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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

March 2009

The deficit of the central government amounted to HUF 566.0 billion in first three months of 2009. The net balance of transfers from the EAGGF fund of the European Union (EU) worth HUF 229.0 billion decreased the net borrowing requirement. Thus, the total net borrowing requirement amounted to HUF 337.0 billion in first three months. Net issuance was HUF 1160.5 billion; out of which net HUF-denominated issuance was HUF 697.5 billion and net foreign currency denominated issuance was HUF 463.0 billion. Out of the international loan program HUF 2,081.2 billion was placed in the National Bank of Hungary in the form of foreign currency deposits at the end of March. The total amount of other liabilities decreased by HUF 4.7 billion in 2009.

The HUF denominated debt of the central government increased by HUF 696.8 billion in 2009, which is the sum of the HUF 760.7 billion increase in the volume of HUF loans and the HUF 63.9 billion decrease in the volume of government securities (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). Net government bond issuance was of HUF -152.0 billion, while discount Treasury bills increased by HUF 110.5 billion and retail government securities decreased by HUF 21.4 billion. The HUF 760.7 billion increase in the volume of HUF loans in the first three months of the year was the result of drawdowns of IMF/EU loans and project financing loans in Hungarian Forints. In order to decrease the share of foreign currency debt within the total debt – which had seen substantial increase due to unfavourable exchange rate movements – a part of the loans drawn down in 2009 was converted to HUF via FX swaps in an amount of HUF 712.1 billion.

The foreign currency debt of the central government increased by HUF 1651.3 billion in 2009. The drawdown of foreign currency denominated loans was HUF 638.7 billion, out of which the loans from the international loan package (IMF, EC) amounted to HUF 595.4 billion, while loans from international financing institutions amounted to HUF 43.3billion. Redemptions of foreign currency loans worth HUF 26.7 billion and redemptions of foreign currency government bonds worth HUF 149.0 billion decreased, while exchange rate revaluations totalling HUF 1188.4 billion increased the Hungarian Forint value of the foreign currency debt in 2009.

Short-term secondary market yields decreased by 27-60 basis points, while long-term yields increased by 19-160 basis points in March. The 1-year yield decreased by 27 bps to 11.05%, the 3-year yield increased by 19 bps to 12.98% and the 10-year benchmark yield reached 12.25% at the end of March after increasing by 140 basis points.

Monthly OTC turnover of government securities was 20 % higher in March than a month before and reached HUF 3,021 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 32% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 60.2 billion in March, and amounted to HUF 2,465 billion at the end of the month. This volume represented 23.6% of the total amount of domestic government bonds and discount Treasury bills.

In reaction to market developments, the Government Debt Management Agency Pte. Ltd. (ÁKK) held several T-bond buy-back auctions in March, repurchasing a substantial amount of bonds, totalling HUF 148.2 billion.

The EUR/HUF exchange rate according to the National Bank of Hungary was 309.22 at the last working day of March 2009.

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).

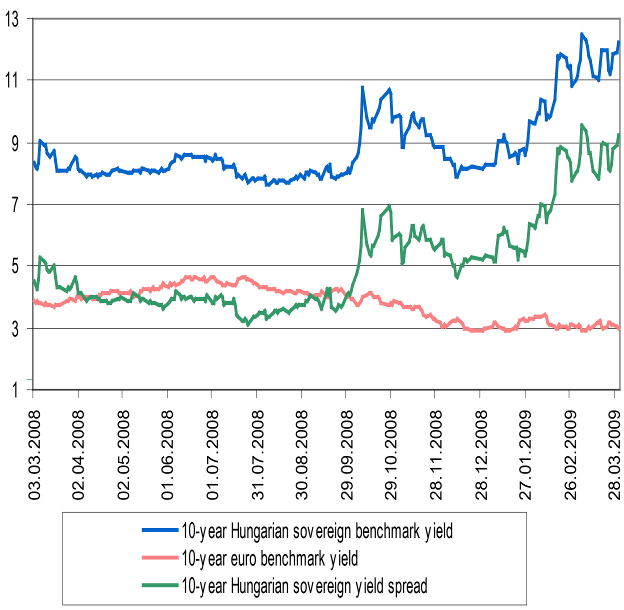
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

