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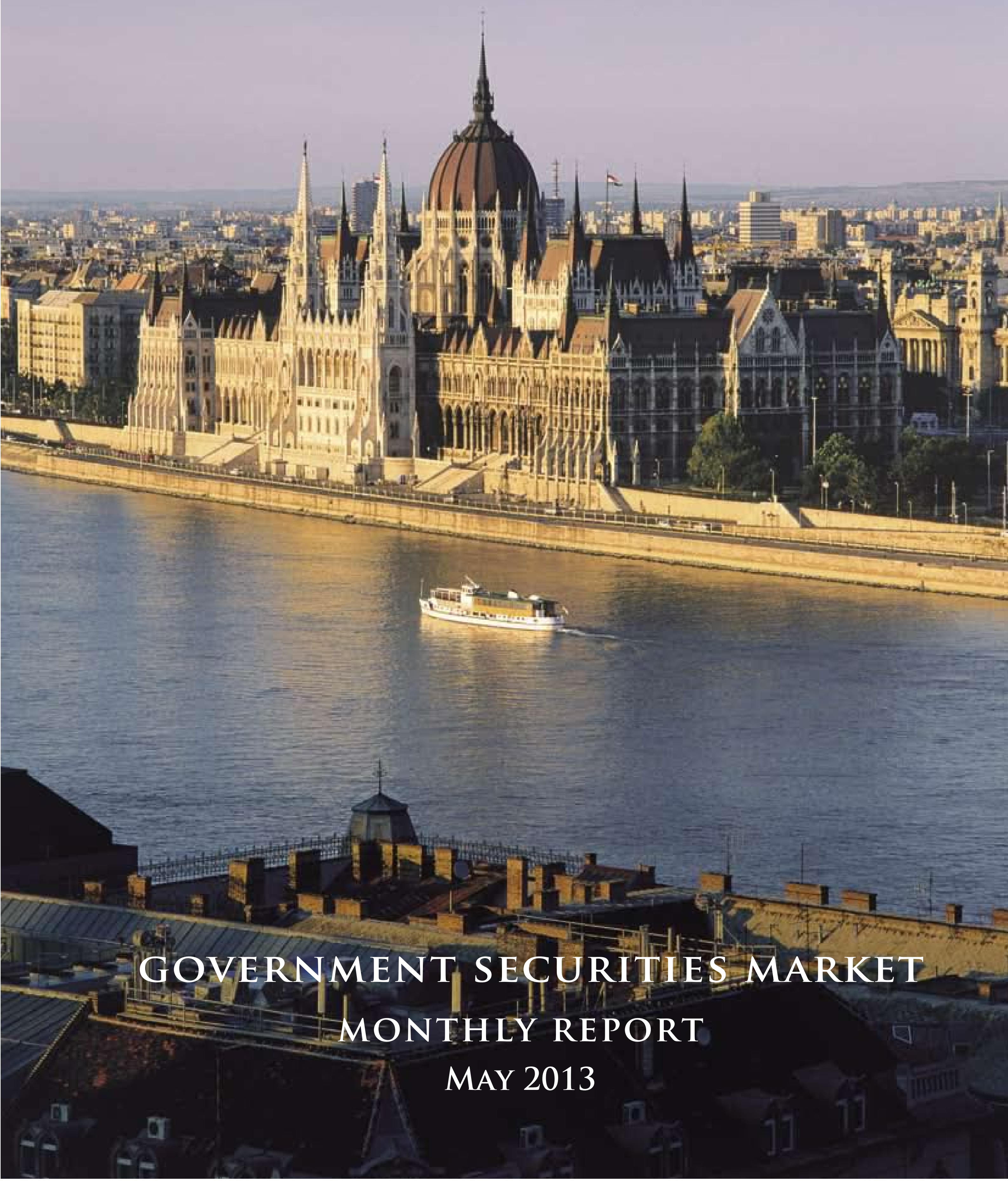
GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.



GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

MAY 2013

The deficit of the central government amounted to HUF 564.0 billion in the first 5 months of 2013. The net prefinancing of cash transfers from the European Union increased the net borrowing requirement by HUF 33.0 billion. Thus, the total net financing requirement amounted to HUF 597.0 billion in May. Net issuance was HUF 970.1 billion; out of which net HUF-denominated issuance was HUF 681.5 billion and net foreign currency denominated issuance was HUF 288.7 billion.

