MONTHLY REPORT
MARCH 2015

The net issuance was HUF 453.1 billion; out of which net HUF-denominated issuance was HUF 739.2 billion and net foreign currency denominated issuance was HUF -286.1 billion in 2015.

	2014		2015		Change	
HUF billion	December	%	March	%	HUF billion	%
HUF denominated debt	14,612.0	61.2	15,351.3	63.0	739.2	5.1
Loans	623.3	2.6	732.8	3.0	109.5	17.6
Government bonds	9,989.0	41.8	10,090.3	41.4	101.2	1,0
Retail securities	2,411.1	10.1	2,602.5	10.7	191.4	7.9
Discount treasury bills	1,588.6	6.7	1,925.7	7.9	337.1	21.2
Foreign exchange denominated debt	8,957.9	37.5	8,245.0	33.8	-712.9	-8.0
Total	23,569.9	98.7	23,596.3	96.8	26.3	0.1
Other obligations	311.2	1.3	774.2	3.2	463.1	148.8
Total central government debt	23,881.1	100.0	24,370.5	100.0	489.4	2.0

The HUF denominated debt of the central government increased by HUF 739.2 billion in 2015. The increase in domestic debt was the result of net government bond issuance of HUF 102.1 billion, the amount of discount Treasury bills increased by HUF 337.1 billion and the total amount of retail government securities increased by HUF 191.4 billion. The volume of HUF loans increased by HUF 109.5 billion in 2015.

The foreign currency debt of the central government decreased by HUF 712.9 billion in 2015. The domestic P€MAK and residence bond issuance was HUF 79.3 billion, the debt assumptions was HUF 1.1 billion, while the redemptions of foreign currency debt worth HUF 366.5 billion decreased the debt. The exchange rate revaluations totalling HUF 426.8 billion decreased the Hungarian Forint value of the foreign currency debt in March. The total amount of other liabilities increased by HUF 463.1 billion in March.

Benchmark yields

Maturity	31.12.2014.	27.02.2015.	31.03.2015.	Change in February, basis points
3-month	1.43	1.58	1.50	-8
6-month	1.54	1.60	1.64	4
1-year	1.80	1.63	1.63	0
3-year	2.72	2.01	2.12	11
5-year	3.15	2.47	2.60	13
10-year	3.60	2.91	3.28	37
15-year	3.83	3.12	3.40	28

Monthly OTC turnover of government securities increased in March and reached HUF 5,954.3 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 56% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 130.6 billion in March, and amounted to HUF 4,872.0 billion at the end of the month. This volume represented 33.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 299.14 on the last working day of March.

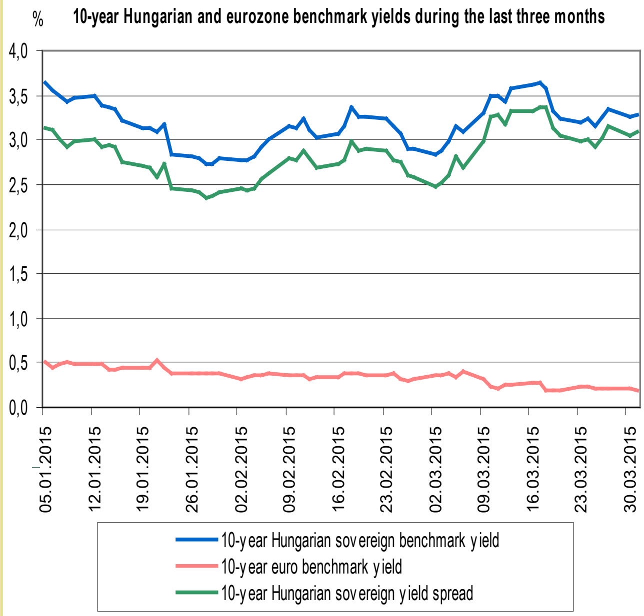
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of March:BB+ (Standard & Poor's); Ba1 (Moody's); BB+ (Fitch).

