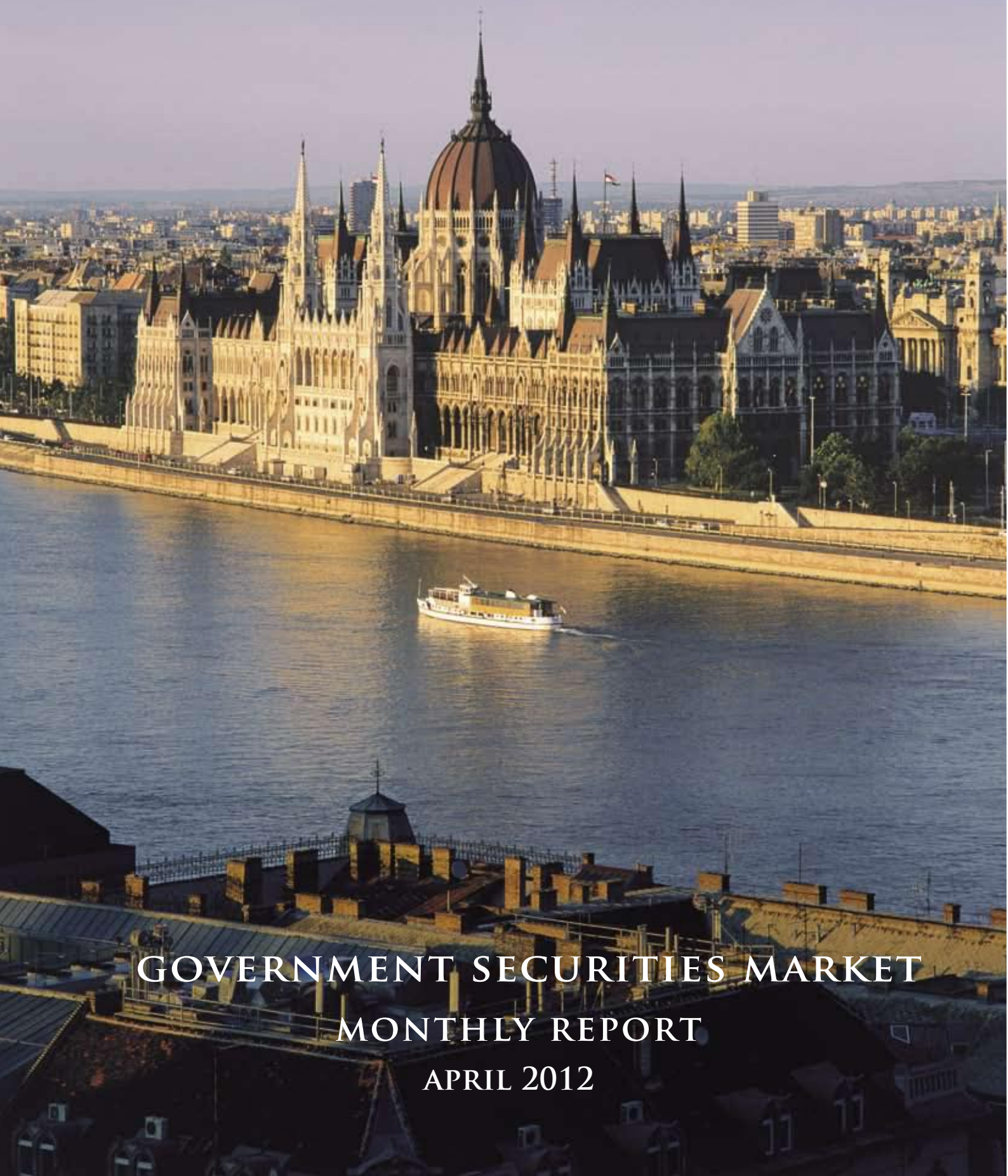




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GOVERNMENT DEBT MANAGEMENT AGENCY FTÉ LTD.



GOVERNMENT SECURITIES MARKET
MONTHLY REPORT
APRIL 2012

■ GOVERNMENT SECURITIES MARKET ■

The deficit of the central government amounted to HUF 226.9 billion in April. The net prefinancing of cash transfers from the European Union increased the net borrowing requirement by HUF 24.2 billion. Thus, the total net financing requirement amounted to HUF 251.1 billion in 2012. Net issuance was HUF 601.6 billion; out of which net HUF-denominated issuance was HUF 824.4 billion and net foreign currency denominated issuance was HUF -222.8 billion.

