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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

APRIL 2010

The deficit of the central government amounted to HUF 635.0 billion in the first four months of 2010. The net balance of transfers from the EAGGF fund of the European Union (EU) worth HUF 98.9 billion decreased the net borrowing requirement. Privatisation revenues amounted to HUF 30.0 billion, which decreased the financing requirement. Thus, the total net borrowing requirement amounted to HUF 506.1 billion in 2010. Net issuance was HUF 368.2 billion; out of which net HUF-denominated issuance was HUF -6.1 billion and net foreign currency denominated issuance was HUF 374.4 billion.

	2009		2010		Change	
HUF billion	December	%	April	%	HUF billion	%
Foreign exchange denominated debt	8,468.5	44.7	8,741.5	45.2	273.0	3.2
Government securities	4,354.0	23.0	4,659.2	24.1	305.2	7.0
Loans	4,114.5	21.7	4,082.3	21.1	-32.3	-0.8
HUF denominated debt	10,476.2	55.2	10,470.5	54.2	-5.7	-0.1
Government securities	10,037.5	52.9	10,031.8	51.9	-5.7	-0.1
Loans	438.7	2.3	438.7	2.3	0.0	0.0
Total	18,944.8	99.9	19,212.0	99.4	267.2	1.4
Other obligations	20.1	0.1	111.1	0.6	91.0	452.6
Total central government debt	18,964.9	100.0	19,323.1	100.0	358.3	1.9
Out of the international loan program was placed in NBH or in commercial banks	1,124.8		1,218.9		94.1	

The HUF denominated debt of the central government decreased by HUF 5.7 billion in he first four months of 2010 (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 122.7 billion, while discount Treasury bills decreased by HUF 117.5 billion and the total amount of retail government securities decreased by HUF 10.1 billion.

The foreign currency debt of the central government increased by HUF 273.0 billion in 2010. Foreign currency bond issuance increased the debt by HUF 387.3 billion, redemptions of foreign currency debt worth HUF 12.9 billion decreased and the exchange rate revaluations totalling HUF 101.4 billion decreased the Hungarian Forint value of the foreign currency debt in 2010.

Out of the international loan program HUF 1,218.9 billion was placed in the National Bank of Hungary as foreign currency deposits or in commercial banks as loans. The total amount of other liabilities increased by HUF 91.0 billion in 2010.

Secondary market yields decreased on all maturities in April.

Benchmark yields

Maturity	31.12.2009.	31.03.2010.	30.04.2010.	Change, basis points
3-month	6.07	5.12	5.12	-24
6-month	6.08	5.13	5.13	-28
1-year	6.05	5.10	5.10	-25
3-year	7.41	5.95	5.95	-45
5-year	7.59	6.22	6.22	-18
10-year	7.99	6.86	6.86	-24
15-year	7.90	6.86	6.86	-20

Monthly OTC turnover of government securities was 14 % lower in April than a month before and reached HUF 2,620.8 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 38% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 16.4 billion in April, and amounted to HUF 2,341.2 billion at the end of the month. This volume represented 24.4% of the total amount of domestic government bonds and discount Treasury bills.

The EUR/HUF exchange rate according to the National Bank of Hungary was 266.28 at the last working day of April.

The credit rating of the long-term foreign currency debt of the Republic of Hungary is as follows at the last working day of April: BBB- (Standard & Poor's); Baa1 (Moody's); BBB (Fitch).

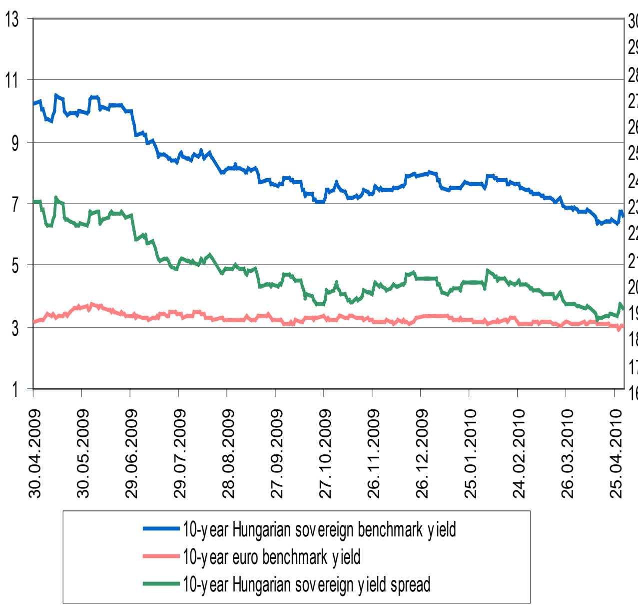
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