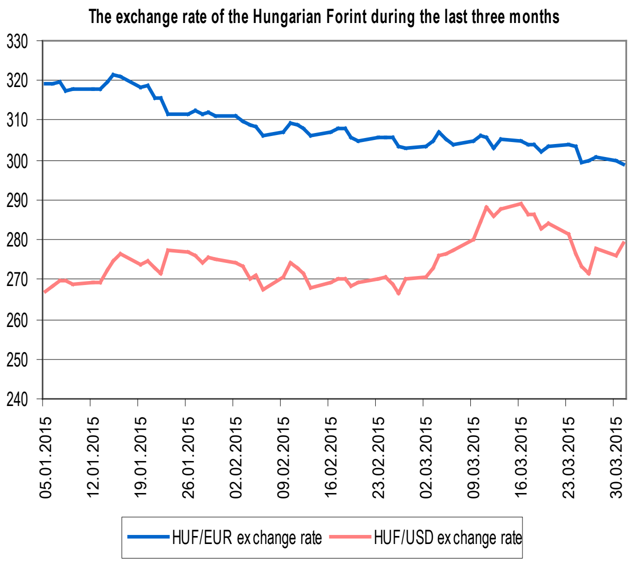
CENTRAL GOVERNMENT GROSS DEBT

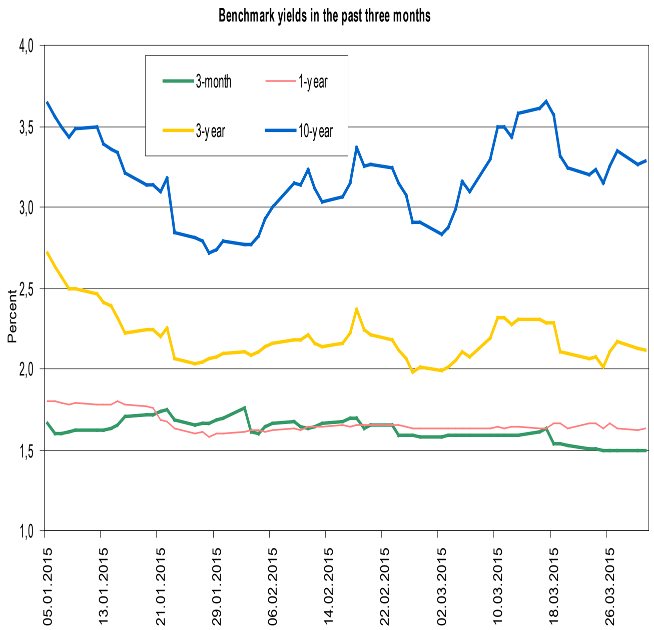
HUF BILLION

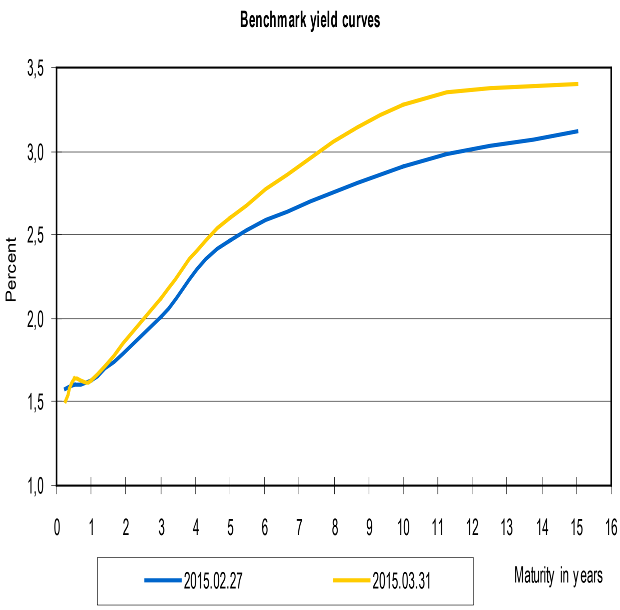
	2010	2011	2012	2013	2014	January 2015	February 2015	March 2015
1. Forint denominated debt	10,978.2	10,362.2	12,042.4	12,976.4	14,612.0	15,123.0	15,224.0	15,351.3
1.1. Loans	540.8	590.8	566.8	603.6	623.3	728.4	726.4	732.8
1.2. Government securities	10,437.4	9,771.4	11,475.6	12,372.8	13,988.7	14,394.6	14,497.6	14,618.5
1.2.1. Public issues	10,019.6	9,378.1	11,077.1	12,182.3	13,847.7	14,253.6	14,356.6	14,478.3
1.2.1.1. Bonds	7,965.8	7,353.4	8,184.1	8,588.8	9,848.0	10,064.7	9,942.2	9,950.1
1.2.1.2. Discount T-bills	1,618.2	1,540.9	1,906.5	1,904.9	1,588.6	1,770.5	1,923.7	1,925.7
1.2.1.3. Retail securities	435.7	473.8	986.6	1,688.5	2,411.1	2,418.4	2,490.6	2,602.5
1.2.2. Private placements	417.8	403.2	398.5	190.5	141.0	141.0	141.0	140.2
2. Foreign currency denominated debt*	8,842.8	10,170.4	8,326.6	8,904.9	8,957.9	8,863.0	8,324.0	8,245.0
2.1. Loans	4,292.8	4,458.1	3,312.5	2,735.6	2,164.3	2,146.3	2,086.4	2,056.4
2.1.1. Foreign loans	4,292.8	4,361.9	3,229.0	2,400.2	1,889.9	1,868.7	1,819.4	1,796.6
2.1.2. Domestic loans	0.0	96.2	83.5	335.4	274.4	277.6	267.0	259.8
2.2. Government securities	4,550.0	5,712.3	5,014.1	6,169.3	6,793.6	6,716.7	6,237.5	6,188.6
2.2.1. Issued abroad	4,550.0	5,712.3	4,924.2	5,736.9	5,844.6	5,773.0	5,275.9	5,209.9
2.2.2. Issued domestically	0.0	0.0	89.9	432.5	948.9	943.7	961.6	978.7
Total	19,821.0	20,532.6	20,369.0	21,881.4	23,569.9	23,985.9	23,548.0	23,596.3
Other liabilities	220.01	422.9	351.1	117.3	311.2	749.4	599.5	774.2
Total central government debt	20,041.0	20,955.5	20,720.1	21,998.6	23,881.1	24,735.3	24,147.5	24,370.5
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2.2.)	*10,001.8*	*9,297.6*	*10,489.1*	*10,684.2*	*11,577.6*	*11,976.2*	*12,006.9*	*12,016.0*
Gross debt/GDP	*74.4%*	*74.7%*	*72.6%*	*73.7%*	*74.9%*			