HUF billion	2011		2012		Change	
	December	%	April	%	HUF billion	%
Foreign exchange denominated debt	10,170.4	48.5	9,179.1	44.3	-991.3	-9.7
Government securities	5,712.3	27.3	5,246.4	25.3	-465.9	-8.2
Loans	4,458.1	21.3	3,932.7	19.0	-525.4	-11.8
HUF denominated debt	10,362.2	49.4	11,186.4	53.9	824.2	8.0
Government securities	9,771.4	46.6	10,597.6	51.1	826.2	8.5
Loans	590.8	2.8	588.8	2.8	-2.0	-0.3
Total	20,532.6	98.0	20,365.5	98.2	-167.1	-0.8
<i>Other obligations</i>	422.9	2.0	377.5	1.8	-45.4	-10.7
Total central government debt	20,955.5	100.0	20,742.9	100.0	-212.6	-1.0

The HUF denominated debt of the central government increased by HUF 824.2 billion in 2012 (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 412.3 billion, the amount of discount Treasury bills increased by HUF 334.7 billion and the total amount of retail government securities increased by HUF 80.0 billion.

The foreign currency debt of the central government decreased by HUF 991.3 billion in 2012. The redemptions of foreign currency debt worth HUF 222.8 billion decreased the debt. The exchange rate revaluations totalling HUF 768.6 billion decreased the Hungarian Forint value of the foreign currency debt in 2012.

Secondary market yields in April:

Benchmark yields

Maturity	30.12.2011.	30.03.2012.	27.04.2012.	Change, basis points
3-month	7.55	7.35	7.20	-15
6-month	7.60	7.40	7.20	-20
1-year	7.95	7.60	7.30	-30
3-year	9.06	8.72	7.87	-85
5-year	9.64	8.93	7.95	-98
10-year	9.75	9.06	7.98	-108
15-year	9.76	8.97	7.94	-103

Monthly OTC turnover of government securities was 48 % lower in April than a month before and reached HUF 4,300.4 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 65% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 58.6 billion in April, and amounted to HUF 4,268.1 billion at the end of the month. This volume represented 40.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 287.63 on the last working day of April.

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

■ GOVERNMENT SECURITIES MARKET ■

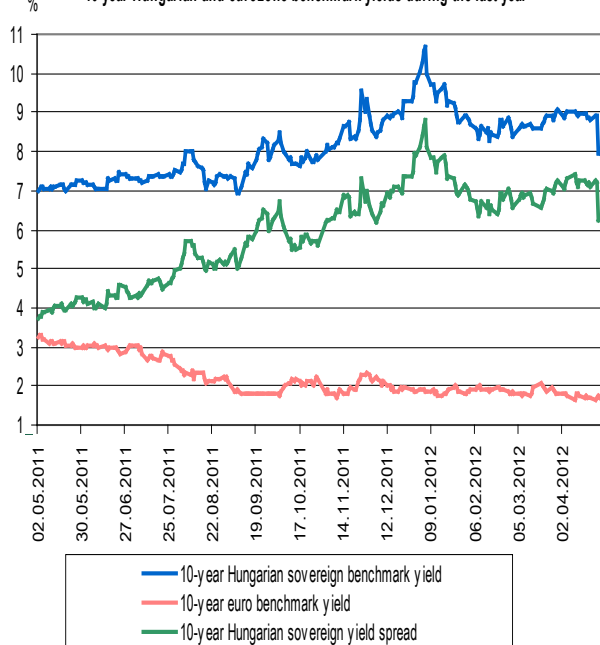
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

