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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

MARCH 2010

The deficit of the central government amounted to HUF 606.6 billion in March. The net balance of transfers from the European Union (EU) worth HUF 127.8 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 448.8 billion in March. Net issuance was HUF 453.1 billion; out of which net HUF-denominated issuance was HUF 76.9 billion and net foreign currency denominated issuance was HUF 376.2 billion.

	2009		2010		Change	
HUF billion	December	%	March	%	HUF billion	%
Foreign exchange denominated debt	8,468.5	44.7	8,746.6	45.1	278.1	3.3
Government securities	4,354.0	23.0	4,661.2	24.0	307.2	7.1
Loans	4,114.5	21.7	4,085.4	21.0	-29.1	-0.7
HUF denominated debt	10,476.2	55.2	10,554.4	54.4	78.2	0.7
Government securities	10,037.5	52.9	10,115.7	52.1	78.2	0.8
Loans	438.7	2.3	438.7	2.3	0.0	0.0
Total	18,944.8	99.9	19,301.0	99.4	356.3	1.9
Other obligations	20.1	0.1	110.1	0.6	90.0	447.6
Total central government debt	18,964.9	100.0	19,411.2	100.0	446.3	2.4
Out of the international loan program was placed in NBH or in commercial banks	1,124.8		1,211.9		87.1	

The HUF denominated debt of the central government increased by HUF 78.2 billion in March (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 295.7 billion, while discount Treasury bills decreased by HUF 210.8 billion and the total amount of retail government securities decreased by HUF 5.8 billion.

The foreign currency debt of the central government increased by HUF 278.1 billion in 2010. The foreign currency bond issue increased the debt by HUF 387.3 billion, redemptions of foreign currency debt worth HUF 11.1 billion decreased and the exchange rate revaluations totalling HUF 98.2 billion decreased the Hungarian Forint value of the foreign currency debt in 2010.

Out of the international loan program HUF 1,211.9 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 90.0 billion in 2010.

Secondary market yields decreased on all maturities in March.

Benchmark yields

Maturity	31.12.2009.	26.02.2010.	31.03.2010.	Change, basis points
3-month	6.07	5.57	5.12	-45
6-month	6.08	5.65	5.13	-52
1-year	6.05	5.57	5.10	-47
3-year	7.41	6.71	5.95	-76
5-year	7.59	7.02	6.22	-80
10-year	7.99	7.51	6.86	-65
15-year	7.90	7.49	6.86	-63

Monthly OTC turnover of government securities was 20 % higher in March than a month before and reached HUF 3,031 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 27% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 2.6 billion in March, and amounted to HUF 2,357.6 billion at the end of the month. This volume represented 24.4% of the total amount of domestic government bonds and discount Treasury bills.

Floating rate (coupon linked to the yield of 3 month discount T-bill) 5 year bond was introduced to the Hungarian local bond market with its first auction on 25th March 2010.

The EUR/HUF exchange rate according to the National Bank of Hungary was 266.39 at the last working day of March.

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

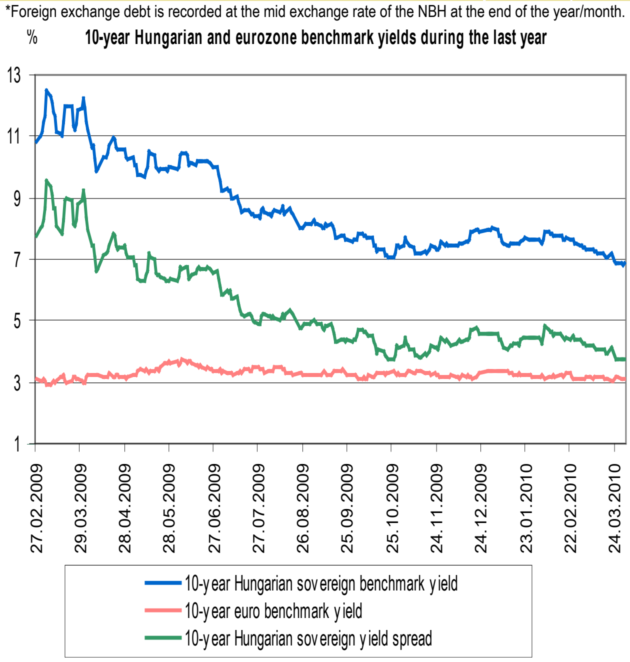
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