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







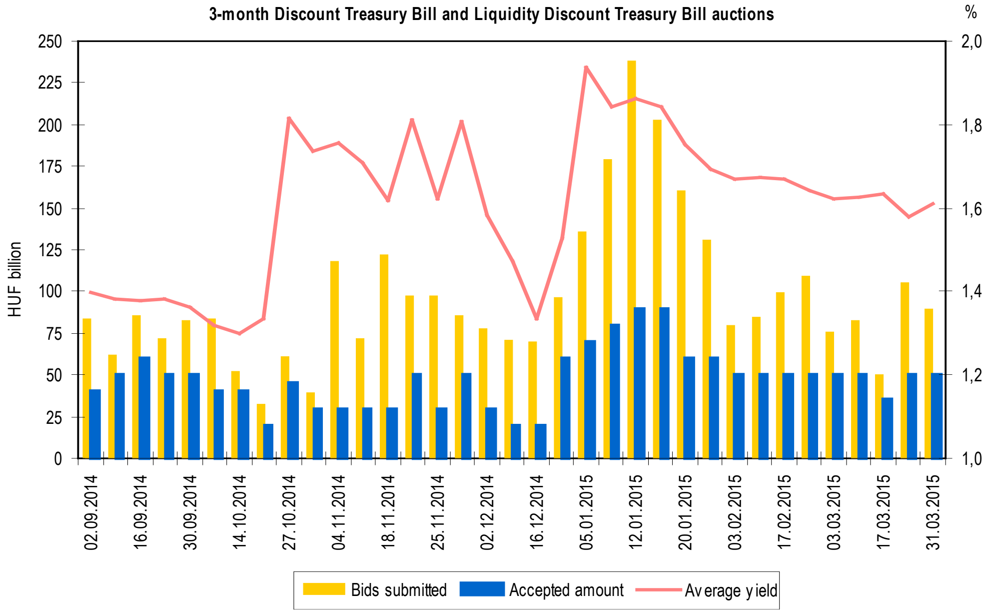


DISCOUNT TREASURY BILL AUCTION RESULTS

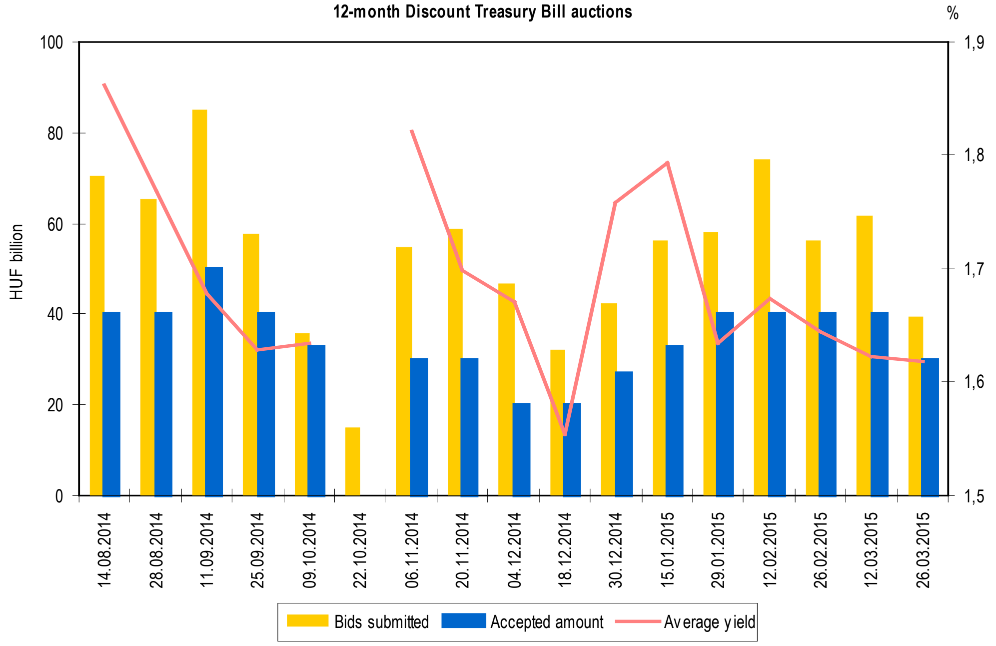
	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D150610	D150617	D150624	D150701	D150708	D160217	D160217
ISIN code	HU0000520424	HU0000520432	HU0000520440	HU0000520457	HU0000520465	HU0000520390	HU0000520390
Maturity in days	91	91	91	91	91	336	322
Date of auction	03.03.2015	10.03.2015	17.03.2015	24.03.2015	31.03.2015	12.03.2015	26.03.2015
Date of financial settlement	11.03.2015	18.03.2015	25.03.2015	01.04.2015	08.04.2015	18.03.2015	01.04.2015
Redemption date	10.06.2015	17.06.2015	24.06.2015	01.07.2015	08.07.2015	17.02.2016	17.02.2016
Maximum yield (%) - ISMA	1.65	1.65	1.66	1.60	1.62	1.65	1.65
Minimum yield (%) - ISMA	1.57	1.56	1.55	1.53	1.58	1.59	1.58
Average yield (%) - ISMA	1.62	1.63	1.63	1.58	1.61	1.62	1.62
Maximum yield (%) - EHM	1.67	1.67	1.68	1.62	1.64	1.67	1.67
Minimum yield (%) - EHM	1.59	1.58	1.57	1.55	1.60	1.61	1.60
Average yield (%) - EHM	1.64	1.65	1.65	1.60	1.63	1.64	1.64
Average selling price (%)	99.5922	99.5897	99.5897	99.6022	99.5947	98.5105	98.5717
Amount offered for sale (HUF million)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	75,440.00	83,001.50	49,866.00	105,421.00	89,940.00	61,700.00	39,300.00
Amount of bids accepted (HUF million)	49,999.94	49,999.94	34,999.98	50,000.00	49,999.98	39,999.97	29,999.97
Bid-to-cover ratio	1.51	1.66	1.42	2.11	1.80	1.54	1.31
Bids submitted (pcs)	71	61	47	88	65	73	49
Bids accepted (pcs)	42	43	26	52	34	43	38
Market sales* (HUF million)	49,999.94	49,999.94	34,999.98	50,000.00	49,999.98	39,999.97	29,999.97
Retained on ÁKK's own account	15,000.06	15,000.06	10,500.02	15,000.00	15,000.02	12,000.03	0.03
Total amount issued (HUF million)	65,000.00	65,000.00	45,500.00	65,000.00	65,000.00	52,000.00	30,000.00