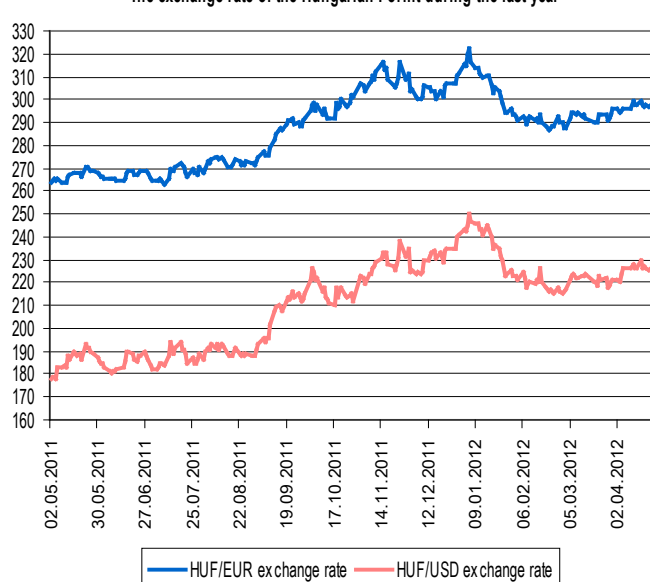
	2006	2007	2008	2009	2010	2011	Feb 2012	Mar 2012	Apr 2012
1. Forint denominated debt	10,552.3	11,103.8	11,250.6	10,476.2	10,978.2	10,362.2	10,903.8	11,060.8	11,186.4
1.1. Loans	356.4	145.7	219.9	438.7	540.8	590.8	589.8	589.8	588.8
1.2. Government securities	10,195.9	10,958.1	11,030.7	10,037.5	10,437.4	9,771.4	10,314.0	10,471.0	10,597.6
1.2.1. Public issues	9,667.5	10,465.4	10,599.7	9,613.2	10,019.6	9,378.1	9,910.8	10,067.7	10,195.2
1.2.1.1. Bonds	7,244.2	8,245.3	8,570.6	7,519.2	7,965.8	7,353.4	7,556.5	7,680.8	7,765.8
1.2.1.2. Discount T-bills	1,755.9	1,664.9	1,482.4	1,647.3	1,618.2	1,540.9	1,866.0	1,868.0	1,875.6
1.2.1.3. Retail securities	667.4	555.2	546.4	446.6	435.7	473.8	488.2	519.0	553.8
1.2.2. Private placements	528.4	492.7	431.0	424.3	417.8	403.2	403.2	403.2	402.4
2. Foreign currency denominated debt*	4,124.4	4,472.6	6,774.8	8,466.7	8,842.8	10,170.4	9,286.9	9,427.7	9,179.1
2.1. Loans	803.7	846.5	2,529.4	4,112.7	4,292.8	4,458.1	3,967.1	4,035.9	3,932.7
2.1.1. Foreign loans	700.1	838.8	2,529.4	4,112.7	4,292.8	4,361.9	3,881.9	3,949.2	3,848.3
2.1.2. Domestic loans	103.6	104.0	0.0	0.0	0.0	96.2	85.2	86.7	84.4
2.1.2.1. Raised from National Bank of Hungary (NBH)	95.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2.2. Other loans	7.7	7.7	0.0	0.0	0.0	96.2	85.2	86.7	84.4
2.2. Government securities	3,320.7	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	5,319.8	5,391.8	5,246.4
2.2.1. Issued abroad	3,320.7	3,626.1	4,245.5	4,354.0	4,550.0	5,712.3	5,319.8	5,391.8	5,246.4
2.2.1.1. Foreign currency bonds	3,320.6	3,626.1	4,245.4	4,354.0	4,550.0	5,712.3	5,319.8	5,391.8	5,246.4
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	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	0.0	0.0	0.0	0.0
Total	14,676.7	15,576.4	18,025.4	18,942.9	19,821.0	20,532.6	20,190.7	20,488.5	20,365.5
Other liabilities	29.0	9.1	78.5	20.1	220.01	422.9	392.7	338.3	377.5
Total central government debt	14,705.7	15,585.5	18,103.9	18,963.1	20,041.0	20,955.5	20,583.5	20,826.8	20,742.9
Marketable HUF debt (1.2.1.1+1.2.2.+1.2.2.)	9,528.4	10,402.9	10,484.0	9,623.3	10,001.8	9,297.6	9,825.8	9,952.0	10,043.8
Gross debt/GDP	61.8%	61.3%	68.2%	72.7%	73.9%	75.3%			

*Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the

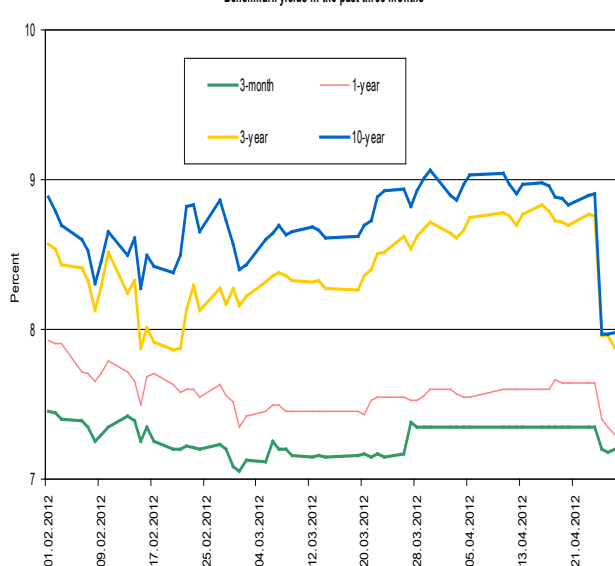
10-year Hungarian and eurozone benchmark yields during the last year



