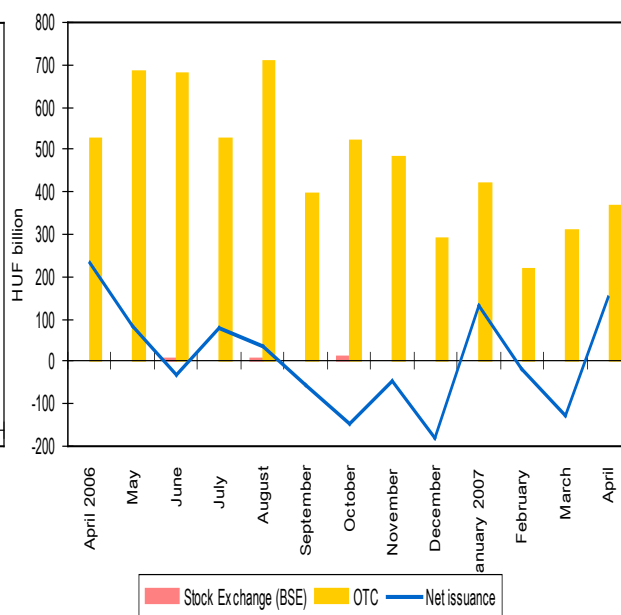
GOVERNMENT BOND BUY-BACK AUCTION RESULTS

Government bond	2008/D	2007/G
ISIN code	HU0000402276	HU0000402250
Coupon (%)	7.25%	9.25%
Date of reverse auction	25.04.2007	25.04.2007
Date of financial settlement	02.05.2007	02.05.2007
Redemption date	24.04.2008	12.10.2007
Minimum annual yield (%)	7.35	7.70
Average annual yield (%)	7.37	7.72
Amount of bids submitted (HUF million)	84,329.63	27,696.33
Amount of bids accepted (HUF million)	30,829.63	16,984.45

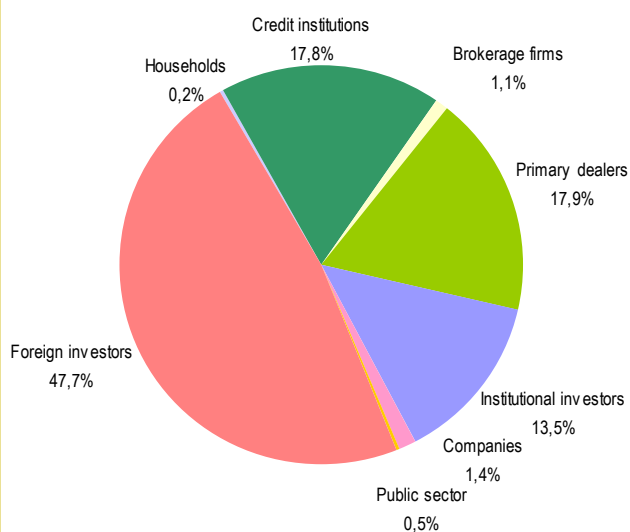
Secondary market trading of government bonds



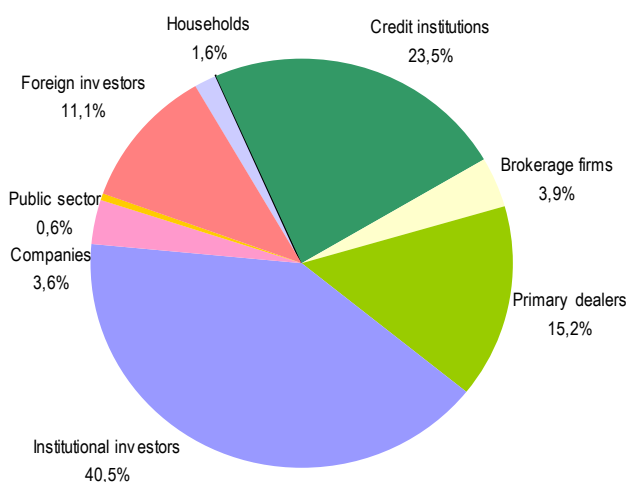
Secondary market trading of Discount Treasury Bills



Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in April 2007

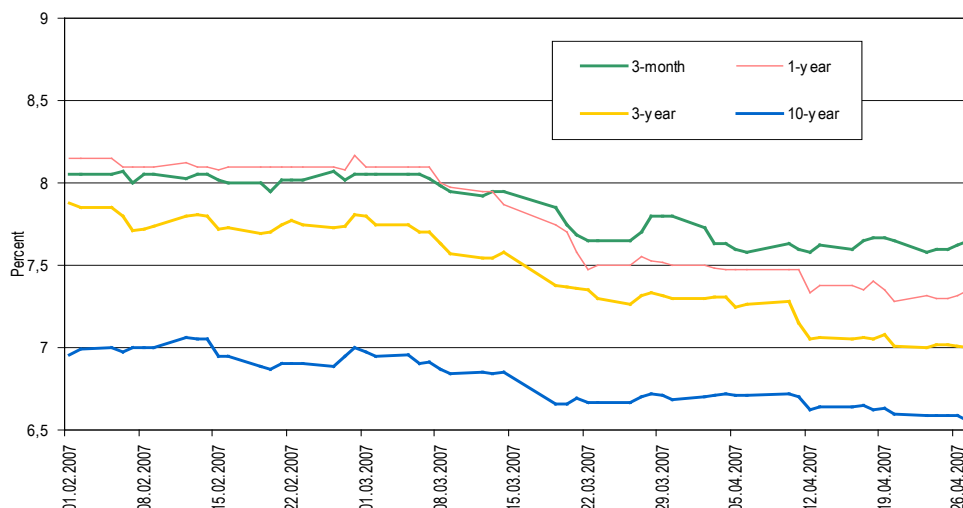


Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in April 2007



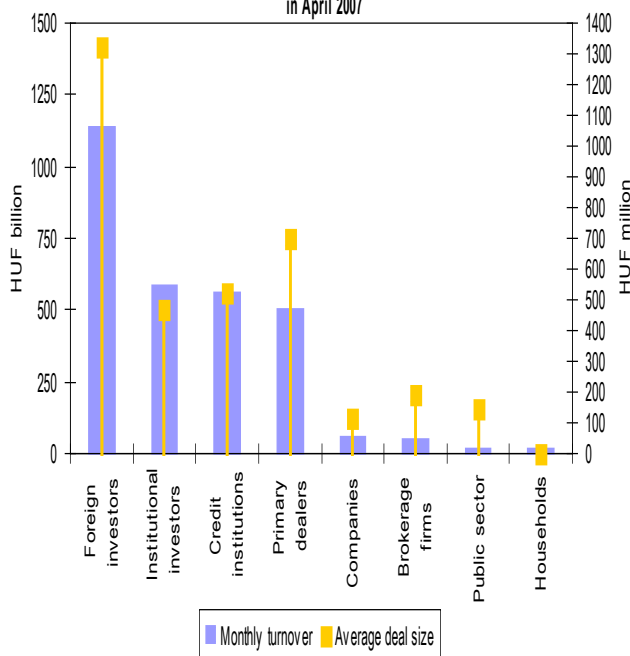
■ GOVERNMENT SECURITIES MARKET ■

Benchmark yields in the past three months

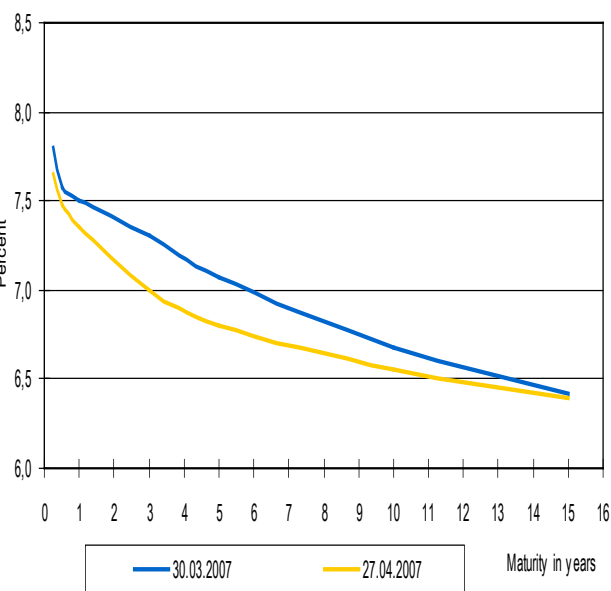


Primary dealers' trading with different investor groups

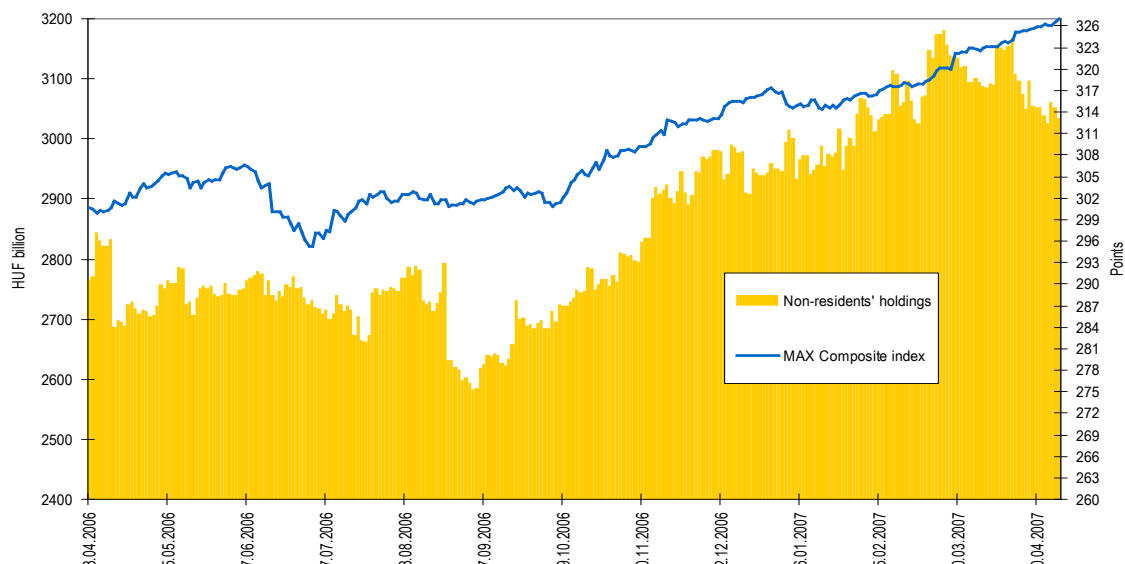
in April 2007



Benchmark yield curves



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



■ GOVERNMENT SECURITIES MARKET ■

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2007

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/B	23.04.2007	24.04.2007	24.10.2007	24.10.2007	7.88	-
2026/C	23.04.2007	24.04.2007	24.10.2007	24.10.2007	7.88	8.02
2008/A	23.04.2007	24.04.2007	24.07.2007	24.07.2007	7.76	-
2016/A	30.03.2007	31.03.2007	30.06.2007	02.07.2007	7.50	1.87

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 27 April 2007	332.3006	323.6789	326.9619	325.7959
Changes compared to the end of the month before	4.2060	2.1292	3.8654	2.0515
Annual yield earned on the index portfolio	7.89%	7.34%	7.71%	7.60%