*Without issuance onto ÁKK's own account

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



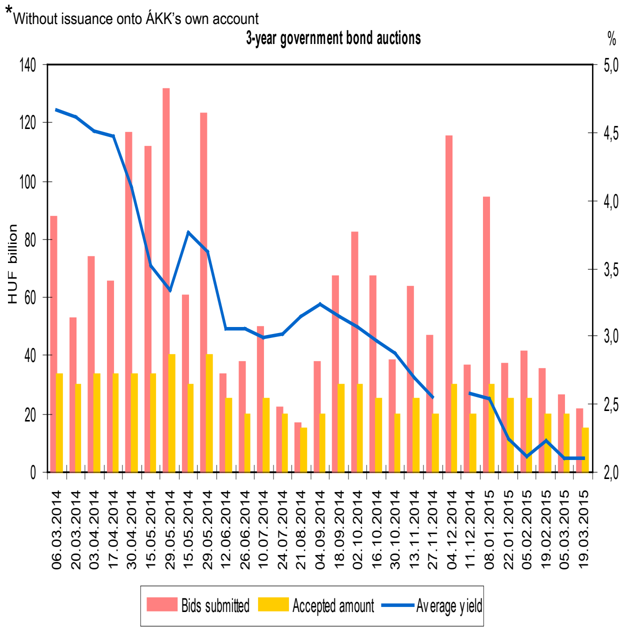
12-month Discount Treasury Bill auctions