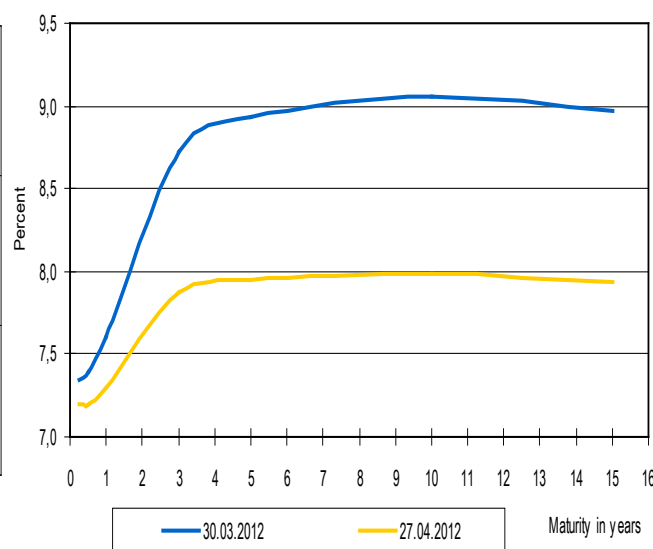
The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months



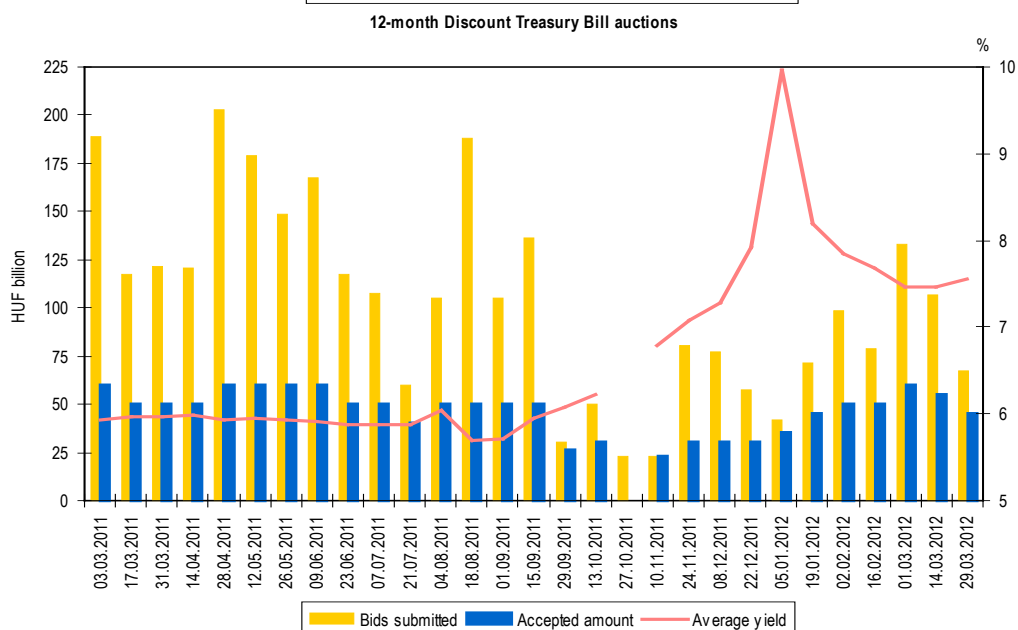
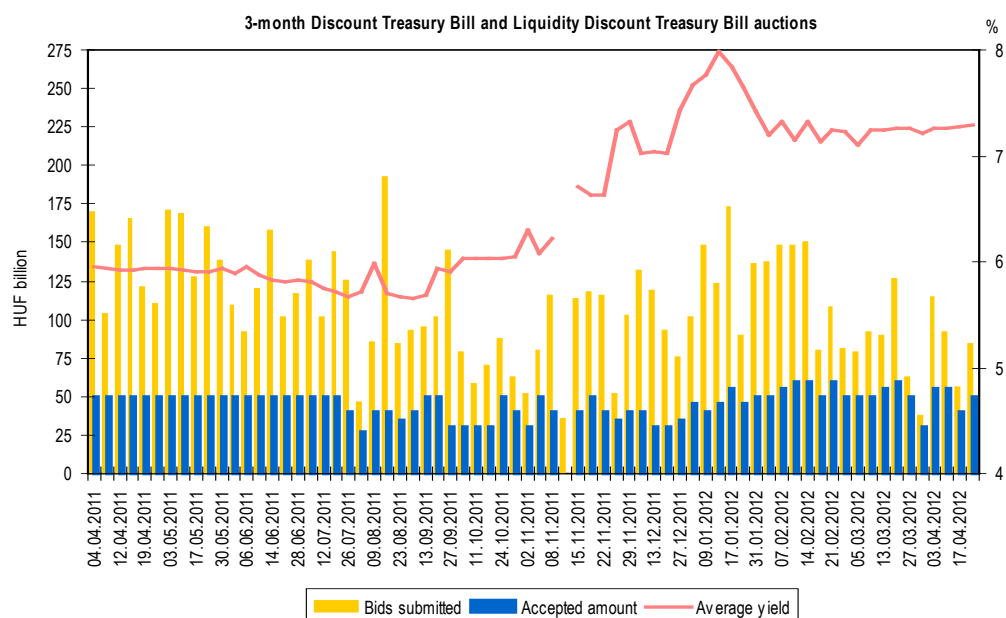
Benchmark yield curves