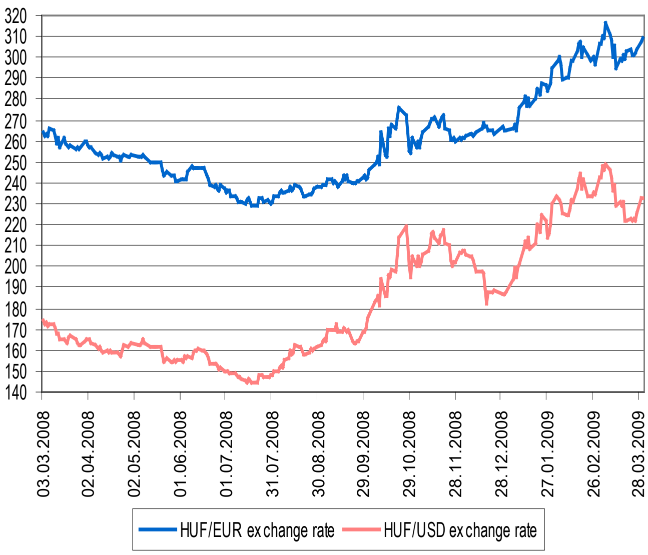
	2004	2005	2006	2007	2008	January 2009	February 2009	March 2009
1. Forint denominated debt	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	11,238.6	11,228.1	11,947.4
1.1. Loans	4.7	0.8	356.4	145.7	219.9	219.9	219.9	980.6
1.2. Government securities	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	11,018.7	11,008.2	10,966.8
1.2.1. Public issues	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	10,587.8	10,577.3	10,536.7
1.2.1.1. Bonds	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	8,528.0	8,493.7	8,418.6
1.2.1.2. Discount T-bills	1,463.3	1,530.9	1,755.9	1,664.9	1,482.4	1,521.5	1,552.3	1,592.9
1.2.1.3. Retail securities	628.4	588.7	667.4	555.2	546.4	538.3	531.4	525.2
1.2.2. Private placements	743.6	733.9	528.4	492.7	431.0	431.0	430.9	430.1
2. Foreign currency denominated debt*	2,983.5	3,590.7	4,124.4	4,472.6	6,774.8	7,649.5	7,531.2	8,426.1
2.1. Loans	916.8	720.6	803.7	846.5	2,529.4	2,920.6	2,924.8	3,622.8
2.1.1. Foreign loans	528.9	616.9	700.1	838.8	2,529.4	2,920.6	2,924.8	3,622.8
2.1.2. Domestic loans	387.8	103.8	103.6	104.0	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
2.1.2.2. Other loans	32.2	7.7	7.7	7.7	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	4,728.9	4,606.4	4,803.4
2.2.1. Issued abroad	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,728.9	4,606.4	4,803.4
2.2.1.1. Foreign currency bonds	2,066.7	2,870.0	3,320.6	3,626.1	4,245.4	4,728.8	4,606.4	4,803.3
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	0.1	0.1	0.0	0.0	0.0	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
Total	11,592.4	12,744.2	14,676.7	15,576.4	18,025.4	18,888.1	18,759.3	20,373.5
Other liabilities		21.4	29.0	9.1	78.5	85.8	100.9	73.9
Total central government debt		12,765.6	14,705.7	15,585.5	18,103.9	18,973.9	18,860.2	20,447.4
Foreign currency deposits from the international loan program placed at the NBH					*1,483.6*	*1,588.5*	*1,446.8*	*2,081.2*
Government debt adjusted with foreign currency deposits					16 620,3	17 385,4	17 413,4	18 366,2
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*	*10,480.4*	*10,476.9*	*10,441.6*
Gross debt/GDP	*56.0%*	*57.9%*	*61.8%*	*61.3%*	*68.4%*			

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

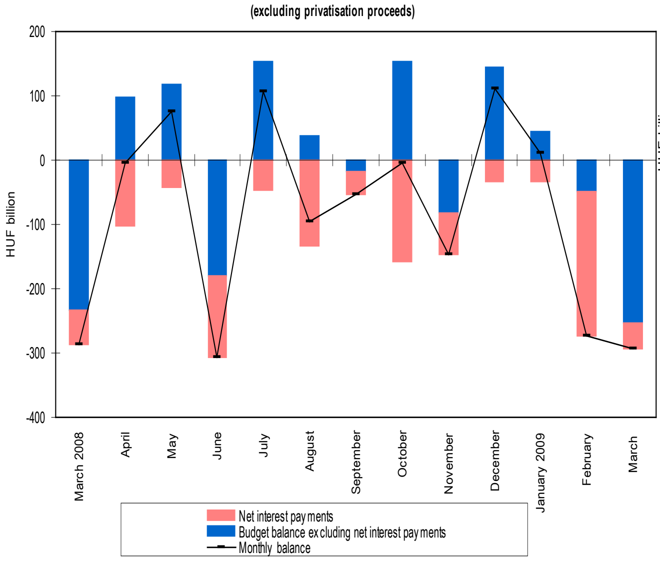
10-year Hungarian and eurozone benchmark yields during the last year