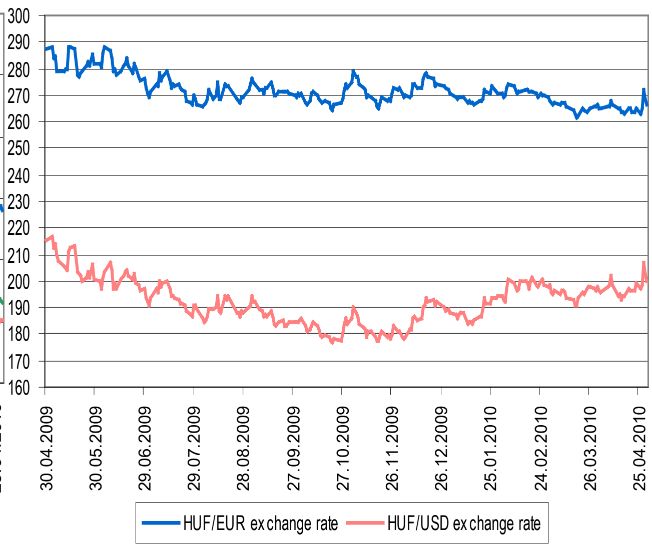
	2004	2005	2006	2007	2008	2009	February 2009	March 2010	April 2010
1. Forint denominated debt	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	10,476.2	10,547.4	10,554.4	10,470.5
1.1. Loans	4.7	0.8	356.4	145.7	219.9	438.7	438.7	438.7	438.7
1.2. Government securities	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	10,037.5	10,108.7	10,115.7	10,031.8
1.2.1. Public issues	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	9,613.2	9,684.4	9,692.3	9,608.3
1.2.1.1. Bonds	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	7,519.2	7,631.1	7,815.0	7,642.0
1.2.1.2. Discount T-bills	1,463.3	1,530.9	1,755.9	1,664.9	1,482.4	1,647.3	1,606.7	1,436.5	1,529.8
1.2.1.3. Retail securities	628.4	588.7	667.4	555.2	546.4	446.6	446.7	440.8	436.5
1.2.2. Private placements	743.6	733.9	528.4	492.7	431.0	424.3	424.3	423.5	423.5
2. Foreign currency denominated debt*	2,983.5	3,590.7	4,124.4	4,472.6	6,774.8	8,466.7	8,871.5	8,746.6	8,741.5
2.1. Loans	916.8	720.6	803.7	846.5	2,529.4	4,112.7	4,143.9	4,085.4	4,082.3
2.1.1. Foreign loans	528.9	616.9	700.1	838.8	2,529.4	4,112.7	4,143.9	4,085.4	4,082.3
2.1.2. Domestic loans	387.8	103.8	103.6	104.0	0.0	0.0	0.0	0.0	0.0
2.1.2.1. Raised from National Bank of Hungary (NBH)	355.7	96.1	95.9	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	32.2	7.7	7.7	7.7	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,727.6	4,661.2	4,659.2
2.2.1. Issued abroad	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,727.6	4,661.2	4,659.2
2.2.1.1. Foreign currency bonds	2,066.7	2,870.0	3,320.6	3,626.1	4,245.4	4,354.0	4,727.6	4,661.2	4,659.2
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	0.1	0.1	0.0	0.0	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	11,592.4	12,744.2	14,676.7	15,576.4	18,025.4	18,942.9	19,419.0	19,301.0	19,212.0
Other liabilities		21.4	29.0	9.1	78.5	20.1	96.4	110.2	111.2
Total central government debt		12,765.6	14,705.7	15,585.5	18,103.9	18,963.1	19,515.4	19,411.2	19,323.1
Foreign currency deposits from the international loan program placed at the NBH					*1,483.6*	*1,124.8*	*1,225.3*	*1,211.9*	*1,218.9*
Government debt adjusted with foreign currency deposits					16,620.3	17,838.3	18,290.1	18,199.3	18,104.2
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2..2.)	*7,975.8*	*8,563.9*	*9,528.4*	*10,402.9*	*10,484.0*	*9,623.3*	*9,662.1*	*9,674.9*	*9,595.2*
Gross debt/GDP	*56.0%*	*57.9%*	*61.8%*	*61.3%*	*68.2%*	*72.7%*			