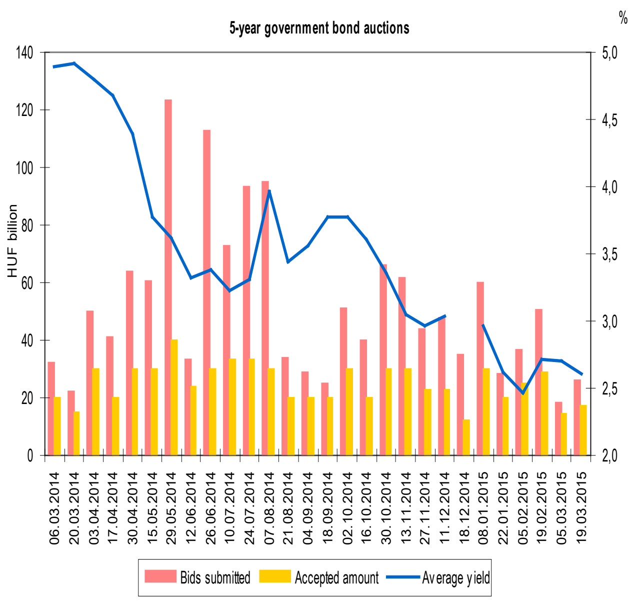


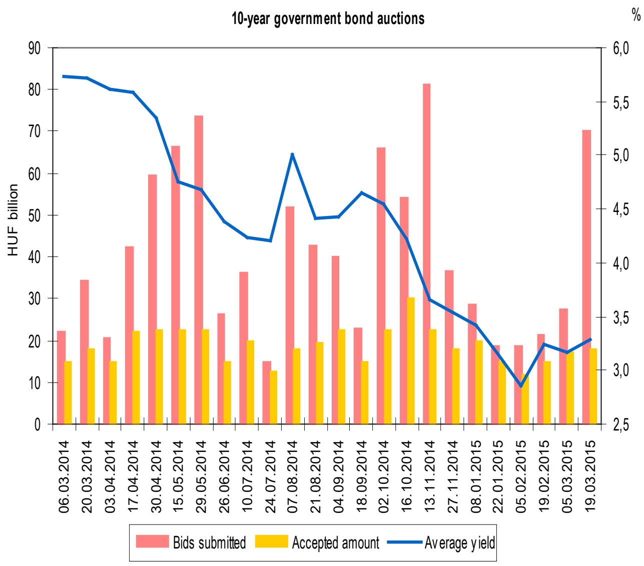
GOVERNMENT BOND AUCTION RESULTS

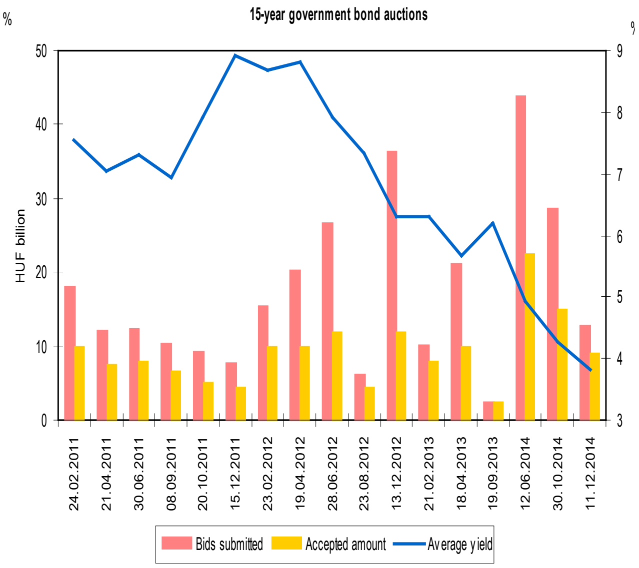
Government Bond	2018/C	2020/B	2025/B	2018D	2018/C	2020/B	2025/B	2021/A
ISIN code	HU0000402979	HU0000402953	HU0000402748	HU0000402987	HU0000402979	HU0000402953	HU0000402748	HU0000402995
Maturity (in years)	3	5	10	3	3	5	10	5
Coupon (%)	2.50%	3.50%	5.50%	2.10%	2.50%	3.50%	5.50%	2.10%
Auction	5th auction	12th auction	27th auction	3rd auction	6th auction	13th auction	28th auction	3rd auction
Date of auction	05.03.2015	05.03.2015	05.03.2015	12.03.2015	19.03.2015	19.03.2015	19.03.2015	26.03.2015
Date of financial settlement	11.03.2015	11.03.2015	11.03.2015	18.03.2015	25.03.2015	25.03.2015	25.03.2015	01.04.2015
Redemption date	22.06.2018	24.06.2020	24.06.2025	24.10.2018	22.06.2018	24.06.2020	24.06.2025	23.06.2021
Maximum annual yield (%) - ISMA	2.12	2.72	3.17		2.11	2.64	3.30	
Minimum annual yield (%) - ISMA	2.05	2.66	3.10		2.08	2.56	3.28	
Average annual yield (%) - ISMA	2.10	2.70	3.16		2.10	2.61	3.28	
Maximum annual yield (%) - EHM	2.12	2.72	3.17		2.11	2.64	3.30	
Minimum annual yield (%) - EHM	2.05	2.66	3.10		2.08	2.56	3.28	
Average annual yield (%) - EHM	2.10	2.70	3.16		2.10	2.60	3.28	
Maximum price (%)	101.4183	104.0923	120.8500	99.7500	101.3076	104.5623	119.0454	0.0000
Minimum price (%)	101.1966	103.7930	120.1672	99.5900	101.2137	104.1639	118.8540	0.0000
Average price (%)	101.2551	103.8815	120.2676	99.6300	101.2384	104.3373	118.9976	0.0000
Amount offered for sale (HUF million)	20,000.00	20,000.00	15,000.00	20,000.00	20,000.00	20,000.00	12,000.00	15,000.00