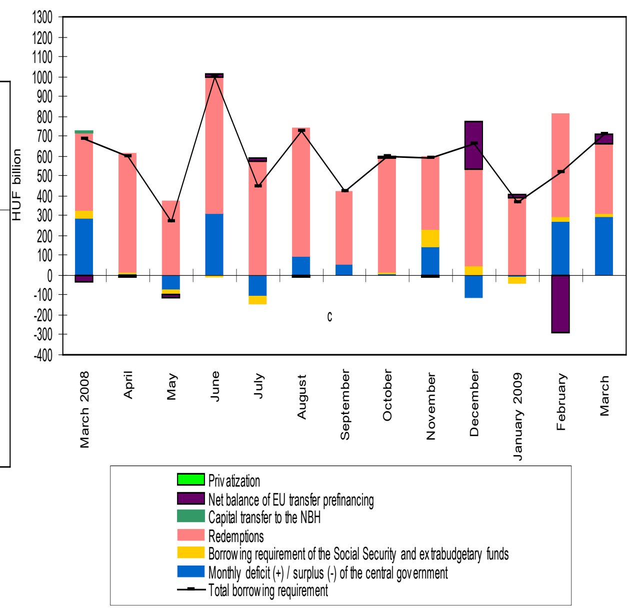
The exchange rate of the Hungarian Forint during the last year



Monthly balance of the central government budget (excluding privatisation proceeds)