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

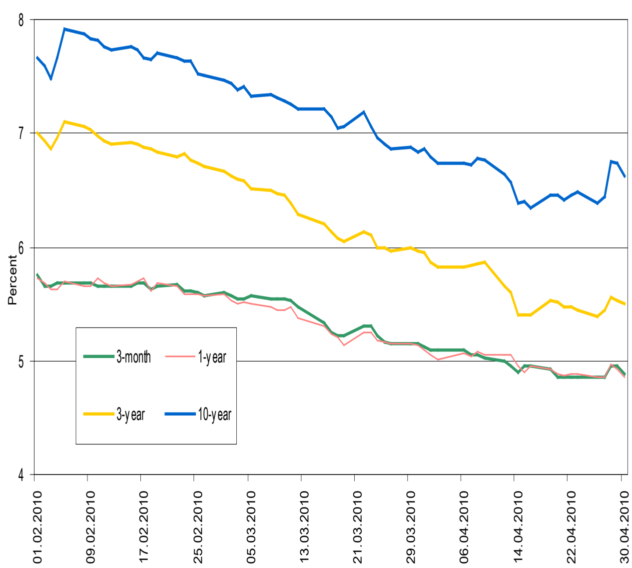
10-year Hungarian and eurozone benchmark yields during the last year



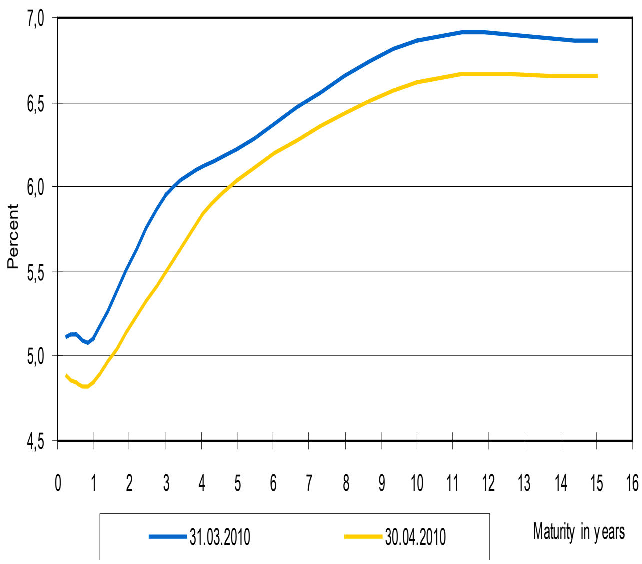
The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months