Amount of bids submitted (HUF million)	26,303,00	18,300.00	27,352.00	32,850,00	21,600,00	26,000.00	70,017,00	7,000,00
Amount of bids accepted (HUF million)	19,999.97	14,500.00	16,999.97	19,999.98	14,999.98	17,500.00	18,000.00	0.00
Bid-to-cover ratio	1.32	1.26	1.61	1.64	1.44	1.49	3.89	-
Bids submitted (pcs)	45	53	66	71	29	35	66	17
Bids accepted (pcs)	35	47	42	45	23	31	14	0
Tail (average price - minimum price)	0.06	0.09	0.10	0.04	0.02	0.17	0.14	0.00
Market sales* (HUF million)	19,999.97	14,500.00	16,999.97	19,999.98	14,999.98	17,500.00	18,000.00	0.00
Non-competitive offer (HUF million)	1,664.30	-	1,117.39	1,618.12	-	-	6,400.00	0.00
Total amount issued (HUF million)	40,000.00	14,500.00	23,800.00	40,000.00	15,000.00	17,500.00	25,200.00	0.00

*Without issuance onto ÁKK's own account









GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

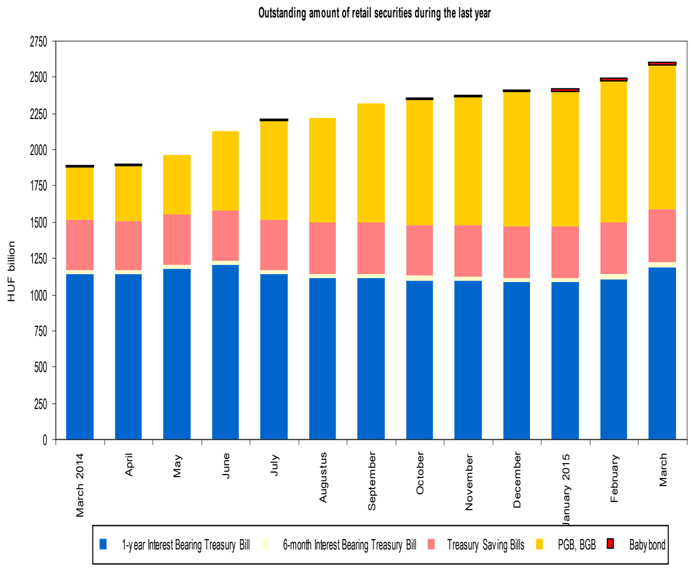
Government bond	2015/C	2016/C	2015/C	2016/C
ISIN code	HU0000402581	HU0000402318	HU0000402581	HU0000402318
Coupon (%)	7.75	5.50	7.75	5.50
Date of reverse auction	04.03.2015	04.03.2015	18.03.2015	18.03.2015
Date of financial settlement	11.03.2015	11.03.2015	25.03.2015	25.03.2015
Redemption date	24.08.2015	12.02.2016	24.08.2015	12.02.2016
Minimum annual yield (%)	1,50	1,40	1,65	
Average annual yield - ISMA (%)	1.55	1.42	1.66	
Average annual yield - EHM (%)	1.54	1.42	1.65	
Amount of bids submitted (HUF million)	53,745.43	29,693.33	47,708.35	6,115.10
Amount of bids accepted (HUF million)	49,523.43	21,487.94	33,824.71	0.00