■ GOVERNMENT SECURITIES MARKET ■

DISCOUNT TREASURY BILL AUCTION RESULTS

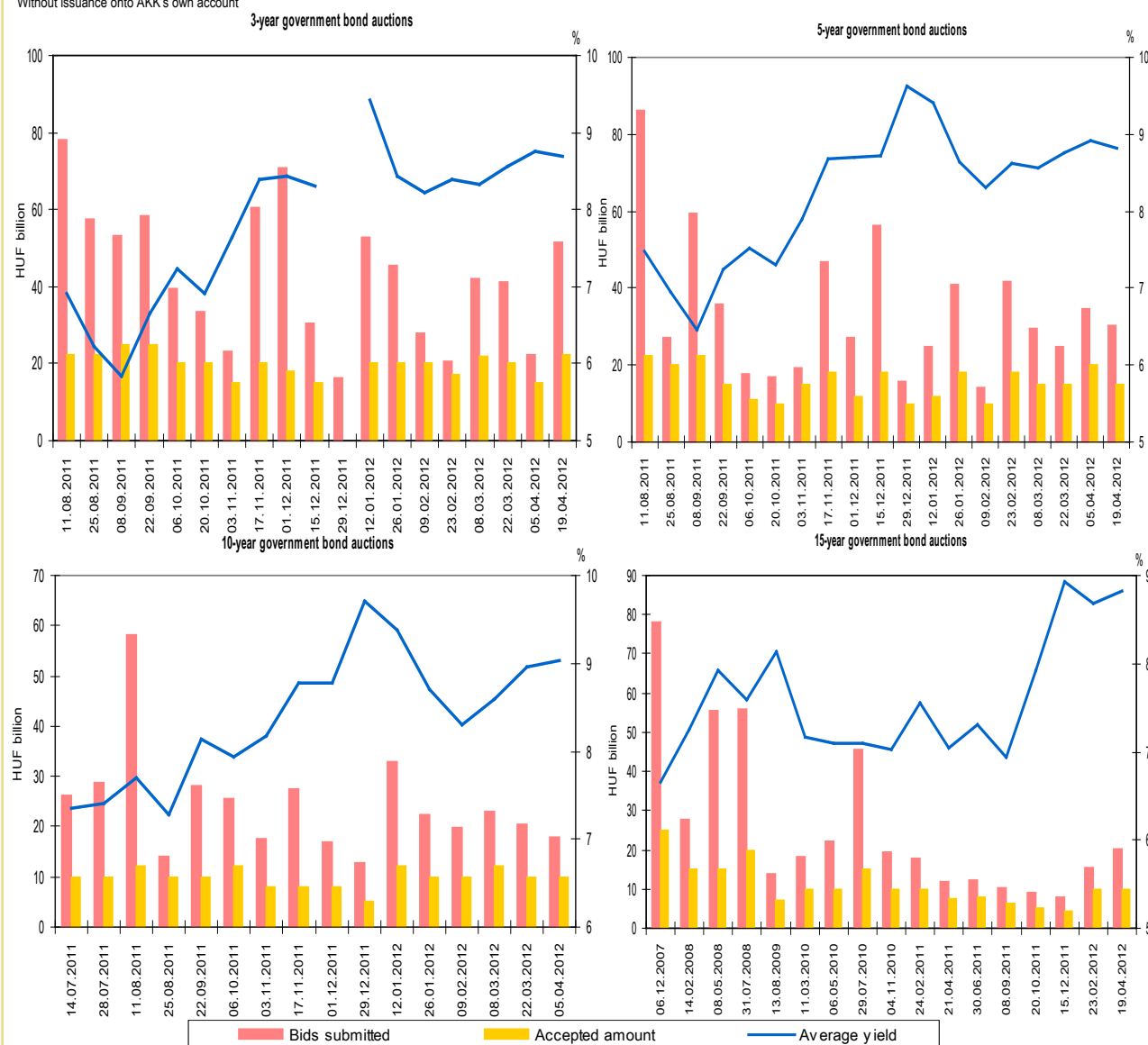
	Liquidity Discount T-bills	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D120523	D120711	D120718	D120725	D120801	D130417	D130417
ISIN code	HU0000518808	HU0000518873	HU0000518881	HU0000518907	HU0000518915	HU0000518899	HU0000518899
Maturity in days	49	91	91	91	91	364	350
Date of auction	02.04.2012	03.04.2012	10.04.2012	17.04.2012	24.04.2012	12.04.2012	26.04.2012
Date of financial settlement	04.04.2012	11.04.2012	18.04.2012	25.04.2012	02.05.2012	18.04.2012	02.05.2012
Redemption date	23.05.2012	11.07.2012	18.07.2012	25.07.2012	01.08.2012	17.04.2013	17.04.2013
Maximum yield, (%) - ISMA	7.26	7.29	7.30	7.33	7.33	7.72	7.44
Minimum yield (%) - ISMA	7.13	7.20	7.20	7.23	7.20	7.59	7.25
Average yield (%) - ISMA	7.22	7.26	7.26	7.28	7.29	7.66	7.37
Maximum yield, (%) - EHM	7.36	7.39	7.40	7.43	7.43	7.83	7.54
Minimum yield (%) - EHM	7.23	7.30	7.30	7.33	7.30	7.70	7.35
Average yield (%) - EHM	7.32	7.36	7.36	7.38	7.39	7.77	7.47
Average selling price (%)	99.0268	98.1979	98.1979	98.1930	98.1906	92.8116	93.3138
Amount offered for sale (HUF million)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	45,000.00	45,000.00
Amount of bids submitted (HUF million)	38,011.00	114,764.90	92,295.85	56,425.07	84,722.33	65,320.00	92,545.00
Amount of bids accepted (HUF million)	29,999.99	54,999.96	54,999.93	39,999.99	49,999.92	39,999.98	44,999.96
Bid-to-cover ratio	1.27	2.09	1.68	1.41	1.69	1.63	2.06
Bids submitted (pcs)	44	105	109	103	109	126	114
Bids accepted (pcs)	37	37	73	92	69	95	99
Market sales* (HUF million)	29,999.99	54,999.96	54,999.93	39,999.99	49,999.92	39,999.98	44,999.96
Retained on ÁKK's own account	0.01	16,500.04	16,500.07	12,000.01	15,000.08	40,000.02	13,500.04
Total amount issued (HUF million)	30,000.00	71,500.00	71,500.00	52,000.00	65,000.00	80,000.00	58,500.00