HUF billion	2012		2013		Change	
	December	%	May	%	HUF billion	%
Foreign exchange denominated debt	8,326.6	40.2	8,718.8	40.3	455.2	5.5
Government securities	5,014.1	24.2	5,789.3	26.6	775.2	15.5
Loans	3,312.5	16.0	2,992.5	13.7	-320.0	-9.7
HUF denominated debt	12,042.4	58.1	12,718.9	58.4	676.5	5.6
Government securities	11,475.6	55.4	12,154.1	55.8	678.5	5.9
Loans	566.8	2.7	564.8	2.6	-2.0	-0.4
Total	20,369.0	98.3	21,500.7	98.8	1,131.7	5.6
Other obligations	351.1	1.7	264.8	1.2	-86.3	-24.6
Total central government debt	20,720.1	100.0	21,765.4	100.0	1,045.4	5.0

The HUF denominated debt of the central government increased by HUF 676.5 billion in the first 5 months of 2013 (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). The increase in domestic debt was the result of net government bond issuance of HUF 310.1 billion, the amount of discount Treasury bills increased by HUF 149.2 billion and the total amount of retail government securities increased by HUF 296.7 billion. The stock of non-marketable government bonds decreased by HUF 77.5 billion because of redemption. The volume of HUF loans decreased by HUF 2.0 billion in the first 5 months of the year.

The foreign currency debt of the central government increased by HUF 455.2 billion in the first 5 months of 2013. The foreign currency bond issue increased the debt by HUF 712.4 billion, the P€MAK bond issuance also increased the debt by HUF 538.3 billion, the drawdown of foreign currency denominated loans worth HUF 100.4 billion increased, while the redemptions of foreign currency debt worth HUF 1,062.4 billion decreased the debt. The exchange rate revaluations totalling HUF 166.5 billion increased the Hungarian Forint value of the foreign currency debt in 2013.

Benchmark yields

Maturity	28.12.2012.	30.04.2013.	31.05.2013.	Change, basis points
3-month	5.33	4.21	4.13	-8
6-month	5.28	4.08	4.08	0
1-year	5.40	4.08	3.98	-10
3-year	5.61	4.65	4.64	-1
5-year	5.89	4.93	5.10	17
10-year	6.11	5.32	5.64	32
15-year	6.11	5.53	5.96	43

Monthly OTC turnover of government securities was 16 % lower in May than a month before and reached HUF 3,947.8 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 67% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 119.7 billion in May, and amounted to HUF 5,023.6 billion at the end of the month. This volume represented 41.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 296.63 on the last working day of May.

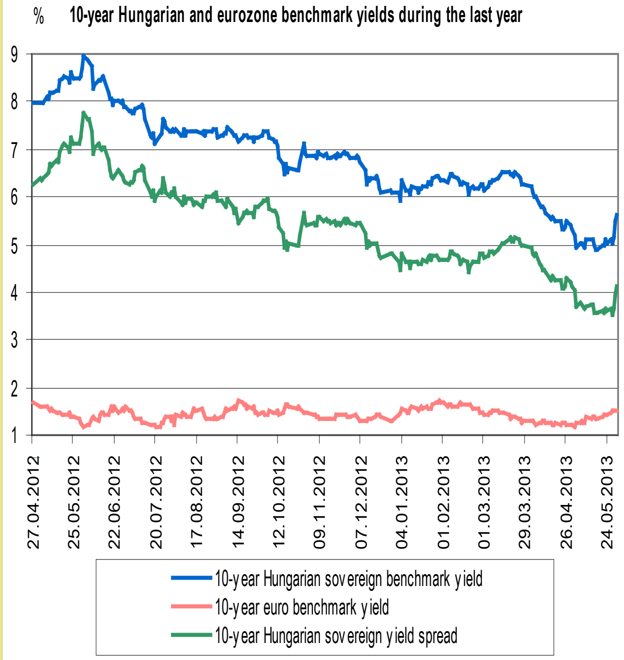
The credit rating of the long-term foreign currency debt of the Republic of Hungary is as follows on the last working day of May: BB (Standard & Poor's); Ba1 (Moody's); BB+ (Fitch).