Gross borrowing requirement

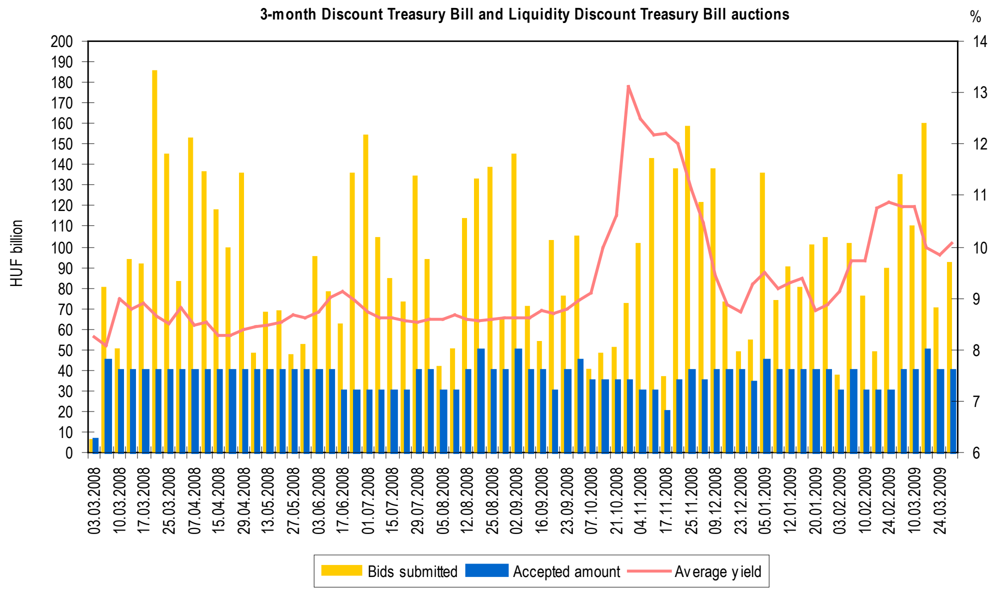


DISCOUNT TREASURY BILL AUCTION RESULTS

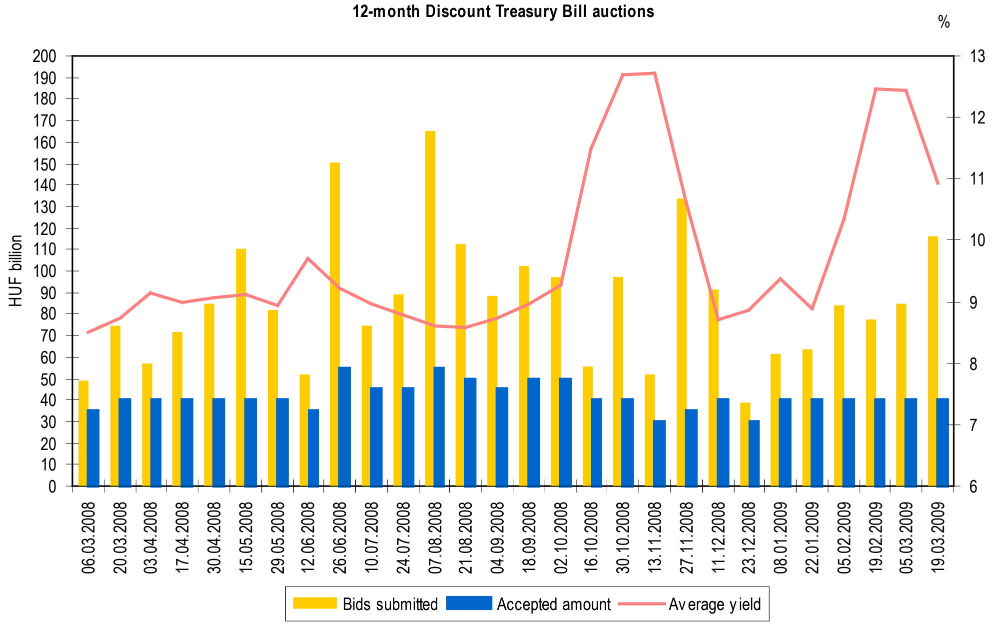
	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D090610	D090617	D090624	D090701	D090708	D100310	D100310
ISIN code	HU0000517230	HU0000517248	HU0000517255	HU0000517263	HU0000517297	HU0000517289	HU0000517289
Maturity in days	91	91	91	91	91	364	350
Date of auction	03.03.2009	10.03.2009	17.03.2009	24.03.2009	31.03.2009	05.03.2009	19.03.2009
Date of financial settlement	11.03.2009	18.03.2009	25.03.2009	01.04.2009	08.04.2009	11.03.2009	25.03.2009
Redemption date	10.06.2009	17.06.2009	24.06.2009	01.07.2009	08.07.2009	10.03.2010	10.03.2010
Maximum yield, (%) - ISMA	10.85	10.90	10.00	9.94	10.30	12.60	11.05
Minimum yield (%) - ISMA	10.50	10.60	9.82	9.69	9.75	11.60	10.78
Average yield (%) - ISMA	10.79	10.78	9.98	9.85	10.07	12.43	10.94
Maximum yield, (%) - EHM	11.00	11.05	10.14	10.08	10.44	12.77	11.20
Minimum yield (%) - EHM	10.65	10.75	9.96	9.82	9.89	11.76	10.93
Average yield (%) - EHM	10.94	10.93	10.12	9.99	10.21	12.60	11.09
Average selling price (%)	97.3449	97.3473	97.5394	97.5706	97.5177	88.8351	90.3864
Amount offered for sale (HUF million)	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	135,096.41	110,259.30	160,147.02	70,171.13	92,734.97	84,733.16	116,152.82
Amount of bids accepted (HUF million)	39,999.97	39,999.94	49,999.95	39,999.98	39,999.96	39,999.96	39,999.98