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2015/C	2017/A	2022/A	2015/B	2015/C	2017/A	2028/A
ISIN code	HU0000402581	HU0000402037	HU0000402524	HU0000402482	HU0000402581	HU0000402037	HU0000402532
Maturity (in years)	3	5	10	3	3	5	15
Coupon (%)	7.75%	6.75%	7.00%	5.44%	7.75%	6.75%	6.75%
Auction	5th auction	33rd auction	26th auction	19th auction	6th auction	34th auction	8th auction
Date of auction	05.04.2012	05.04.2012	05.04.2012	12.04.2012	19.04.2012	19.04.2012	19.04.2012
Date of financial settlement	11.04.2012	11.04.2012	11.04.2012	18.04.2012	25.04.2012	25.04.2012	25.04.2012
Redemption date	24.08.2015	24.11.2017	24.06.2022	22.12.2015	24.08.2015	24.11.2017	22.10.2028
Maximum annual yield (%) - ISMA	8.77	8.92	9.07		8.70	8.86	8.86
Minimum annual yield (%) - ISMA	8.73	8.85	8.96		8.68	8.79	8.79
Average annual yield (%) - ISMA	8.75	8.91	9.04		8.70	8.82	8.82
Maximum annual yield (%) - EHM	8.77	8.91	9.06		8.70	8.85	8.85
Minimum annual yield (%) - EHM	8.73	8.84	8.95		8.68	8.78	8.78
Average annual yield (%) - EHM	8.75	8.90	9.03		8.69	8.81	8.81
Maximum price (%)	97.2745	90.9371	87.1908	94.9000	97.4305	91.2240	82.5047
Minimum price (%)	97.1643	90.6552	86.5402	94.7000	97.3758	90.9425	81.9860
Average price (%)	97.2146	90.7052	86.7379	94.8000	97.3871	91.1122	82.3008
Amount offered for sale (HUF million)	18,000.00	15,000.00	10,000.00	5,000.00	15,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	22,510.00	34,600.00	17,800.00	14,380.00	51,466.88	30,125.00	20,186.12
Amount of bids accepted (HUF million)	15,000.00	19,999.96	10,000.00	6,999.99	22,499.95	14,999.96	9,999.98
Bid-to-cover ratio	1.50	1.73	1.78	2.05	2.29	2.01	2.02
Bids submitted (pcs)	68	65	38	35	77	67	61
Bids accepted (pcs)	34	30	27	15	23	36	35
Tail (average price - minimum price)	0.05	0.05	0.20	0.10	0.01	0.17	0.31
Market sales* (HUF million)	15,000.00	19,999.96	10,000.00	6,999.99	22,499.95	14,999.96	9,999.98
Non-competitive offer (HUF million)	0.00	5,601.34	2,540.00	1,919.99	8,103.12	4,967.37	2,507.54
Total amount issued (HUF million)	30,000.00	20,000.00	14,000.00	7,000.00	45,000.00	21,000.00	20,000.00