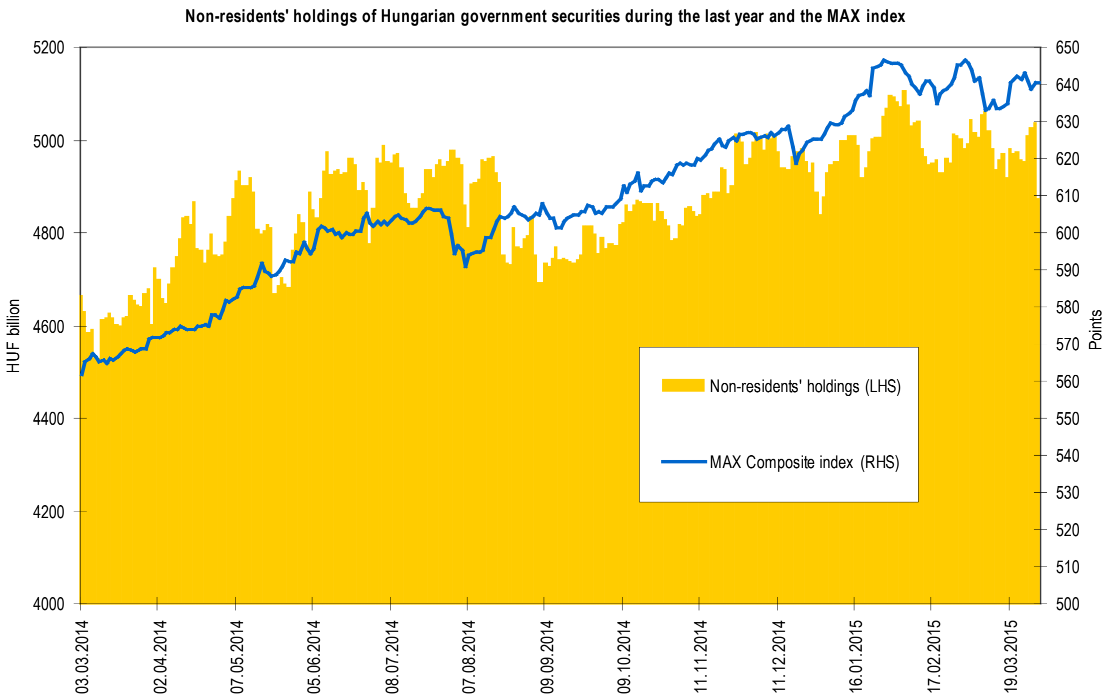
INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MARCH 2015

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2017/I	03.03.2015	05.03.2015	05.03.2016	07.03.2016	4.00	4.00
2017/C	18.03.2015	20.03.2015	20.06.2015	22.06.2015	2.02	0.52
2021/A	20.03.2015	23.03.2015	23.06.2015	23.06.2015	2.02	0.52
2016/A	30.03.2015	31.03.2015	30.06.2015	30.06.2015	3.00	0.75

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion 31.12.2014	HUF billion 27.02.2015	Change HUF billion
1-year Interest Bearing T-bill	1,089.0	1,189.2	100.2
6-month Interest Bearing T-bill	28.8	35.1	6.3
Treasury Saving Bills	355.1	368.3	13.1
PGB, BGB	927.8	997.0	69.2
Babybond	10.3	12.8	2.5
Total	**2,411.0**	**2,602.5**	**191.4**





HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 31 March 2015	668.3669	537.5715	640.2904	526.0240
Changes compared to the end of the month before	-5.9076	0.4236	-4.8431	0.8320
Annual yield earned on the index portfolio	13.62%	2.69%	11.97%	2.05%