Bid-to-cover ratio	3.38	2.76	3.20	1.75	2.32	2.12	2.90
Bids submitted (pcs)	133	121	118	76	145	141	120
Bids accepted (pcs)	35	69	30	45	72	70	30
Market sales* (HUF million)	39,999.97	39,999.94	49,999.95	39,999.98	39,999.96	39,999.96	39,999.98
Retained on ÁKK's own account	12,000.03	12,000.06	15,000.05	12,000.02	12,000.04	12,000.04	12,000.02
Total amount issued (HUF million)	52,000.00	52,000.00	65,000.00	52,000.00	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

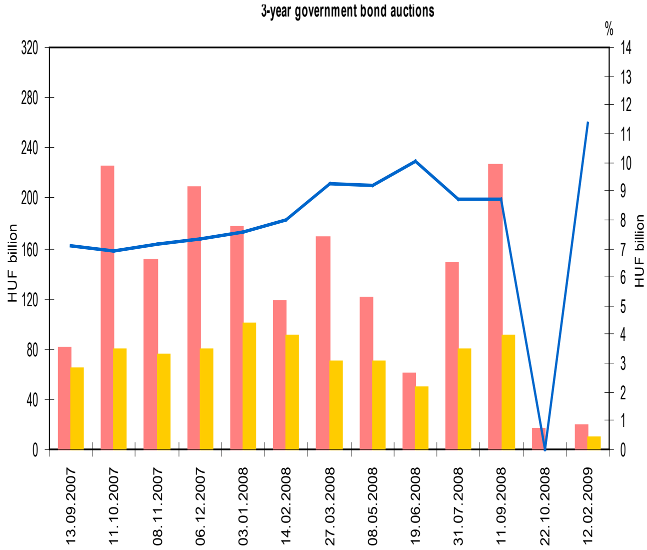


GOVERNMENT BOND AUCTION RESULTS

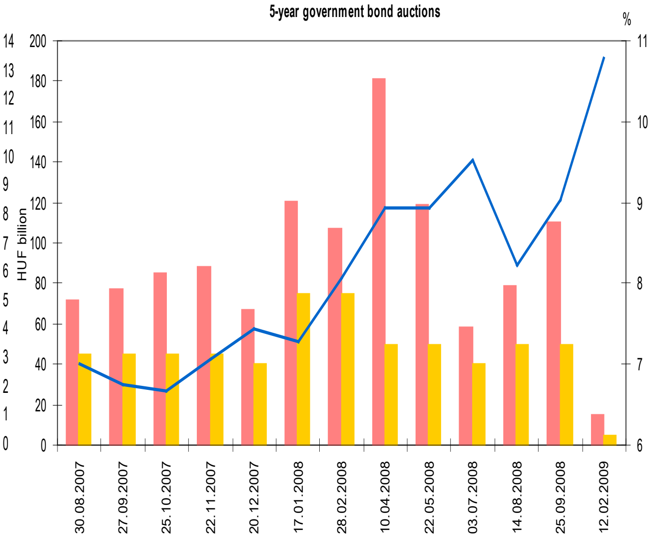
Government Bond	
ISIN code	
Maturity (in years)	
Coupon (%)	In reaction to market developments,
Auction	the Government Debt Management Agency
Date of auction	did not hold T-bond auction
Date of financial settlement	in March.
Redemption date	
Maximum annual yield (%) - ISMA	
Minimum annual yield (%) - ISMA	
Average annual yield (%) - ISMA	
Maximum annual yield (%) - EHM	
Minimum annual yield (%) - EHM	
Average annual yield (%) - EHM	
Maximum price (%)	
Minimum price (%)	
Average price (%)	
Amount offered for sale (HUF million)	
Amount of bids submitted (HUF million)	
Amount of bids accepted (HUF million)	
Bid-to-cover ratio	
Bids submitted (pcs)	
Bids accepted (pcs)	
Tail (average price - minimum price)	
Market sales* (HUF million)	
Retained on ÁKK's own account (HUF million)	
Total amount issued (HUF million)	