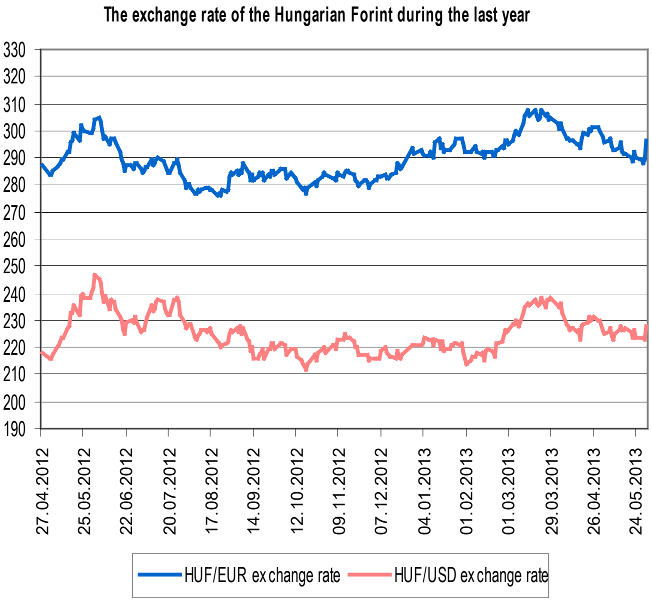
CENTRAL GOVERNMENT GROSS DEBT

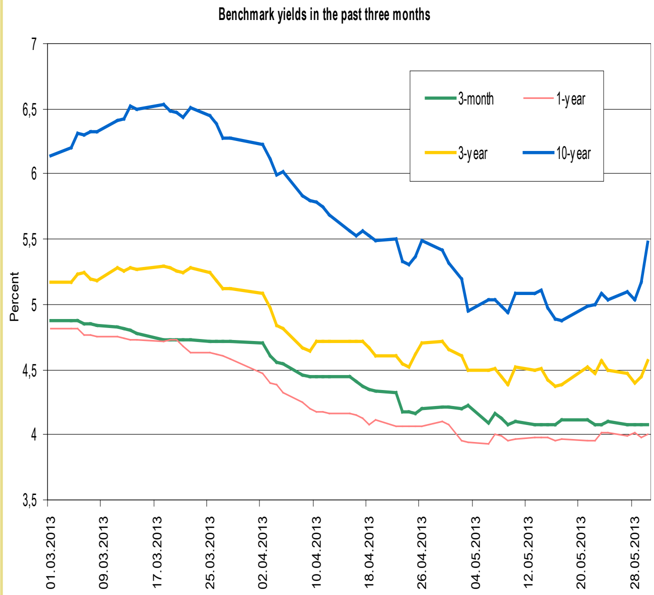
HUF BILLION

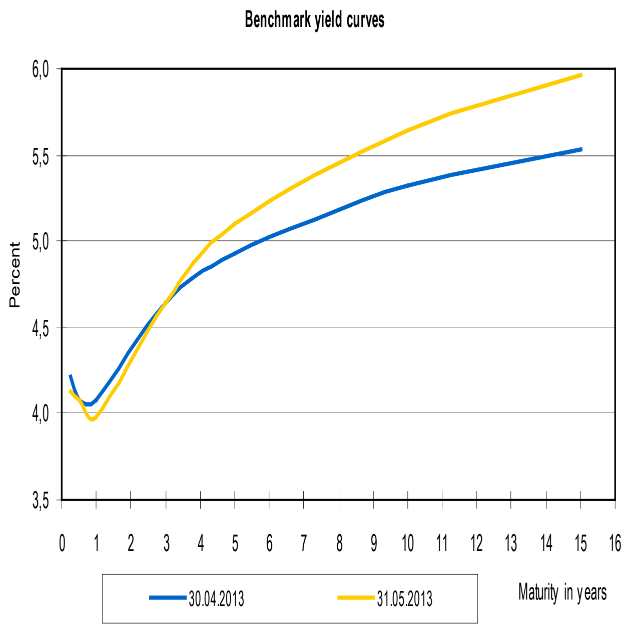
	2007	2008	2009	2010	2011	2012	March 2013	April 2013	May 2013
1. Forint denominated debt	11,103.8	11,250.6	10,476.2	10,978.2	10,362.2	12,042.4	12,436.9	12,551.9	12,718.9
1.1. Loans	145.7	219.9	438.7	540.8	590.8	566.8	565.8	564.8	564.8
1.2. Government securities	10,958.1	11,030.7	10,037.5	10,437.4	9,771.4	11,475.6	11,871.0	11,987.0	12,154.1
1.2.1. Public issues	10,465.4	10,599.7	9,613.2	10,019.6	9,378.1	11,077.1	11,549.2	11,666.1	11,833.1
1.2.1.1. Bonds	8,245.3	8,570.6	7,519.2	7,965.8	7,353.4	8,184.1	8,228.5	8,268.5	8,494.2
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	2,143.7	2,139.7	2,055.7
1.2.1.3. Retail securities	555.2	546.4	446.6	435.7	473.8	986.6	1,177.0	1,257.8	1,283.3
1.2.2. Private placements	492.7	431.0	424.3	417.8	403.2	398.5	321.8	321.0	321.0
2. Foreign currency denominated debt*	4,472.6	6,774.8	8,466.7	8,842.8	10,170.4	8,326.6	8,967.8	8,931.2	8,494.2
2.1. Loans	846.5	2,529.4	4,112.7	4,292.8	4,458.1	3,312.5	3,198.7	3,211.6	2,992.5
2.1.1. Foreign loans	838.8	2,529.4	4,112.7	4,292.8	4,361.9	3,229.0	3,126.9	3,141.4	2,923.5
2.1.2. Domestic loans	104.0	0.0	0.0	0.0	96.2	83.5	71.8	70.3	69.0
2.1.2.1. Raised from National Bank of Hungary (NBH)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	7.7	0.0	0.0	0.0	96.2	83.5	71.8	70.3	69.0
2.2. Government securities	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	5,014.1	5,769.2	5,719.6	5,789.3
2.2.1. Issued abroad	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	4,924.2	5,471.6	5,394.8	5,301.2
2.2.1.1. Foreign currency bonds	3,626.1	4,245.4	4,354.0	4,550.0	5,712.3	4,924.2	5,471.6	5,394.8	5,301.2
2.2.1.2. Kingdom of Hungary 1924 issues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2. Issued domestically	0.0	0.0	0.0	0.0	0.0	89.9	297.5	324.7	488.1
Total	15,576.4	18,025.4	18,942.9	19,821.0	20,532.6	20,369.0	21,404.7	21,483.1	21,500.7
Other liabilities	9.1	78.5	20.1	220.01	422.9	351.1	287.7	273.8	264.8
Total central government debt	15,585.5	18,103.9	18,963.1	20,041.0	20,955.5	20,720.1	21,692.4	21,756.9	21,765.4
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*	*10,694.0*	*10,729.2*	*10,870.9*
Gross debt/GDP	*61.3%*	*68.2%*	*74.0%*	*75.3%*	*75.1%*	*73,3%*			