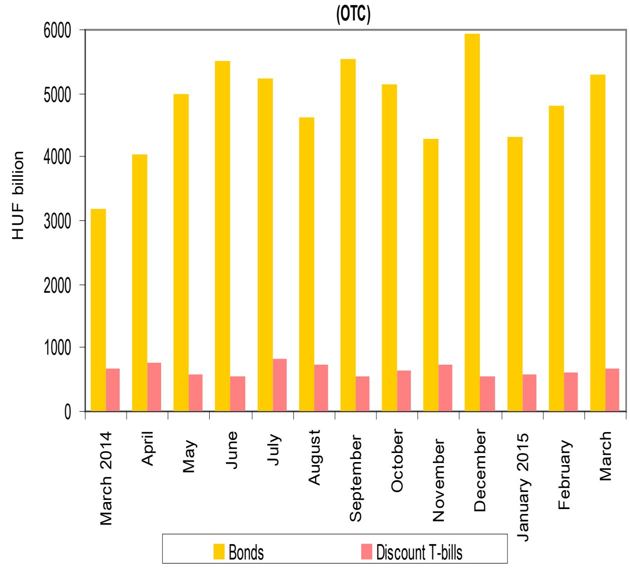
Government securities with the highest secondary market turnover in March 2015

Government security	Date of redemption	Turnover (HUF billion)
2023/A	24.11.2023	1,497.6
2022/A	24.06.2022	689.2
2019/A	24.06.2019	659.3
2025/B	24.06.2025	654.2
2018/B	25.04.2018	584.5
2017/A	24.11.2017	415.3
D150401	01.04.2015	335.2
2020/A	12.11.2020	333.7
2020/B	24.06.2020	329.8
2018/A	20.12.2018	284.8

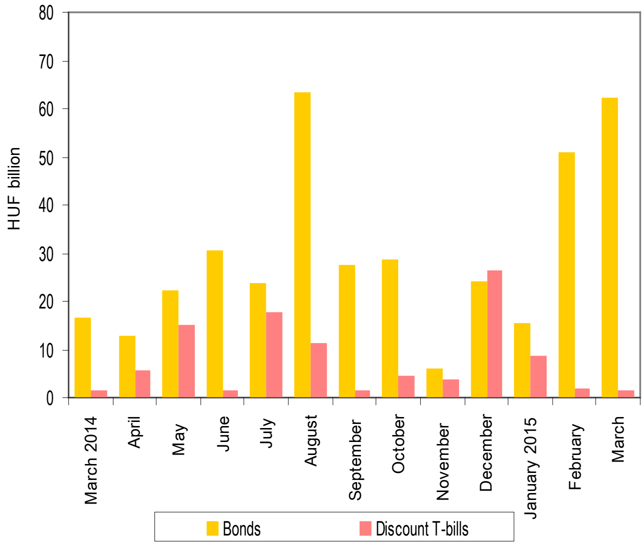
The outstanding volume of government bonds with benchmark status at the end of March 2015

	HUF billion	
Government bond	27.02.2015	31.03.2015
2018/C	117.73	154.62
2020/B	331.79	364.13
2025/B	545.28	588.13
2028/A	195.07	195.19

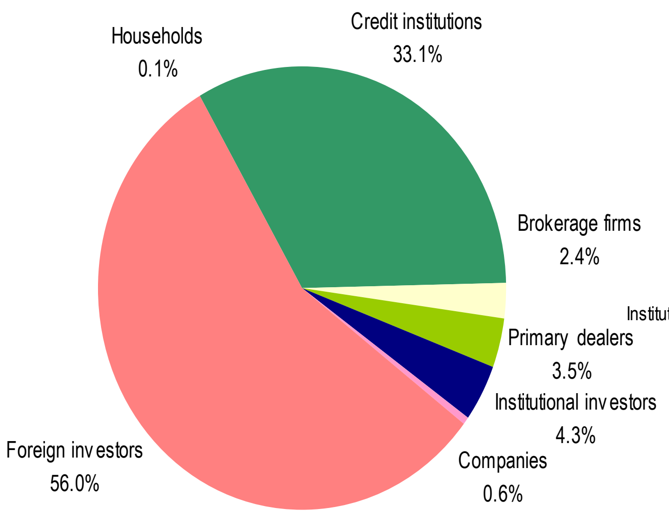
Secondary market trading of Hungarian government securities (OTC)



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



Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in March 2015



Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in March 2015