*Without issuance onto ÁKK's own account

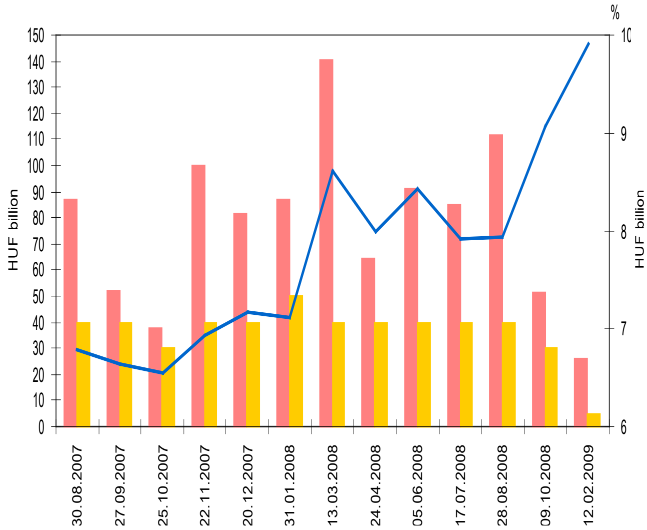
3-year government bond auctions



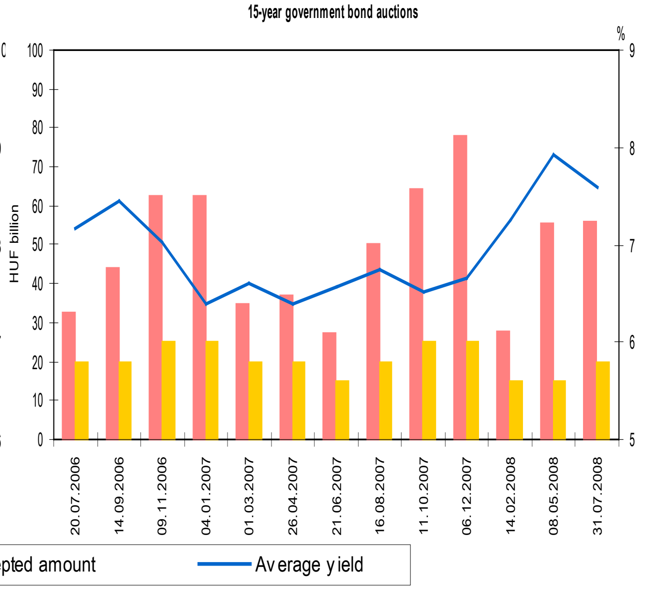
5-year government bond auctions



10-year government bond auctions



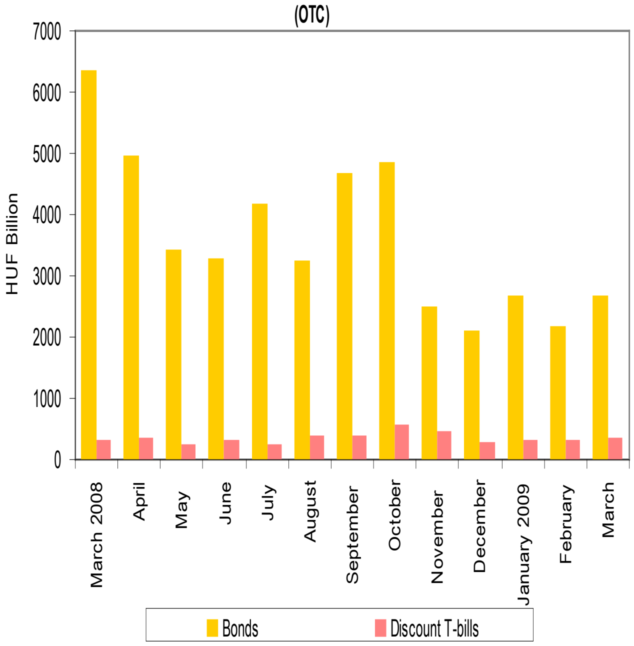
15-year government bond auctions



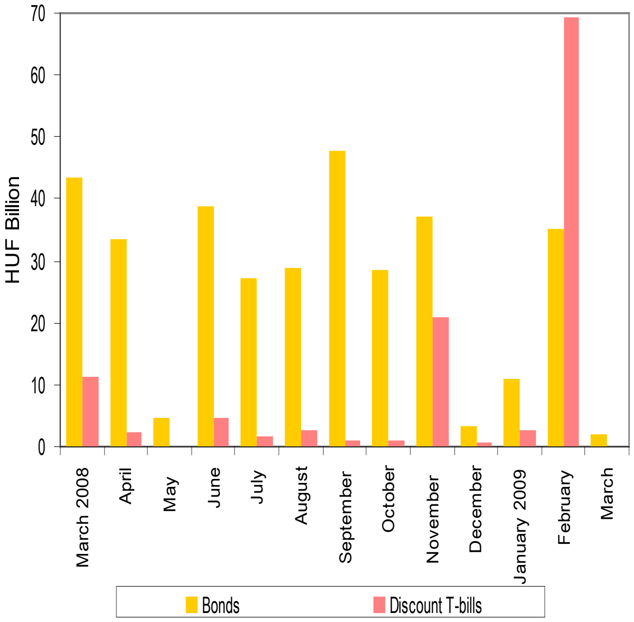
GOVERNMENT SECURITIES BUY-BACK AUCTION

Government bond	2010/C	2009/F	2009/D	2009/F	2010/C	2011/C	2009/F	2010/C	2012/C
ISIN code	HU0000402391	HU0000402359	HU0000402243	HU0000402359	HU0000402391	HU0000402425	HU0000402359	HU0000402391	HU0000402417
Coupon (%)	6.75	6.50	8.25	6.50	6.75	6.75	6.50	6.75	6.00
Date of reverse auction	11.03.2009	11.03.2009	11.03.2009	18.03.2009	18.03.2009	18.03.2009	25.03.2009	25.03.2009	25.03.2009
Date of financial settlement	18.03.2009	18.03.2009	18.03.2009	25.03.2009	25.03.2009	25.03.2009	01.04.2009	01.04.2009	01.04.2009
Redemption date	12.04.2010	12.08.2009	12.10.2009	12.08.2009	12.04.2010	22.04.2011	12.08.2009	12.08.2009	24.10.2012
Minimum annual yield (%)	12.10	10.30	10.30	10.00	11.20	11.70	9.90	10.77	11.60
Average annual yield - ISMA (%)	12.52	10.69	10.76	10.05	11.35	12.00	9.94	10.77	11.67
Average annual yield - EHM (%)	12.52	10.37	10.25	9.75	11.35	12.00	9.64	10.77	11.66
Amount of bids submitted (HUF million)	866.44	4,058.98	5,657.82	24,406.33	21,448.25	31,470.79	36,464.38	22,619.97	81,544.39
Amount of bids accepted (HUF million)	866.44	4,058.98	5,657.82	21,808.33	17,142.29	22,460.03	20,122.80	12,005.22	44,034.39

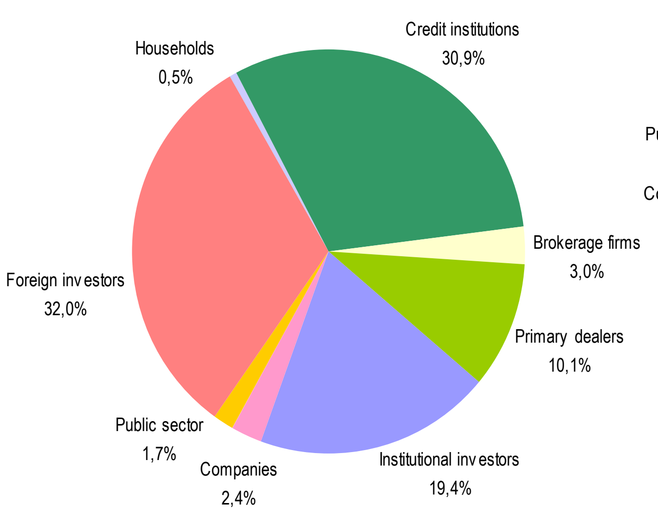
Secondary market trading of Hungarian government securities (OTC)