Benchmark yield curves

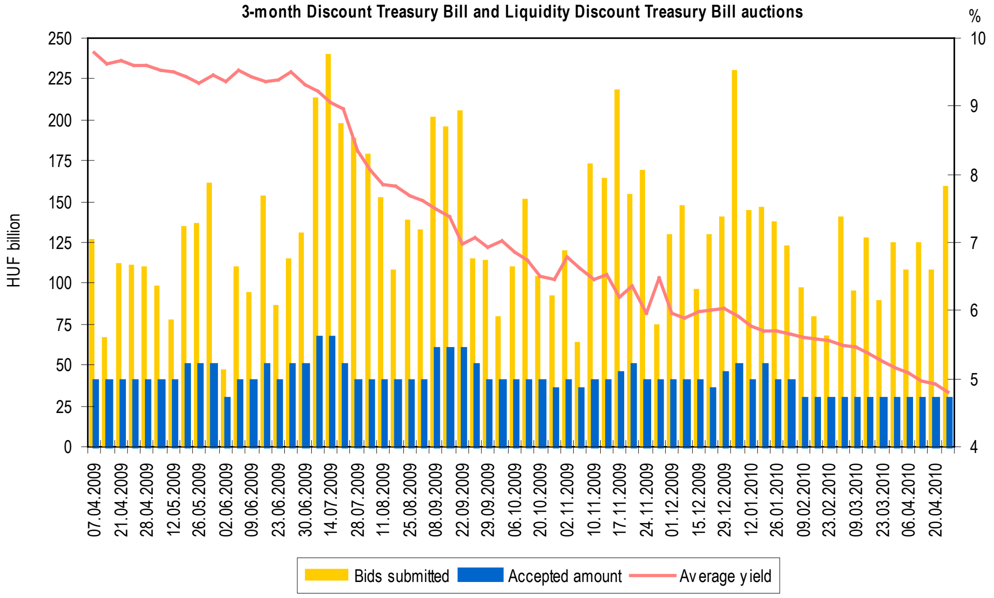


DISCOUNT TREASURY BILL AUCTION RESULTS

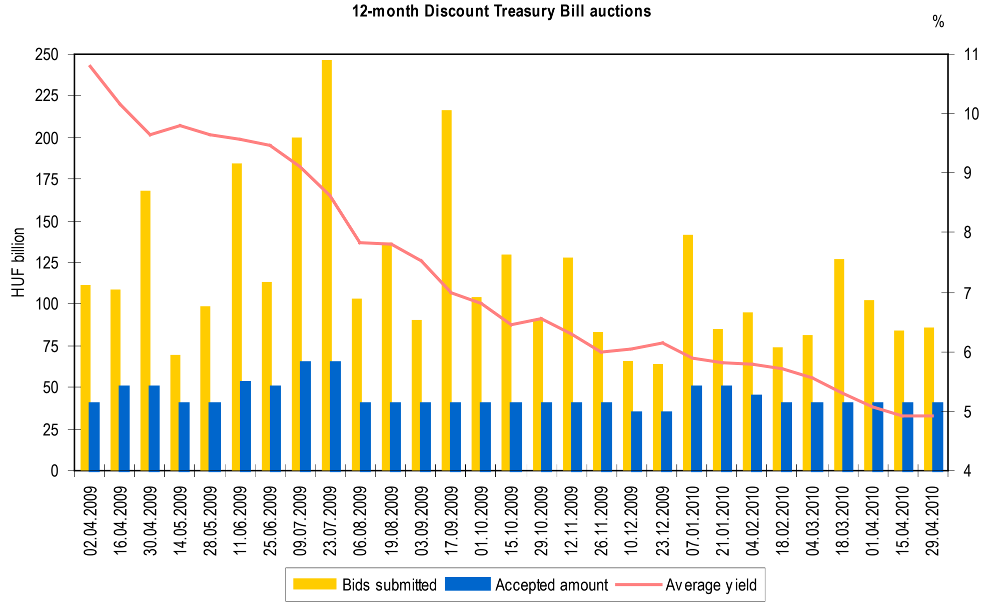
	3-month Discount T-bills				12-month Discount T-bills		
Code of T-bills	D100714	D100721	D100728	D100804	D110406	D110406	D110406
ISIN code	HU0000517834	HU0000517842	HU0000517859	HU0000517867	HU0000517818	HU0000517818	HU0000517818
Maturity in days	91	91	91	91	364	350	336
Date of auction	06.04.2010	13.04.2010	20.04.2010	27.04.2010	01.04.2010	15.04.2010	29.04.2010
Date of financial settlement	14.04.2010	21.04.2010	28.04.2010	05.05.2010	07.04.2010	21.04.2010	05.05.2010
Redemption date	14.07.2010	21.07.2010	28.07.2010	04.08.2010	06.04.2011	06.04.2011	06.04.2011
Maximum yield, (%) - ISMA	5.09	5.00	4.95	4.84	5.10	4.94	4.96
Minimum yield (%) - ISMA	5.00	4.79	4.88	4.73	5.03	4.86	4.84
Average yield (%) - ISMA	5.08	4.96	4.93	4.80	5.07	4.91	4.92
Maximum yield, (%) - EHM	5.16	5.07	5.02	4.91	5.17	5.01	5.03
Minimum yield (%) - EHM	5.07	4.86	4.95	4.80	5.10	4.93	4.91
Average yield (%) - EHM	5.15	5.03	5.00	4.87	5.14	4.98	4.99
Average selling price (%)	98.7322	98.7617	98.7691	98.8012	95.1236	95.4439	95.6096
Amount offered for sale (HUF million)	30,000.00	30,000.00	30,000.00	30,000.00	40,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	108,615.00	125,103.38	108,184.61	159,512.86	102,344.00	83,560.00	85,963.90
Amount of bids accepted (HUF million)	29,999.96	29,999.94	29,999.95	29,999.98	39,999.95	39,999.97	39,999.99
Bid-to-cover ratio	3.62	4.17	3.61	5.32	2.56	2.09	2.15
Bids submitted (pcs)	116	115	97	125	132	100	109
Bids accepted (pcs)	49	53	52	38	61	45	46
Market sales* (HUF million)	29,999.96	29,999.94	29,999.95	29,999.98	39,999.95	39,999.97	39,999.99
Retained on ÁKK's own account	9,000.04	9,000.06	9,000.05	9,000.02	12,000.05	12,000.03	12,000.01
Total amount issued (HUF million)	39,000.00	39,000.00	39,000.00	39,000.00	52,000.00	52,000.00	52,000.00