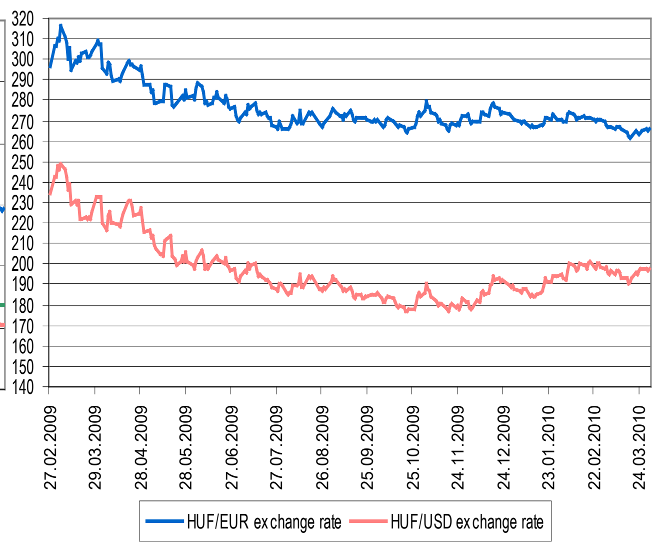
	2004	2005	2006	2007	2008	2009	January 2009	February 2010	March 2010
1. Forint denominated debt	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	10,476.2	10,461.9	10,547.4	10,554.4
1.1. Loans	4.7	0.8	356.4	145.7	219.9	438.7	438.7	438.7	438.7
1.2. Government securities	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	10,037.5	10,023.2	10,108.7	10,115.7
1.2.1. Public issues	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	9,613.2	9,598.9	9,684.4	9,692.3
1.2.1.1. Bonds	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	7,551.7	7,626.3	7,631.1	7,815.0
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	1,522.9	1,606.7	1,436.5
1.2.1.3. Retail securities	628.4	588.7	667.4	555.2	546.4	414.2	449.6	446.7	440.8
1.2.2. Private placements	743.6	733.9	528.4	492.7	431.0	424.3	424.3	424.3	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	8,891.2	8,871.5	8,746.6
2.1. Loans	916.8	720.6	803.7	846.5	2,529.4	4,112.7	4,148.3	4,143.9	4,085.4
2.1.1. Foreign loans	528.9	616.9	700.1	838.8	2,529.4	4,112.7	4,148.3	4,143.9	4,085.4
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	4,742.9	4,727.6	4,661.2
2.2.1. Issued abroad	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,742.9	4,727.6	4,661.2
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	4,742.8	4,727.6	4,661.1
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	19,353.2	19,419.0	19,301.0
Other liabilities		21.4	29.0	9.1	78.5	20.1	41.7	96.4	110.2
Total central government debt		12,765.6	14,705.7	15,585.5	18,103.9	18,963.1	19,394.8	19,515.4	19,411.2
Foreign currency deposits from the international loan program placed at the NBH					*1,483.6*	*1,124.8*	*1,164.4*	*1,225.3*	*1,211.9*
Government debt adjusted with foreign currency deposits					16,620.3	17,838.3	18,230.4	18,290.1	18,199.3
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*	*9,573.6*	*9,662.1*	*9,674.9*
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.

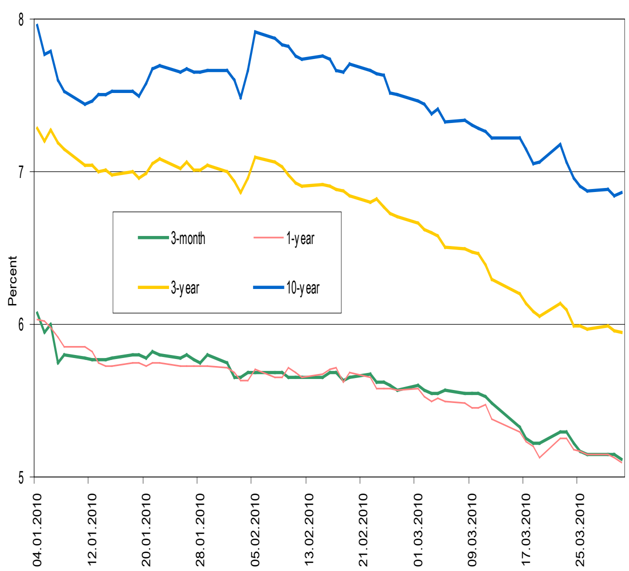
10-year Hungarian and eurozone benchmark yields during the last year