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



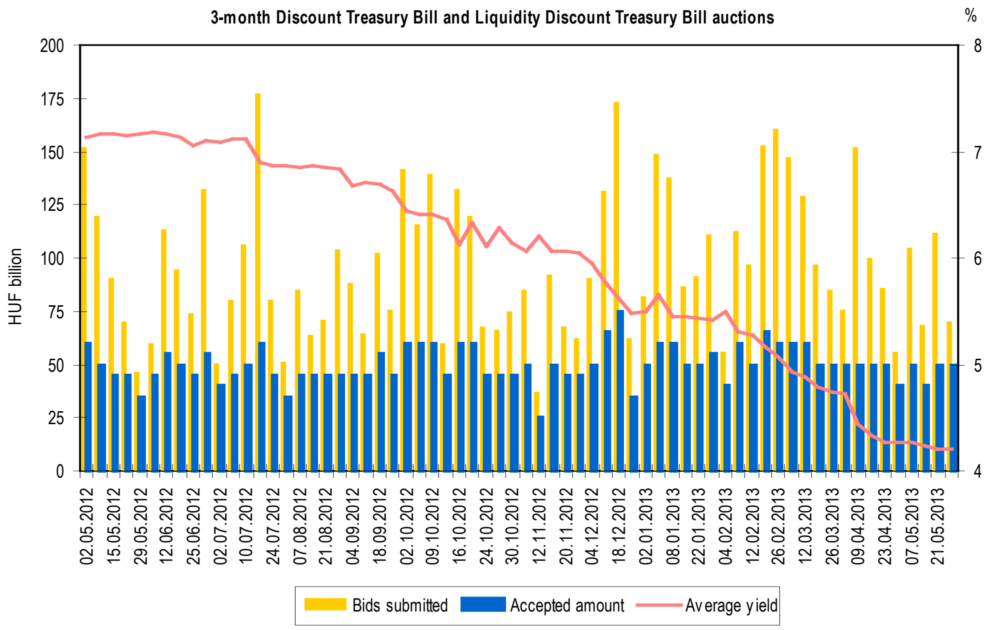


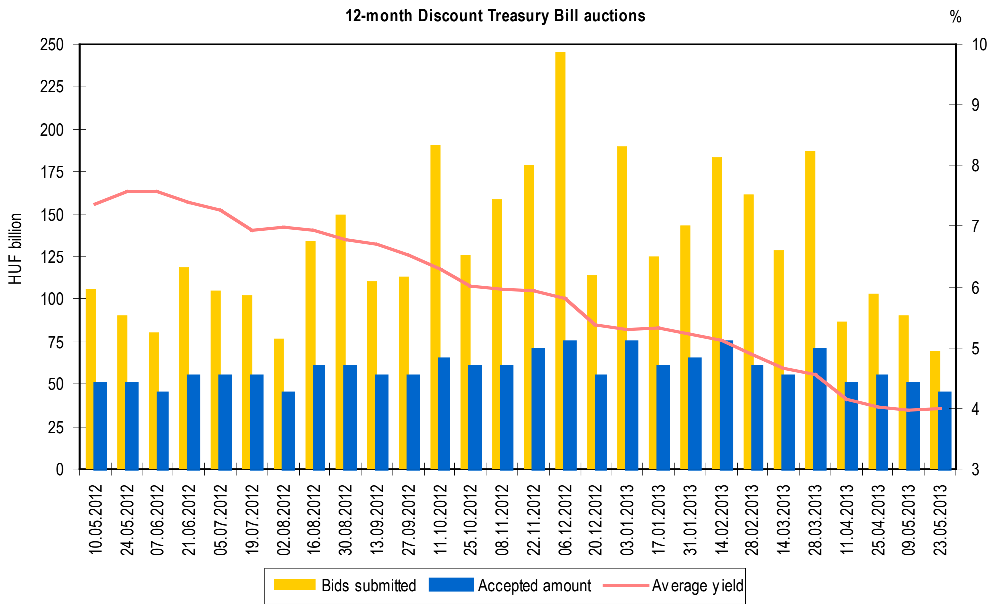




DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D130814	D130821	D130828	D130904	D140430	D140430
ISIN code	HU0000519467	HU0000519475	HU0000519483	HU0000519491	HU0000519442	HU0000519442
Maturity in days	91	91	91	91	350	336
Date of auction	07.05.2013	14.05.2013	21.05.2013	28.05.2013	09.05.2013	23.05.2013
Date of financial settlement	15.05.2013	22.05.2013	29.05.2013	05.06.2013	15.05.2013	29.05.2013
Redemption date	14.08.2013	21.08.2013	28.08.2013	04.09.2013	30.04.2014	30.04.2014
Maximum yield, (%) - ISMA	4.29	4.27	4.24	4.24	3.99	4.04
Minimum yield (%) - ISMA	4.17	4.17	4.17	4.13	3.91	3.90
Average yield (%) - ISMA	4.26	4.24	4.21	4.21	3.96	4.00
Maximum yield, (%) - EHM	4.35	4.33	4.30	4.30	4.05	4.10
Minimum yield (%) - EHM	4.23	4.23	4.23	4.19	3.96	3.95
Average yield (%) - EHM	4.32	4.30	4.27	4.27	4.02	4.06
Average selling price (%)	98.9346	98.9396	98.9470	98.9470	96.2927	96.4010
Amount offered for sale (HUF million)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Amount of bids submitted (HUF million)	104,550.00	68,486.45	112,170.76	69,840.00	90,017.61	69,129.59
Amount of bids accepted (HUF million)	49,999.87	39,999.96	49,999.94	49,999.94	49,999.93	44,999.95
Bid-to-cover ratio	2.09	1.71	2.24	1.40	1.80	1.54
Bids submitted (pcs)	131	95	110	103	113	103
Bids accepted (pcs)	81	54	60	74	47	75
Market sales* (HUF million)	49,999.87	39,999.96	49,999.94	49,999.94	49,999.93	44,999.95
Retained on ÁKK's own account	15,000.13	12,000.04	15,000.06	15,000.06	15,000.07	13,500.05
Total amount issued (HUF million)	65,000.00	52,000.00	65,000.00	65,0000.00	65,000.00	58,500.00