Government securities with the highest secondary market turnover in April 2007

Government security	Date of redemption	Turnover (HUF billion)
2012/B	12.06.2012	519.9
2010/C	12.04.2010	456.0
2009/F	12.08.2009	269.2
2017/B	24.02.2017	184.8
D071121	21.11.2007	168.4
D080312	12.03.2008	137.1
2016/C	12.02.2016	127.1
2009/E	24.04.2009	94.1
2011/B	12.10.2011	87.0
2008/D	24.04.2008	81.2

The outstanding volume of government bonds with benchmark status at the end of April 2007

Government bond	HUF billion	
	30.03.2007	27.04.2007
2010/C	245.15	346.59
2012/B	340.08	400.17
2017/B	280.02	325.06
2023/A	45.00	45.01

PRIMARY DEALERS - AS AT 30 APRIL 2007

Primary dealers:		Primary dealers for retail securities:
CIB Bank Zrt.	ING Bank Zrt.	CIB Bank Zrt.
CITIBANK Zrt.	Kereskedelmi és Hitelbank Nyrt.	HVB Bank Hungary Zrt.
Deutsche Bank Zrt.	Magyar Külkereskedelmi Bank Nyrt.	Kereskedelmi és Hitelbank Nyrt.
Dresdner Bank AG (Frankfurt)	Magyar Takarékszövetkezeti Bank Zrt.	Magyar Takarékszövetkezeti Bank Zrt.
ERSTE Bank Befektetési Magyarország Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.
UniCredit Bank Hungary Zrt.		the branch network of the Hungarian State Treasury