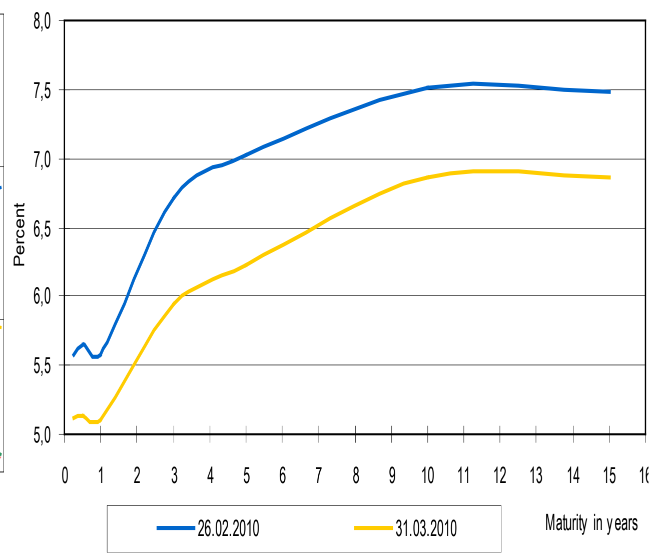
The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months



Benchmark yield curves

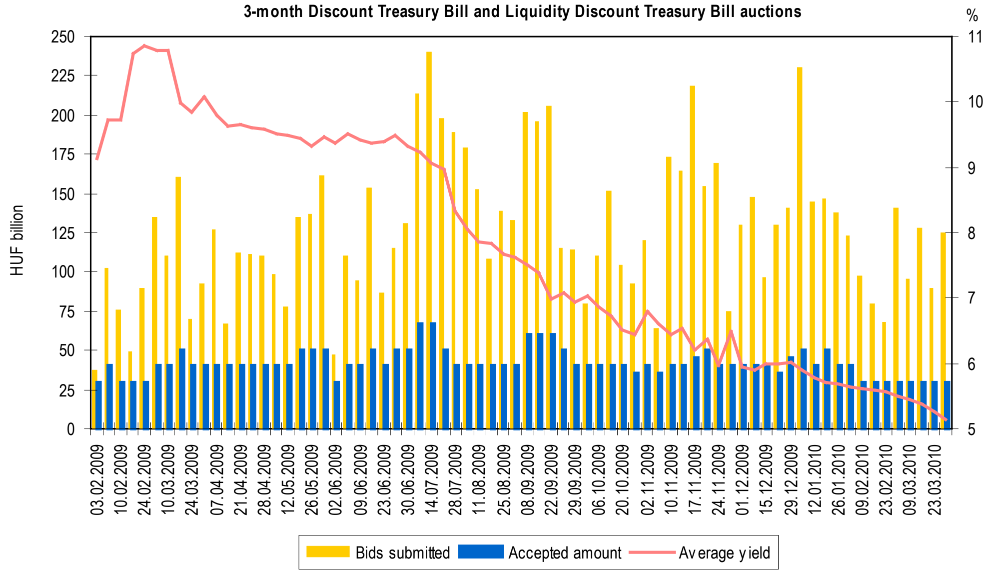


DISCOUNT TREASURY BILL AUCTION RESULTS

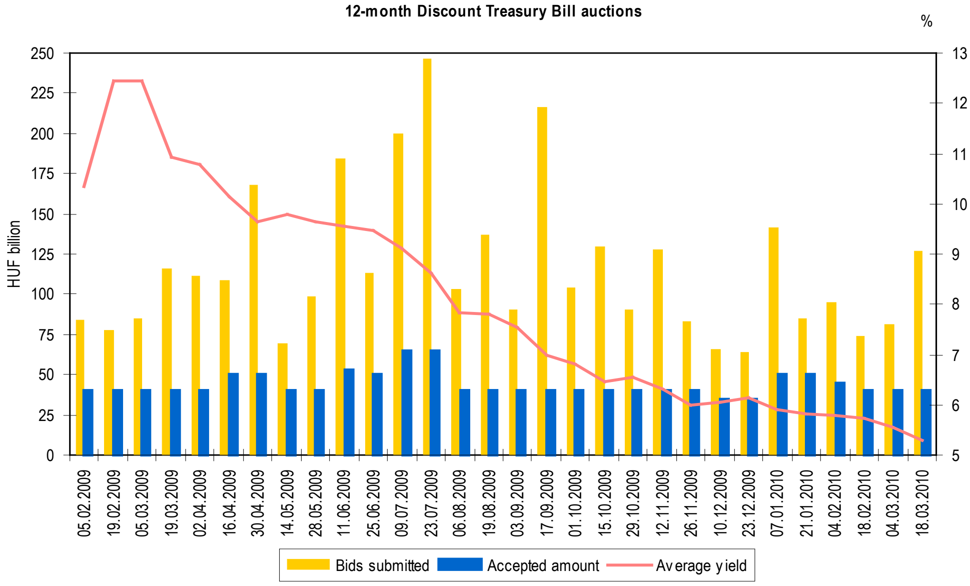
	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D100609	D100616	D100623	D100630	D100707	D110126	D110126
ISIN code	HU0000517776	HU0000517784	HU0000517792	HU0000517420	HU0000517800	HU0000517735	HU0000517735
Maturity in days	91	91	91	91	91	322	308
Date of auction	02.03.2010	09.03.2010	16.03.2010	23.03.2010	30.03.2010	04.03.2010	18.03.2010
Date of financial settlement	10.03.2010	17.03.2010	24.03.2010	31.03.2010	07.04.2010	10.03.2010	24.03.2010
Redemption date	09.06.2010	16.06.2010	23.06.2010	30.06.2010	07.07.2010	26.01.2011	26.01.2011
Maximum yield, (%) - ISMA	5.51	5.48	5.39	5.29	5.17	5.59	5.32
Minimum yield (%) - ISMA	5.43	5.40	5.25	5.20	5.10	5.50	5.25
Average yield (%) - ISMA	5.49	5.46	5.37	5.26	5.15	5.56	5.30
Maximum yield, (%) - EHM	5.59	5.56	5.47	5.36	5.24	5.67	5.39
Minimum yield (%) - EHM	5.51	5.47	5.32	5.27	5.17	5.58	5.32
Average yield (%) - EHM	5.57	5.54	5.44	5.33	5.22	5.64	5.37
Average selling price (%)	98.6312	98.6386	98.6608	98.6878	98.7149	95.2625	95.6622
Amount offered for sale (HUF million)	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	140,712.58	95,079.91	128,357.48	89,373.72	124,815.06	81,462.26	126,560.00
Amount of bids accepted (HUF million)	29,999.94	29,999.95	29,999.96	29,999.97	29,999.96	39,999.94	39,999.98
Bid-to-cover ratio	4.69	3.17	4.28	2.98	4.16	2.04	3.16
Bids submitted (pcs)	136	94	112	93	105	112	123
Bids accepted (pcs)	39	34	37	44	31	58	45
Market sales* (HUF million)	29,999.94	29,999.95	29,999.96	29,999.97	29,999.96	39,999.94	39,999.98
Retained on ÁKK's own account	9,000.06	9,000.05	9,000.04	9,000.03	9,000.04	12,000.06	12,000.02
Total amount issued (HUF million)	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	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