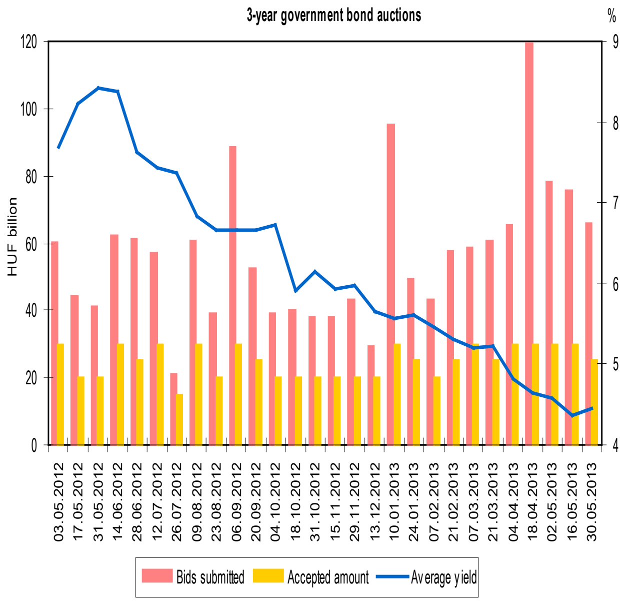


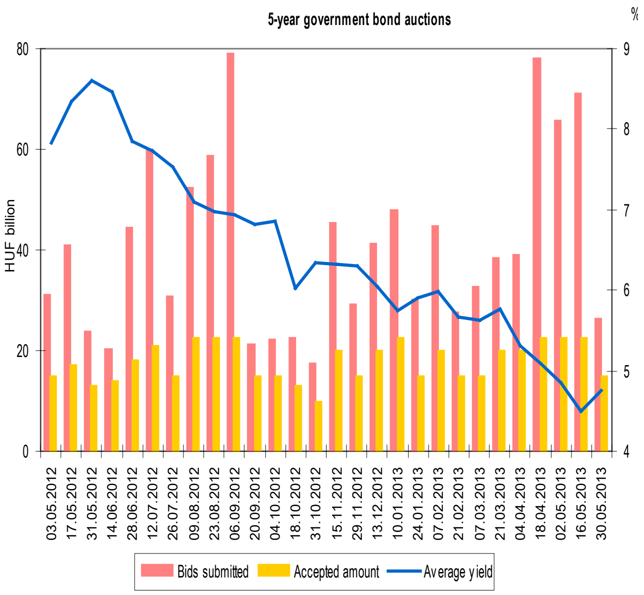


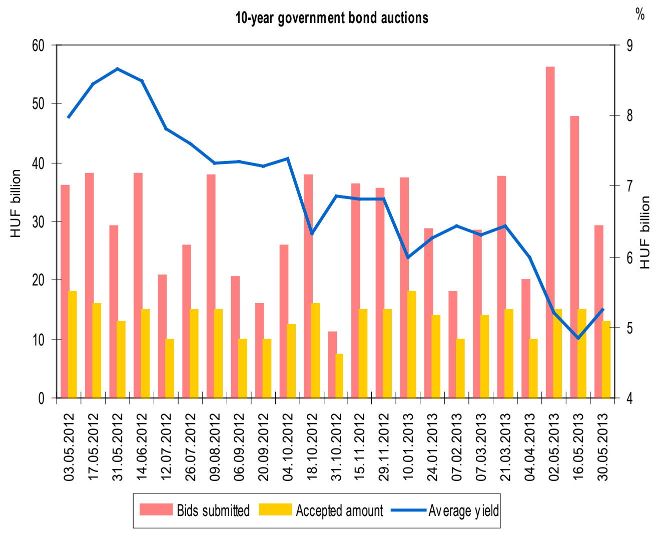
GOVERNMENT BOND AUCTION RESULTS

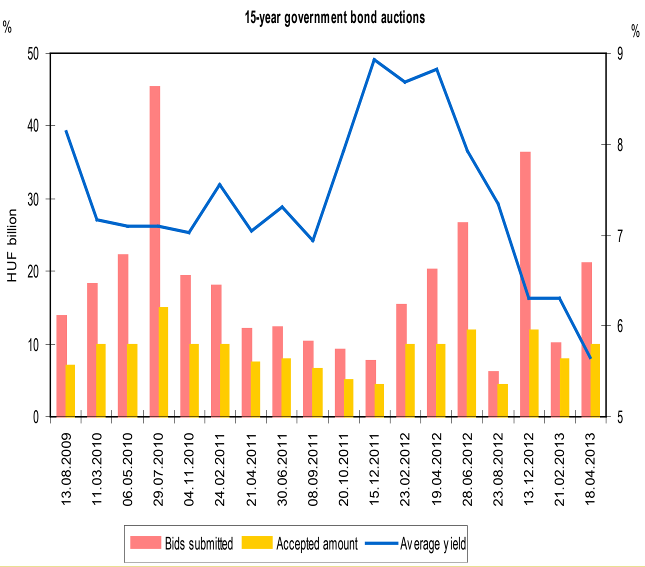
Government Bond	2016/D	2018/A	2023/A	2019/B	2016/D	2018/A	2023/A	2016/D	2018/A	2023/A
ISIN code	HU0000402623	HU0000402631	HU0000402383	HU0000402649	HU0000402623	HU0000402631	HU0000402383	HU0000402623	HU0000402631	HU0000402383
Maturity (in years)	3	5	10	5	3	5	10	3	5	10
Coupon (%)	5.50%	5.50%	6.00%	5.47%	5.50%	5.50%	6.00%	5.50%	5.50%	6.00%
Auction	9th auction	9th auction	36th auction	5th auction	10th auction	10th auction	37th auction	11th auction	11th auction	38th auction
Date of auction	02.05.2013	02.05.2013	02.05.2013	09.05.2013	16.05.2013	16.05.2013	16.05.2013	30.05.2013	30.05.2013	30.05.2013
Date of financial settlement	08.05.2013	08.05.2013	08.05.2013	15.05.2013	22.05.2013	22.05.2013	22.05.2013	05.06.2013	05.06.2013	05.06.2013
Redemption date	22.12.2016	20.12.2018	24.11.2023	20.05.2019	22.12.2016	20.12.2018	24.11.2023	22.12.2016	20.12.2018	24.11.2023
Maximum annual yield (%) - ISMA	4.64	4.87	5.22		4.38	4.50	4.85	4.49	4.80	5.29
Minimum annual yield (%) - ISMA	4.51	4.83	5.18		4.32	4.46	4.83	4.41	4.67	5.20
Average annual yield (%) - ISMA	4.59	4.85	5.21		4.37	4.49	4.85	4.46	4.76	5.26
Maximum annual yield (%) - EHM	4.64	4.87	5.22		4.38	4.50	4.85	4.49	4.80	5.29
Minimum annual yield (%) - EHM	4.51	4.83	5.18		4.32	4.46	4.83	4.41	4.67	5.20