*Without issuance onto ÁKK's own account

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



12-month Discount Treasury Bill auctions

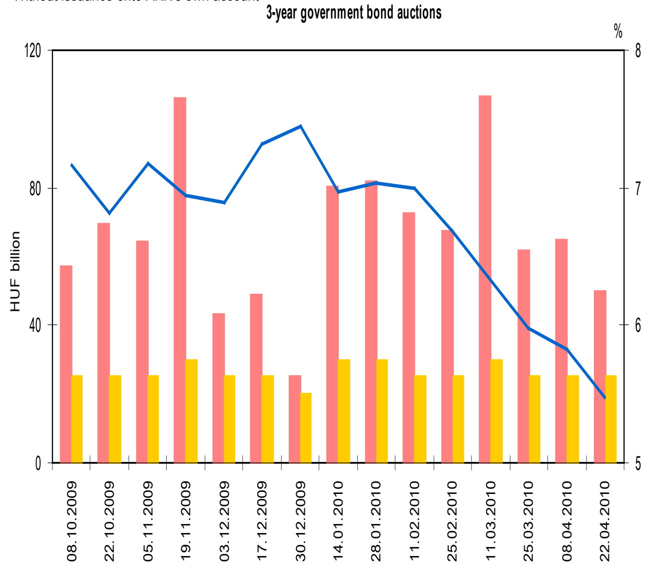


GOVERNMENT BOND AUCTION RESULTS

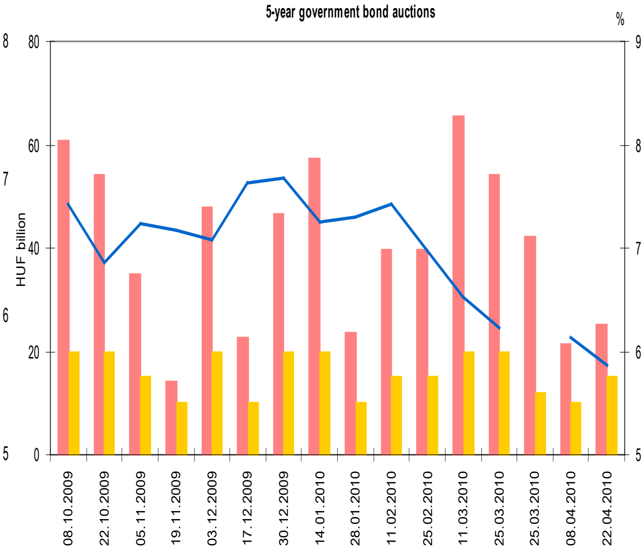
Government Bond	2013/E	2015/A	2019/A	2013/E	2016/C	2019/A
ISIN code	HU0000402466	HU0000402268	HU0000402433	HU0000402466	HU0000402318	HU0000402433
Maturity (in years)	3	5	10	3	5	10
Coupon (%)	7.50%	8.00%	6.50%	7.50%	5.50%	6,50%
Auction	17th auction	43rd auction	31st auction	18th auction	14th auction	32nd auction
Date of auction	08.04.2010	08.04.2010	08.04.2010	22.04.2010	22.04.2010	22.04.2010
Date of financial settlement	14.04.2010	14.04.2010	14.04.2010	28.04.2010	28.04.2010	28.04.2010
Redemption date	24.10.2013	12.02.2015	24.06.2019	24.10.2013	12.02.2016	24.06.2019
Maximum annual yield (%) - ISMA	5.86	6.16	6.77	5.49	5.88	6.44
Minimum annual yield (%) - ISMA	5.82	6.09	6.74	5.43	5.83	6.38
Average annual yield (%) - ISMA	5.83	6.14	6.76	5.47	5.86	6.41
Maximum annual yield (%) - EHM	5.86	6.16	6.77	5.49	5.88	6.44
Minimum annual yield (%) - EHM	5.82	6.09	6.74	5.43	5.83	6.38
Average annual yield (%) - EHM	5.83	6.14	6.75	5.46	5.86	6.40
Maximum price (%)	105.1708	107.7615	98.3605	106.3752	98.3905	100.7866
Minimum price (%)	105.0418	107.4616	98.1620	106.1806	98.1531	100.3787
Average price (%)	105.1282	107.5421	98.2601	106.2525	98.2388	100.6141
Amount offered for sale (HUF million)	25,000.00	15,000.00	10,000.00	25,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	65,100.00	21,329.00	25,780.44	50,142.00	25,110.00	38,590.00
Amount of bids accepted (HUF million)	24,999.99	9,999.98	9,999.99	24,999.96	14,999.96	14,999.94
Bid-to-cover ratio	2.60	2.13	2.58	2.01	1.67	2.57
Bids submitted (pcs)	67	45	55	76	62	71
Bids accepted (pcs)	17	26	17	33	35	28
Tail (average price - minimum price)	0.09	0.08	0.10	0.07	0.09	0.24
Market sales* (HUF million)	24,999.99	9,999.98	9,999.99	24,999.96	14,999.96	14,999.94
Non-competitive offer (HUF million)	0.00	0.00	0.00	5,962.00	3,081.00	917.00
Total amount issued (HUF million)	35,000.00	13,000.00	10,000.00	35,000.00	30,000.00	15,000.00