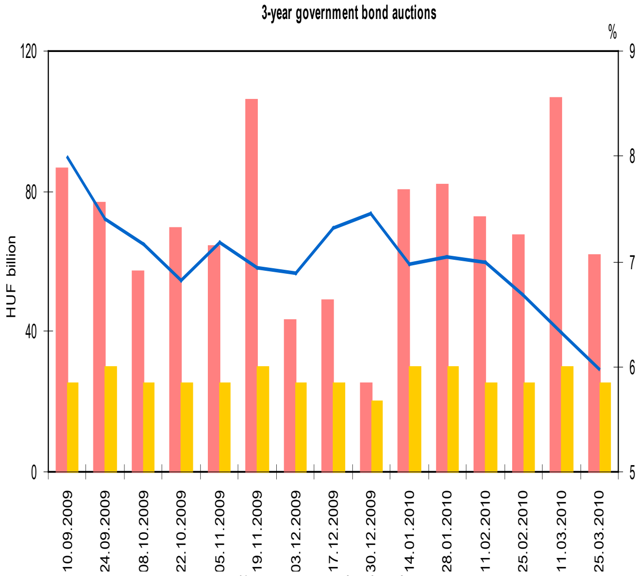


GOVERNMENT BOND AUCTION RESULTS

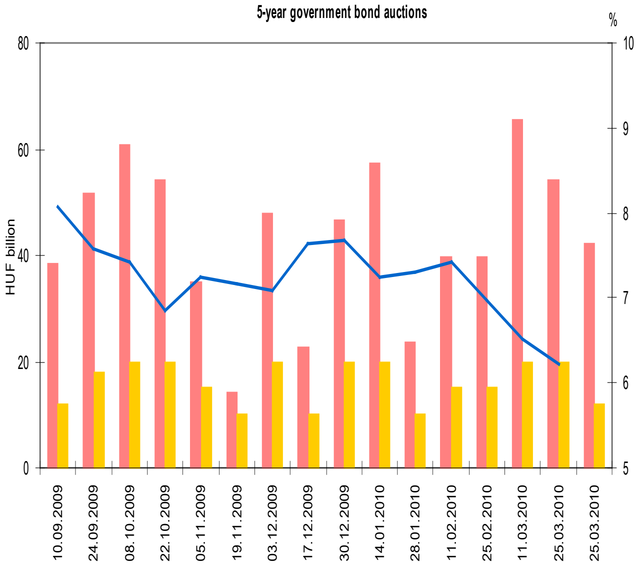
Government Bond	2013/E	2015/A	2023/A	2013/E	2015/A	2015/B
ISIN code	HU0000402466	HU0000402268	HU0000402383	HU0000402466	HU0000402268	HU0000402482
Maturity (in years)	3	5	15	3	5	50
Coupon (%)	7.50%	8.00%	6.00%	7.50%	8.00%	floating rate
Auction	15th auction	41th auction	12th auction	16th auction	42th auction	1st auction
Date of auction	11.03.2010	11.03.2010	11.03.2010	25.03.2010	25.03.2010	25.03.2010
Date of financial settlement	17.03.2010	17.03.2010	17.03.2010	31.03.2010	31.03.2010	31.03.2010
Redemption date	24.10.2013	12.02.2015	24.11.2023	24.10.2013	12.02.2015	22.12.2015
Maximum annual yield (%) - ISMA	6.35	6.53	7.19	6.00	6.25	
Minimum annual yield (%) - ISMA	6.30	6.50	7.15	5.92	6.20	
Average annual yield (%) - ISMA	6.33	6.52	7.16	5.98	6.23	
Maximum annual yield (%) - EHM	6.35	6.53	7.19	6.00	6.25	
Minimum annual yield (%) - EHM	6.30	6.50	7.15	5.92	6.20	
Average annual yield (%) - EHM	6.32	6.51	7.16	5.98	6.23	
Maximum price (%)	103.7112	106.1168	90.1207	104.8975	107.3473	100.0500
Minimum price (%)	103.5501	105.9892	89.8022	104.6382	107.1328	99.7500
Average price (%)	103.6216	106.0490	90.0032	104.6991	107.2103	99.9499
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)	106,490.00	65,594.04	18,372.89	61,602.60	54,025.00	42,060.00
Amount of bids accepted (HUF million)	29,999.97	19,999.97	9,999.97	24,999.97	19,999.96	12,000.00
Bid-to-cover ratio	3.55	3.28	1.84	2.46	2.70	3.51
Bids submitted (pcs)	79	80	51	78	80	59
Bids accepted (pcs)	30	23	31	41	28	26
Tail (average price - minimum price)	0.07	0.06	0.20	0.06	0.08	0.20
Market sales* (HUF million)	29,999.97	19,999.97	9,999.97	24,999.97	19,999.96	12,000.00
Non-competitive offer (HUF million)	10,692.00	5,031.00	0.03	9,098.00	7,121.00	3,800.00
Total amount issued (HUF million)	30,000.00	20,000.00	10,000.00	25,000.00	28,000.00	24,000.00