Average annual yield (%) - EHM	4.58	4.84	5.20		4.37	4.49	4.85	4.46	4.76	5.25
Maximum price (%)	103.2222	103.2079	106.5001	96.5600	103.8220	105.0178	109.4331	103.4851	103.9482	106.2987
Minimum price (%)	102.7879	103.0112	106.1684	96.1400	103.6215	104.8179	109.2616	103.2217	103.3123	105.5598
Average price (%)	102.9608	103.1335	106.2793	96.2700	103.6600	104.8558	109.2676	103.3191	103.5193	105.8380
Amount offered for sale (HUF million)	20,000.00	15,000.00	10,000.00	7,000.00	20,000.00	15,000.00	10,000.00	20,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	78,400.00	65,650.00	56,170.00	19,650.00	75,750,18	70,979.33	47,910.00	65,800.00	26,232.59	29,115.00
Amount of bids accepted (HUF million)	29,999.98	22,499.99	14,999.97	10,000.00	29,999.99	22,499.97	14,999.98	24,999.94	14,999.95	12,999.95
Bid-to-cover ratio	2.61	2.92	3.74	1.97	2.53	3.15	3.19	2.63	1.75	2.24
Bids submitted (pcs)	73	93	89	64	72	76	76	81	84	76
Bids accepted (pcs)	29	31	26	30	27	23	17	47	53	50
Tail (average price - minimum price)	0.17	0.12	0.11	0.13	0.04	0.04	0.01	0.10	0.21	0.28
Market sales* (HUF million)	29,999.98	22,499.99	14,999.97	10,000.00	29,999.99	22,499.97	14,999.98	24,999.94	14,999.95	12,999.95
Non-competitive offer (HUF million)	11,085.69	7,851.56	4,299.74	1,880.00	11,039.99	7,854.39	5,119.99	0.00	0.00	0.00
Total amount issued (HUF million)	42,000.00	31,500.00	21,000.00	14,000.00	42,000.00	31,500.00	21,000.00	35,000.00	21,000.00	18,200.00