*Without issuance onto ÁKK's own account



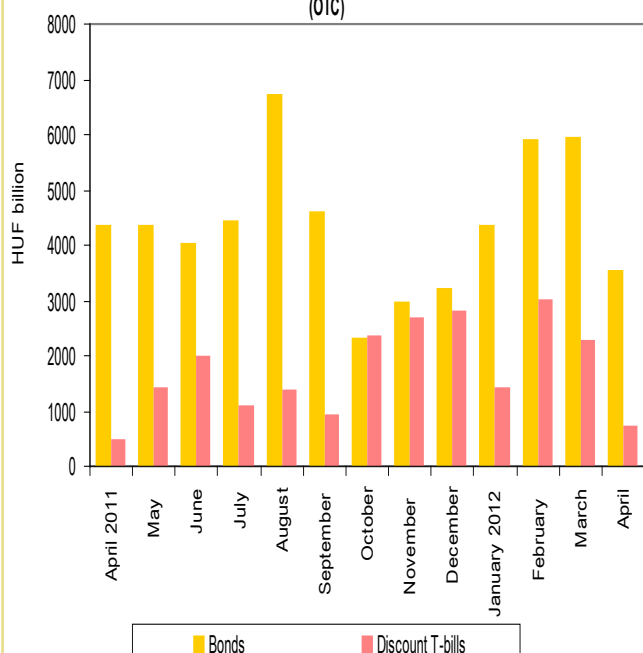
■ GOVERNMENT SECURITIES MARKET ■

GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2012/C	2012/C	2013/D
ISIN code	HU0000402417	HU0000402417	HU0000402045
Coupon (%)	6.00	6.00	6.75
Date of reverse auction	04.04.2012	18.04.2012	18.04.2012
Date of financial settlement	11.04.2012	25.04.2012	25.04.2012
Redemption date	24.10.2012	24.10.2012	12.02.2013
Minimum annual yield (%)	7.40	7.40	7.60
Average annual yield - ISMA (%)	7.43	7.42	7.66
Average annual yield - EHM (%)	7.29	7.27	7.58
Amount of bids submitted (HUF million)	14,035.11	14,510.57	22,008.16
Amount of bids accepted (HUF million)	11,035.11	14,510.57	17,808.16

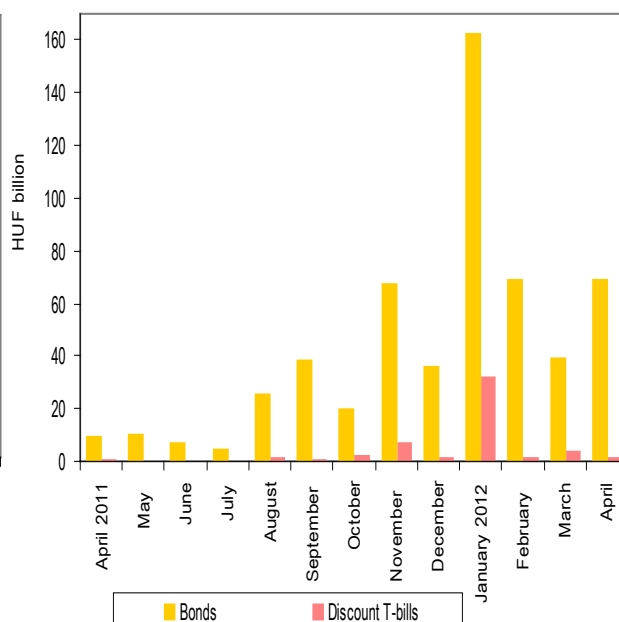
Secondary market trading of Hungarian government securities

(OTC)