*Without issuance onto ÁKK's own account

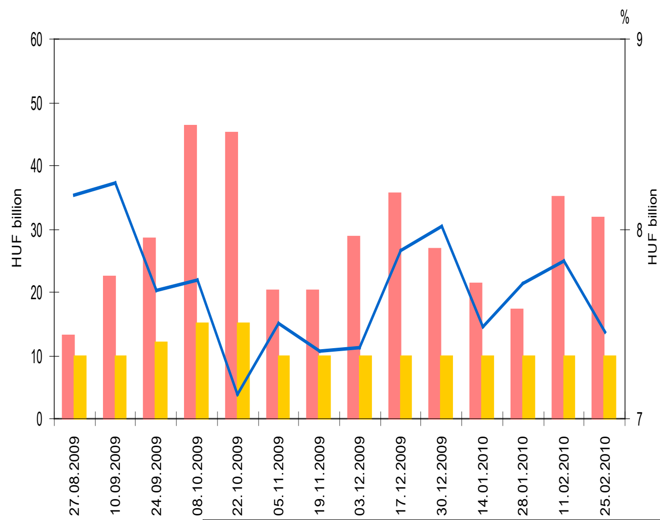
3-year government bond auctions



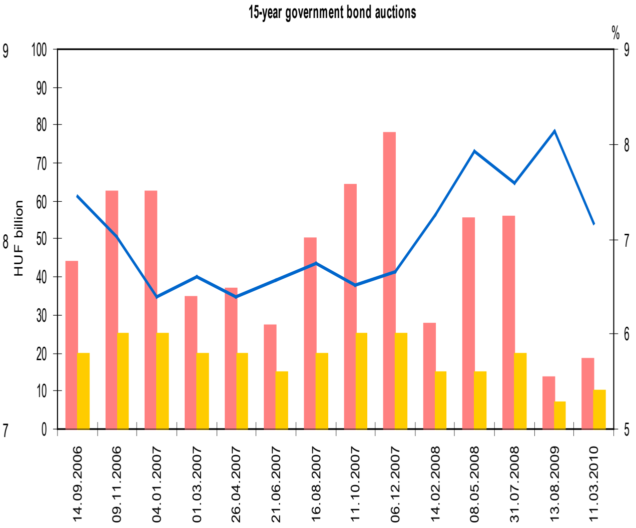
5-year government bond auctions



10-year government bond auctions



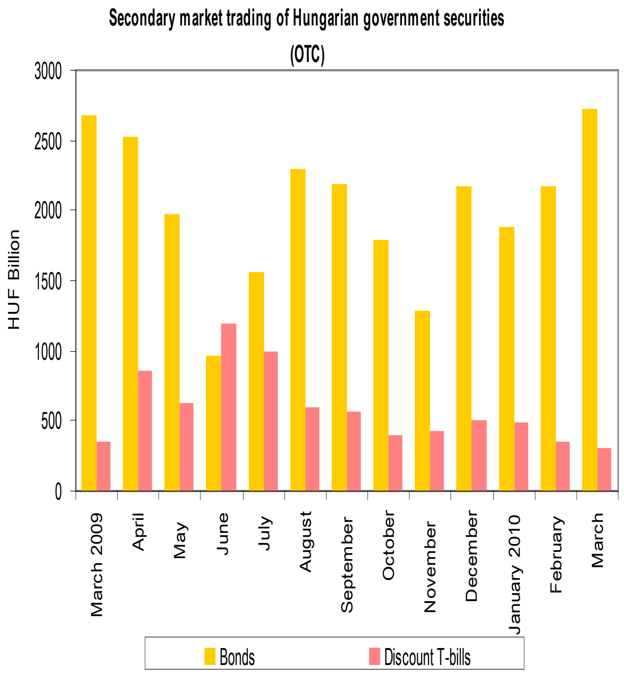
15-year government bond auctions

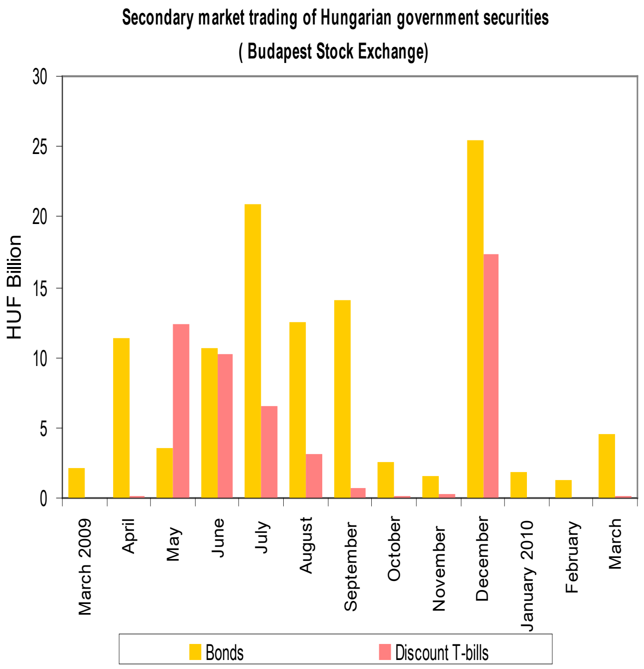


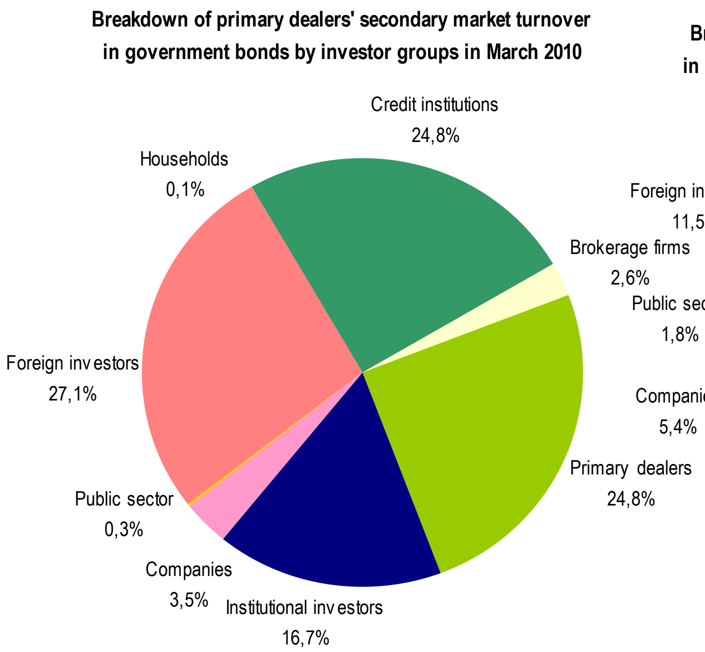
Bids submitted — Accepted amount — Average yield

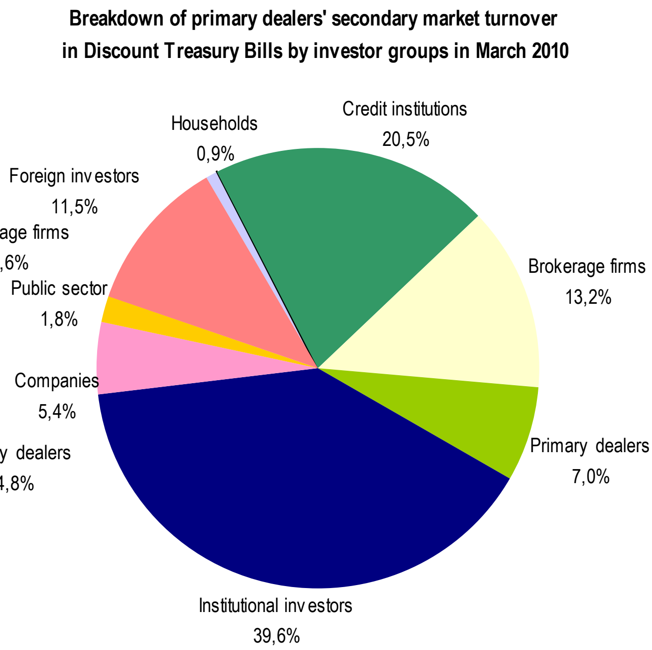
GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2010/B	2010/D	2010/B	2010/D
ISIN code	HU0000402292	HU0000402409	HU0000402292	HU0000402409
Coupon (%)	6.75	6.25	6.75	6.25
Date of reverse auction	10.03.2010	10.03.2010	24.03.2010	24.03.2010
Date of financial settlement	17.03.2010	17.03.2010	31.03.2010	31.03.2010
Redemption date	12.10.2010	24.08.2010	12.10.2010	24.08.2010
Minimum annual yield (%)	5.60	5.60	0.00	0.00
Average annual yield - ISMA (%)	5.60	5.60	0.00	0.00
Average annual yield - EHM (%)	5.53	5.51	0.00	0.00
Amount of bids submitted (HUF million)	29,573.43	24,072.42	11,336.35	7,718.94
Amount of bids accepted (HUF million)	16,113.89	12,218.14	0.00	0.00









INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MARCH 2010

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/A	26.02.2010	28.02.2010	28.08.2010	30.08.2010	5.78	2.91
2013/A	19.03.2010	20.03.2010	20.09.2010	20.09.2010	6.10	3.12
2016/A	30.12.2009	20.03.2010	20.09.2010	20.09.2010	6.10	3.12
2015/B	31.03.2010	31.03.2010	22.06.2010	22.06.2010	5.44	1.25

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 31 March 2010	427.3024	414.8030	420.5343	413.4025
Changes compared to the end of the month before	14.4888	2.7315	11.9408	2.2358
Annual yield earned on the index portfolio	34.74%	10.89%	29.94%	8.52%

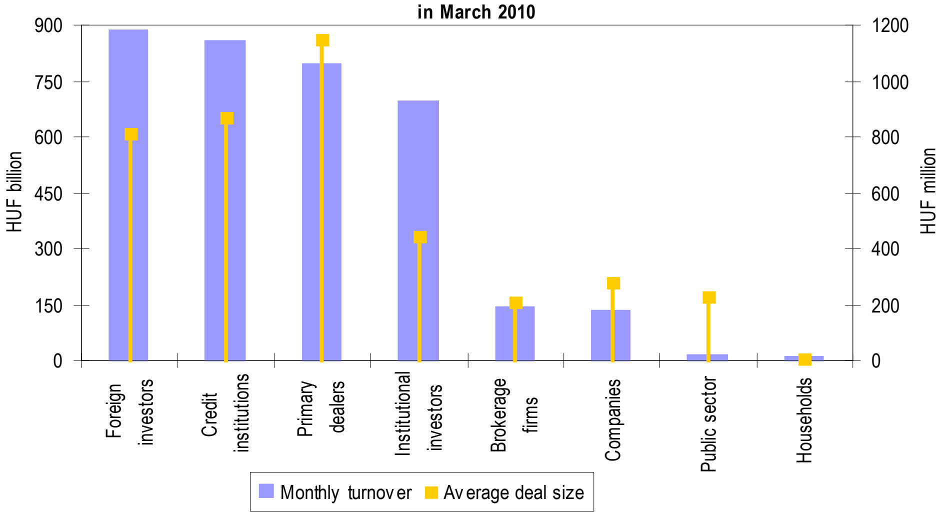
Government securities with the highest secondary market turnover in March 2010

Government security	Date of redemption	Turnover (HUF billion)
2015/A	12.02.2015	695.0
2013/E	24.10.2013	384.9
2019/A	24.06.2019	331.5
2017/B	24.02.2017	247.0
2012/C	24.10.2012	204.2
2014/C	12.02.2014	194.2
2013/D	12.02.2013	179.3
2011/C	22.04.2011	142.8
D110126	06.01.2011	114.4
2020/A	12.11.2020	108.5

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

	HUF billion	
Government bond	26.02.2010	31.03.2010
2013/E	407.14	513.06
2015/A	781.67	850.91
2019/A	530.59	540.67
2023/A	204.23	214.28

Primary dealers' trading with different investor groups in March 2010



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