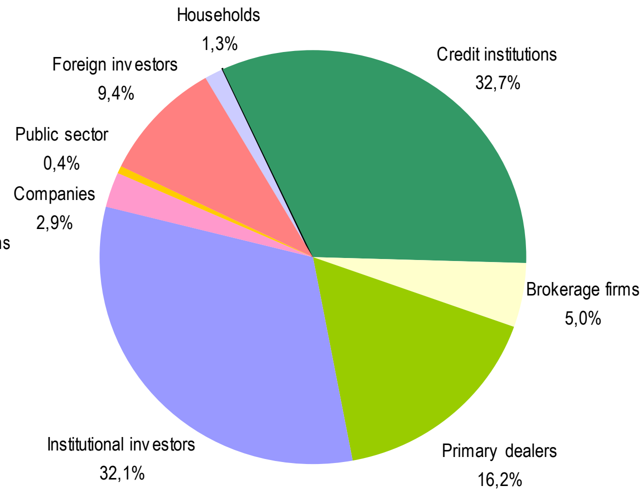
Secondary market trading of Hungarian government securities (Budapest Stock Exchange)



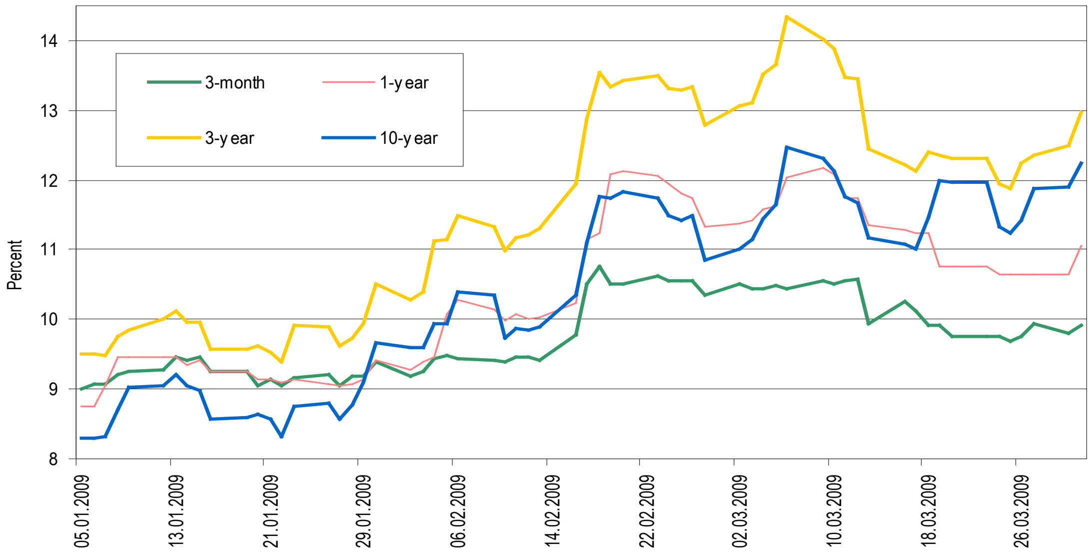
Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in March 2009



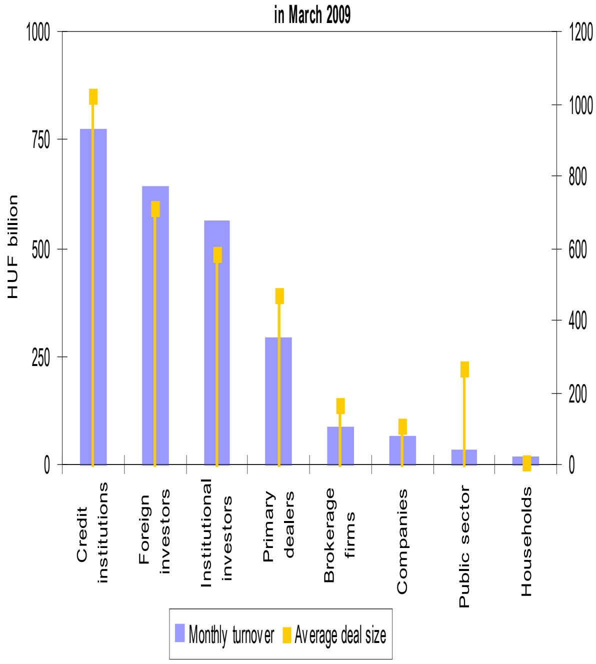
Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in March 2009



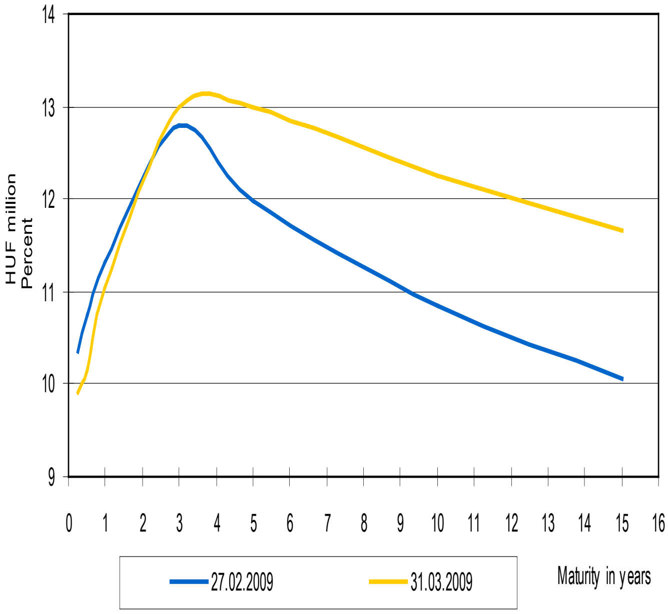
Benchmark yields in the past three months