*Without issuance onto ÁKK's own account

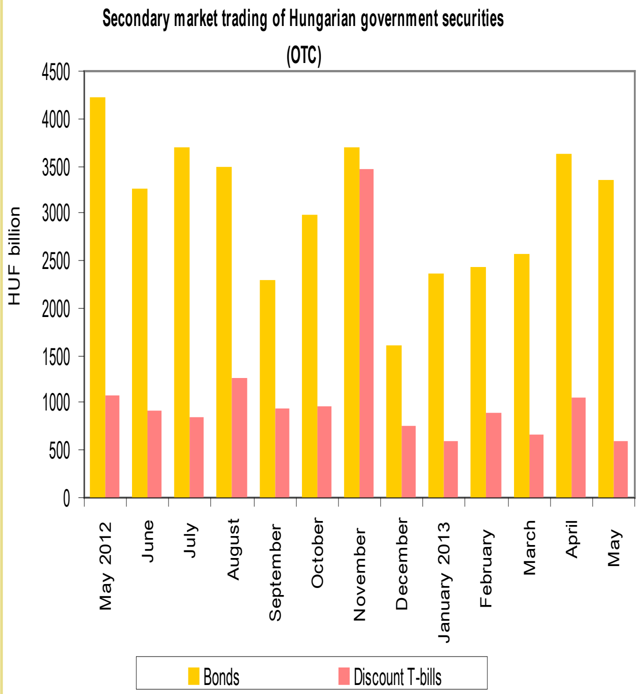


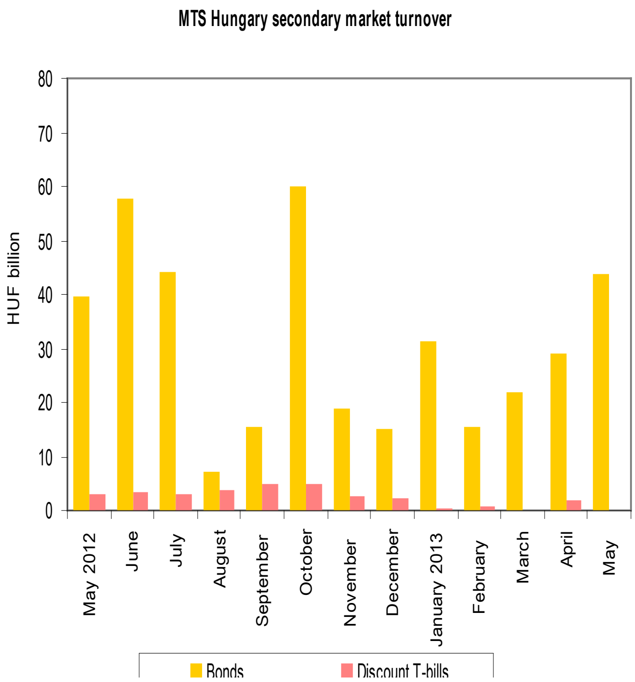


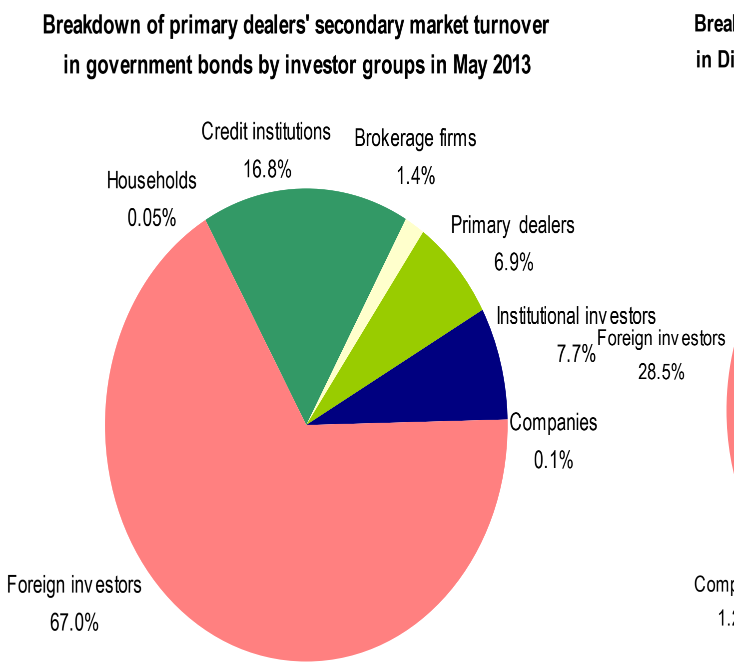


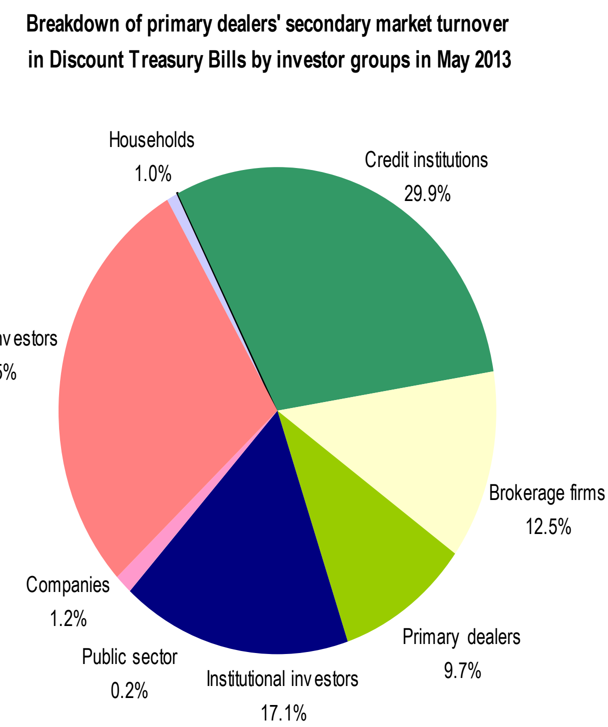


Government bond	2013/E	2014/C	2014/D
ISIN code	HU0000402466	HU0000402193	HU0000402516
Coupon (%)	7.50	5.50	6.75
Date of reverse auction	15.05.2013	15.05.2013	15.05.2013
Date of financial settlement	22.05.2013	22.05.2013	22.05.2013
Redemption date	24.10.2013	12.02.2014	22.08.2014
Minimum annual yield (%)	4.04	3,89	3,93
Average annual yield - ISMA (%)	4.06	3.92	3.94
Average annual yield - EHM (%)	4.01	3.90	3.94
Amount of bids submitted (HUF million)	12,348.95	4,013.69	8,017.82
Amount of bids accepted (HUF million)	2,348.95	4,013.69	7,937.25









INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MAY 2013

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2014/A	02.05.2013	02.05.2013	02.11.2013	04.11.2013	5.30	2.71
2019/B	15.05.2013	20.05.2013	20.11.2013	20.11.2013	4.26	2.18
2016/X	23.05.2013	25.05.2013	25.11.2013	25.11.2013	4.20	2.10

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 31 May 2013	555.1949	504.7404	543.1921	499.7082
Changes compared to the end of the month before	-0.6846	1.9203	-0.0450	1.8454
Annual yield earned on the index portfolio	20.18%	7.93%	18.07%	6.52%

Government securities with the highest secondary market turnover in May 2013

Government security	Date of redemption	Turnover (HUF billion)
2023/A	24.11.2023	680.7
2022/A	24.06.2022	535.5
2016/D	22.12.2016	534.8
2018/A	20.12.2018	369.1
2017/A	24.11.2017	349.7
2015/C	24.08.2015	293.7
2019/A	24.06.2019	278.3
2017/B	24.02.2017	202.1
2016/C	12.02.2016	168.1
2028/A	22.10.2028	165.7

The outstanding volume of government bonds with benchmark status at the end of May 2013

	HUF billion	
Government bond	30.04.2013	31.05.2013
2016/D	271.18	354.06
2018/A	181.28	271.18
2023/A	378.92	418.43
2028/A	117.56	117.64