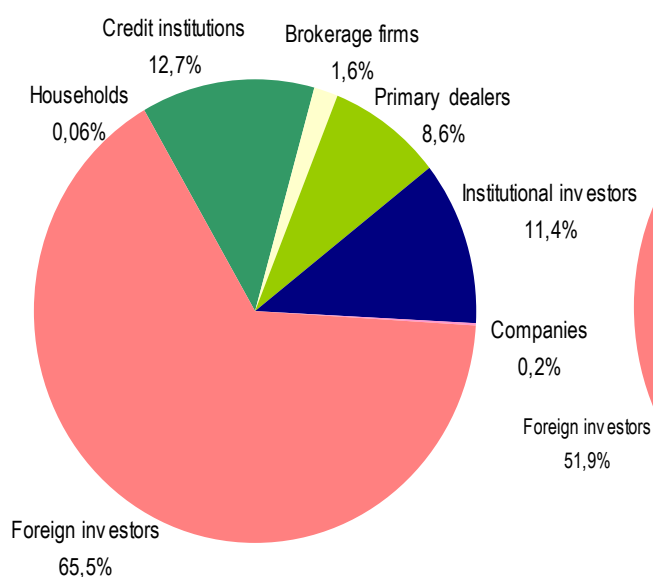


Secondary market trading of Hungarian government securities

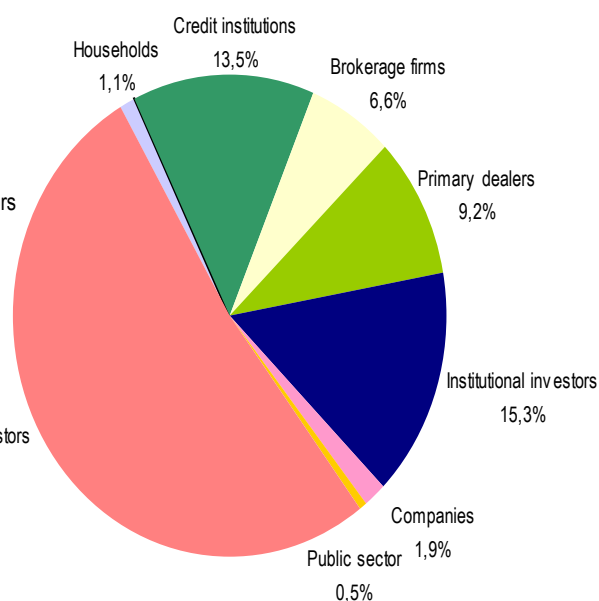
(Budapest Stock Exchange
from 2012 MTS Hungary trading)



Breakdown of primary dealers' secondary market turnover
in government bonds by investor groups in April 2012



Breakdown of primary dealers' secondary market turnover
in Discount Treasury Bills by investor groups in April 2012



■ GOVERNMENT SECURITIES MARKET ■

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN APRIL 2012

Government Bond	Date of interest rate reset	Interest period	Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/C	24.04.2012	24.04.2012	24.10.2012	7.26	6.63
2026/B	24.04.2012	24.04.2012	24.10.2012	7.26	3.69

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 April 2012	468.4316	465.2966	464.9739	466.1951
Changes compared to the end of the month before	17.6828	3.8189	15.0975	2.8497
Annual yield earned on the index portfolio	3.39%	6.02%	3.89%	6.44%

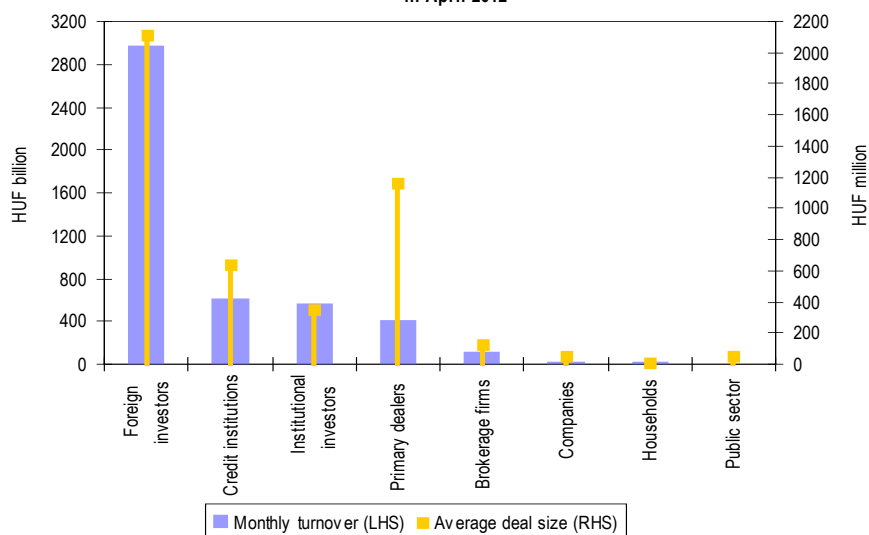
Government securities with the highest secondary market turnover in April 2012

Government security	Date of redemption	Turnover (HUF billion)
2014/C	12.02.2014	617.2
2014/D	22.08.2014	593.0
2013/D	12.02.2013	437.8
2017/A	24.11.2017	388.9
2015/C	24.08.2015	339.0
2015/A	12.02.2015	279.0
2022/A	24.06.2022	240.5
2020/A	12.11.2020	199.7
2012/C	24.10.2012	197.5
D120502	02.05.2012	171.8

The outstanding volume of government bonds with benchmark status at the end of April 2012

Government bond	31.03.2012	30.04.2012
2015/C	91.61	137.90
2017/A	532.29	578.24
2022/A	305.28	318.14
2028/A	50.23	62.74

Primary dealers' trading with different investor groups in April 2012



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