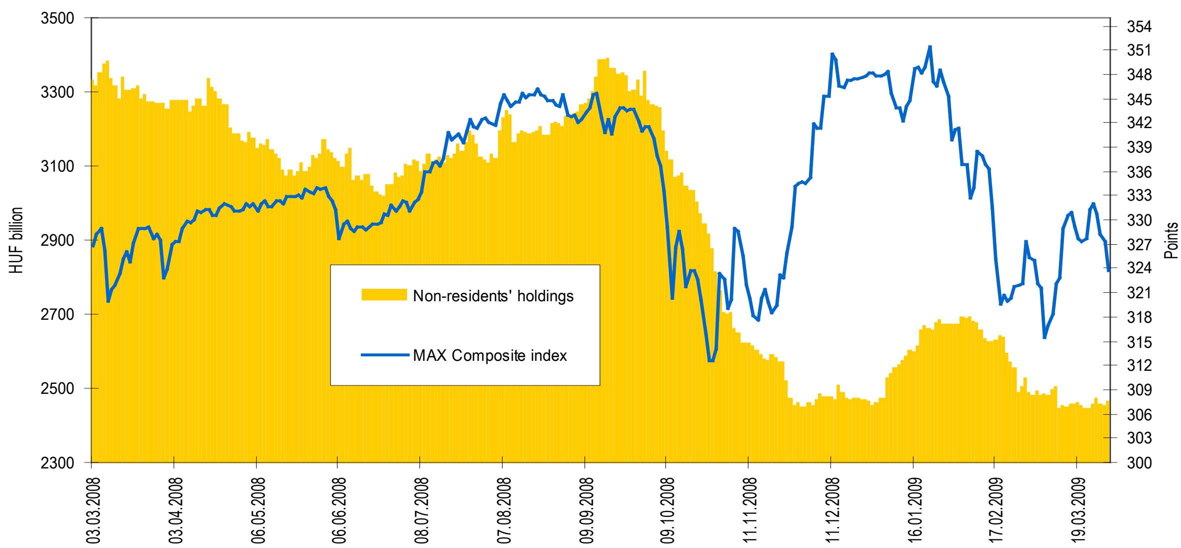
Primary dealers' trading with different investor groups in March 2009



Benchmark yield curves



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



INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MARCH 2009

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2026/A	2009.02.27	2009.02.28	2009.08.28	2009.08.28	9.06	4.56
2013/A	19.03.2009	20.03.2009	20.09.2009	21.09.2009	10.10	5.16
2016/A	01.03.2009	31.03.2009	30.06.2009	30.06.2009	11.00	2.74

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 31 March 2009	317.1369	374.0617	323.6366	380.9465
Changes compared to the end of the month before	-5.6994	4.5746	-3.6074	3.8994
Annual yield earned on the index portfolio	-2.18%	9.00%	0.24%	9.48%

Government securities with the highest secondary market turnover in March 2009

Government security	Date of redemption	Turnover (HUF billion)
2012/C	24.10.2012	213.7
2011/C	22.04.2011	186.9
2010/D	24.08.2010	177.8
2012/B	12.06.2012	173.7
2019/A	24.06.2019	144.3
2009/D	12.10.2009	136.2
D090429	29.04.2009	133.3
2011/B	12.10.2011	128.1
2017/B	24.02.2017	115.0
2009/F	12.08.2009	96.3

The outstanding volume of government bonds with benchmark status at the end of March 2009

	HUF billion	
Government bond	28.02.2009	31.03.2009
2012/B	539.04	539.26
2015/A	419.97	420.11
2019/A	285.24	285.26
2023/A	200.12	200.52

PRIMARY DEALERS - AS AT 31 MARCH 2009

Primary dealers:		Primary dealers for retail securities:
CIB Bank Zrt.	Magyar Külkereskedelmi Bank Zrt.	CIB Bank Zrt.
CITIBANK Zrt.	Magyar Takarékszövetkezeti Bank Zrt.	UniCredit Bank Hungary Zrt.
Deutsche Bank Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt	Kereskedelmi és Hitelbank Zrt.
ERSTE Bank Befektetési Magyarország Zrt.	Raiffeisen Bank Zrt.	Magyar Takarékszövetkezeti Bank Zrt.
ING Bank N.V.	UniCredit Bank Hungary Zrt.	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.
Kereskedelmi és Hitelbank Zrt.		the branch network of the Hungarian State Treasury