*Without issuance onto ÁKK's own account

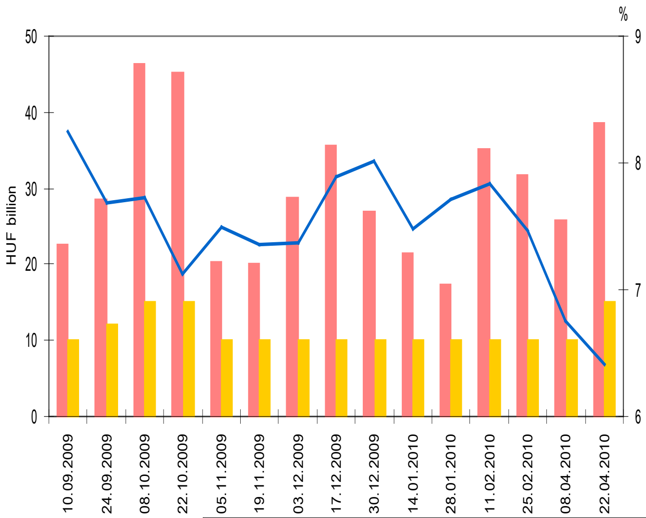
3-year government bond auctions



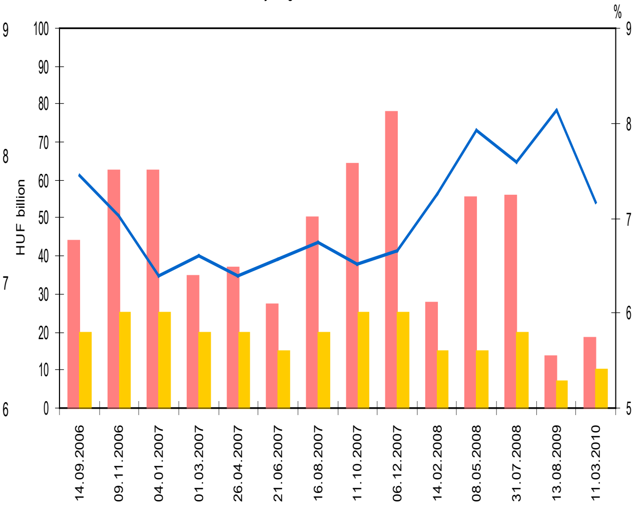
5-year government bond auctions



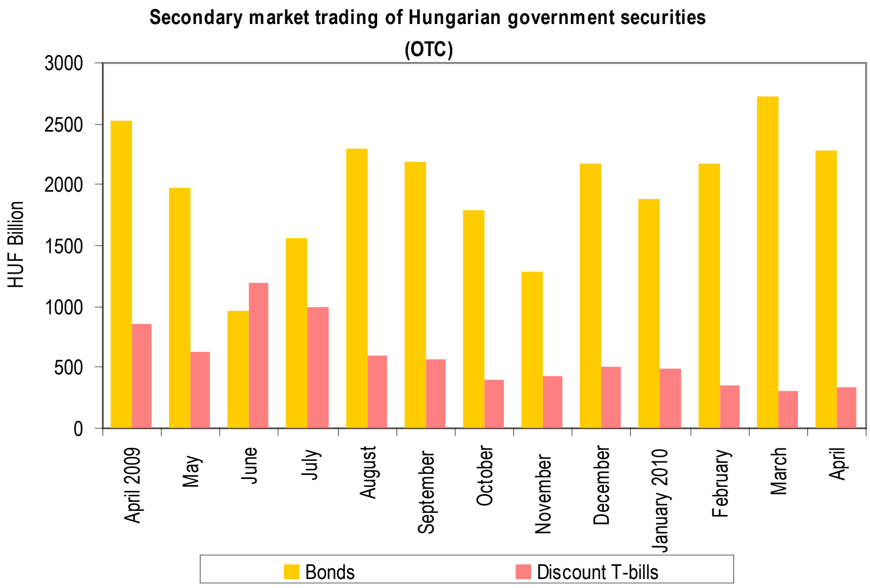
10-year government bond auctions



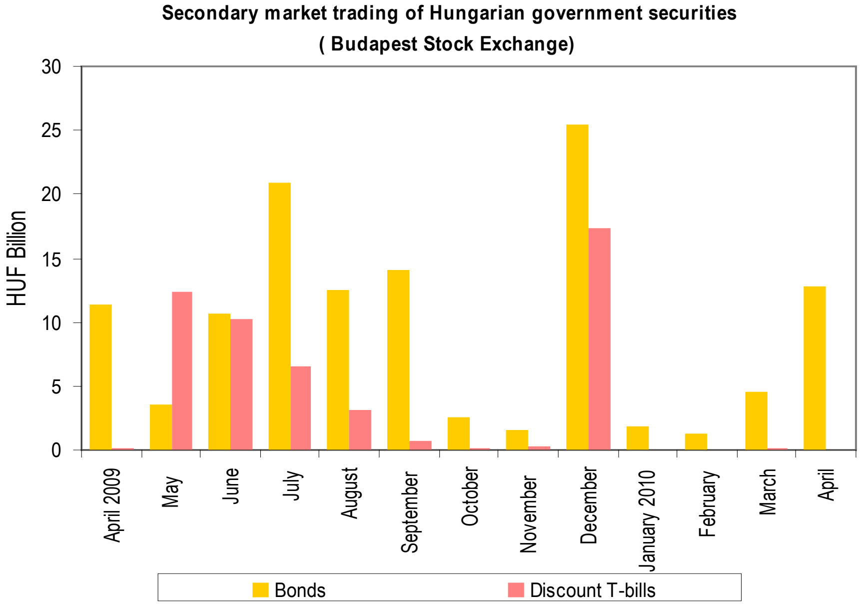
15-year government bond auctions



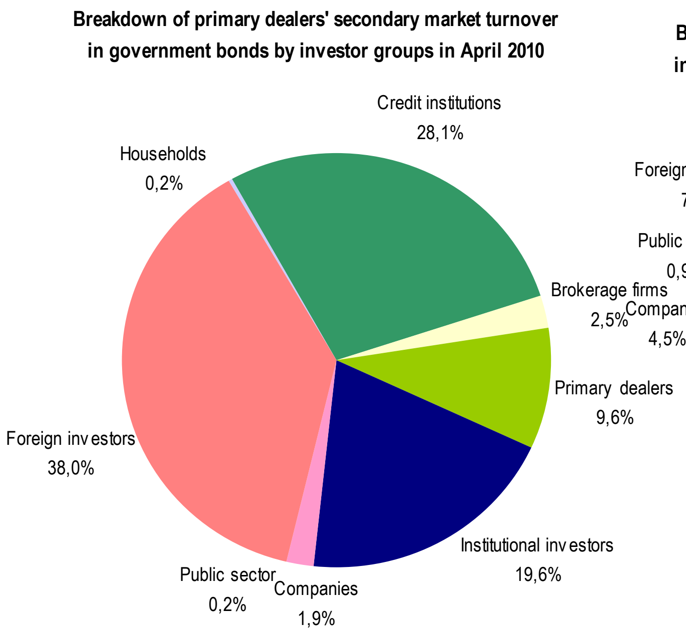
Bids submitted — Accepted amount — Average yield



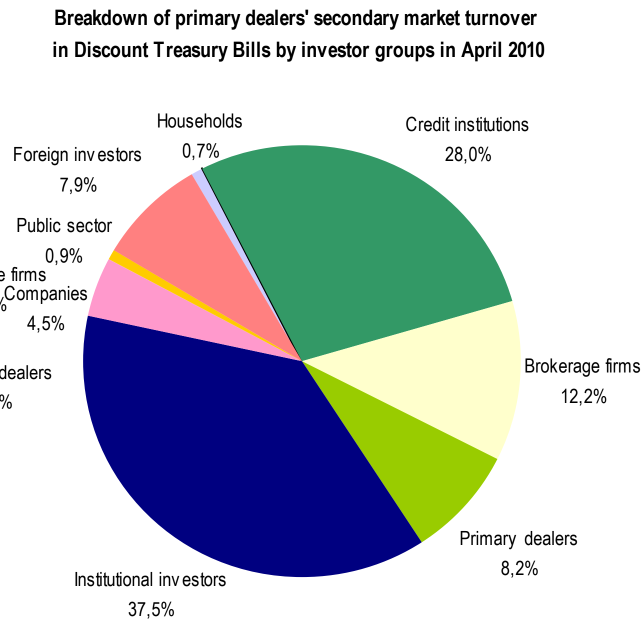
Secondary market trading of Hungarian government securities
(OTC)
HUF Billion
3000
2500
2000
1500
1000
500
0
April 2009
May
June
July
August
September
October
November
December
January 2010
February
March
April
Bonds
Discount T-bills



Secondary market trading of Hungarian government securities
(Budapest Stock Exchange)
HUF Billion
30
25
20
15
10
5
0
April 2009
May
June
July
August
September
October
November
December
January 2010
February
March
April
Bonds
Discount T-bills



Breakdown of primary dealers' secondary market turnover
in government bonds by investor groups in April 2010
Credit institutions
28,1%
Households
0,2%
Brokerage firms
2,5%
Primary dealers
9,6%
Institutional investors
19,6%
Companies
1,9%
Public sector
0,2%
Foreign investors
38,0%



Breakdown of primary dealers' secondary market turnover
in Discount Treasury Bills by investor groups in April 2010
Households
0,7%
Credit institutions
28,0%
Foreign investors
7,9%
Public sector
0,9%
Companies
4,5%
Brokerage firms
12,2%
Primary dealers
8,2%
Institutional investors
37,5%

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2010

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/C	23.04.2010	24.04.2010	24.10.2010	25.10.2010	5.35	6.40
2026/B	23.04.2010	24.04.2010	24.10.2010	25.10.2010	5.35	2.72

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 April 2010	434.4468	417.3273	426.7389	415.4614
Changes compared to the end of the month before	7.1444	2.5243	6.2046	2.0589
Annual yield earned on the index portfolio	26.21%	10.15%	23.15%	8.01%

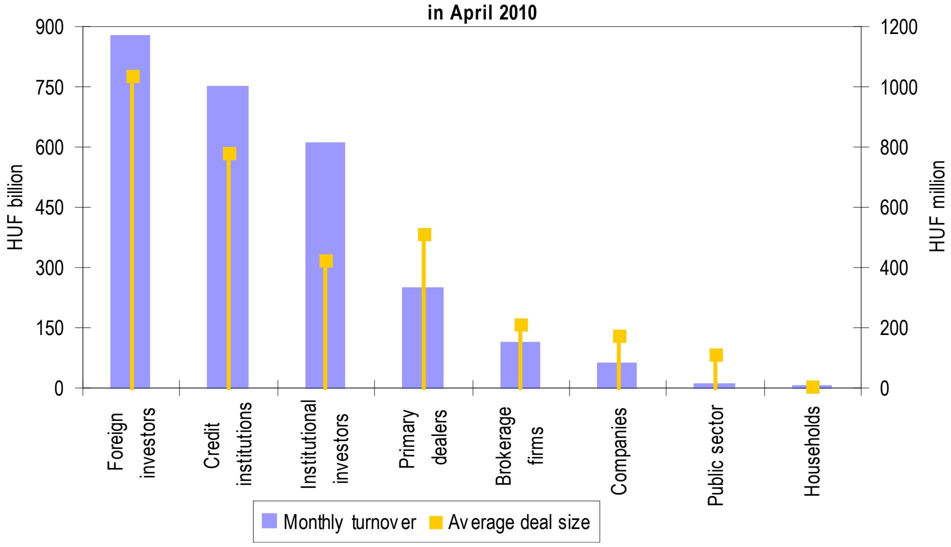
Government securities with the highest secondary market turnover in April 2010

Government security	Date of redemption	Turnover (HUF billion)
2019/A	24.06.2019	358.2
2015/A	12.02.2015	262.9
2017/B	24.02.2017	252.7
2013/E	24.10.2013	244.3
2014/C	12.02.2014	183.5
2016/C	12.02.2016	176.9
2012/B	12.06.2012	151.3
2013/D	12.02.2013	138.0
D110406	06.04.2011	103.9
2020/A	12.11.2020	99.1

The outstanding volume of government bonds with benchmark status at the end of April 2010

	HUF billion	
Government bond	31.03.2010	30.04.2010
2013/E	513.06	569.09
2016/C	425.64	443.82
2019/A	540.67	566.62
2023/A	214.28	214.28

Primary dealers' trading with different investor groups in April 2010



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