MONTHLY REPORT
JUNE 2015

The net issuance was HUF 790.8 billion; out of which net HUF-denominated issuance was HUF 1056.2 billion and net foreign currency denominated issuance was HUF -265.4 billion in 2015.

	2014		2015		Change	
HUF billion	December	%	June	%	HUF billion	%
HUF denominated debt	14,612.0	61.2	15,668.2	62.5	1,056.2	7.2
Loans	623.3	2.6	768.3	3.1	145.0	23.3
Government bonds	9,989.0	41.8	10,433.3	41.6	444.3	4.4
Retail securities	2,411.1	10.1	2,926.6	11.7	515.5	21.4
Discount treasury bills	1,588.6	6.7	1,540.0	6.1	-48.6	-3.1
Foreign exchange denominated debt	8,957.9	37.5	8,705.4	34.7	-252.5	-2.8
Total	23,569.9	98.7	24,373.6	97.2	803.7	3.4
Other obligations	311.2	1.3	701.3	2.8	390.2	125.4
Total central government debt	23,881.1	100.0	25,074.9	100.0	1,193.8	5.0

The HUF denominated debt of the central government increased by HUF 1056.2 billion in 2015. The increase in domestic debt was the result of net government bond issuance of HUF 445.9 billion, the amount of discount Treasury bills decreased by HUF 48.6 billion and the total amount of retail government securities increased by HUF 515.5 billion. The volume of HUF loans increased by HUF 145.0 billion in 2015.

The foreign currency debt of the central government decreased by HUF 252.5 billion in 2015. The domestic P€MAK and residence bond issuance was HUF 124.8 billion, the debt assumptions was HUF 1.1 billion, while the redemptions of foreign currency debt worth HUF 391.3 billion decreased the debt. The exchange rate revaluations totalling HUF 12.9 billion increased the Hungarian Forint value of the foreign currency debt in June. The total amount of other liabilities increased by HUF 390.2 billion in 2015.

Benchmark yields

Maturity	30.12.2014.	31.05.2015.	30.06.2015.	Change in June, basis points
3-month	1.43	1.31	1.01	-30
6-month	1.54	1.29	1.02	-27
1-year	1.80	1.39	0.99	-40
3-year	2.72	2.23	2.11	-12
5-year	3.15	2.80	2.98	18
10-year	3.60	3.40	3.88	48
15-year	3.83	3.50	4.16	66

Monthly OTC turnover of government securities increased in June and reached HUF 4,647.0 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 49% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 184.6 billion in June, and amounted to HUF 4,393.9 billion at the end of the month. This volume represented 29.5% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 315.04 on the last working day of June.

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

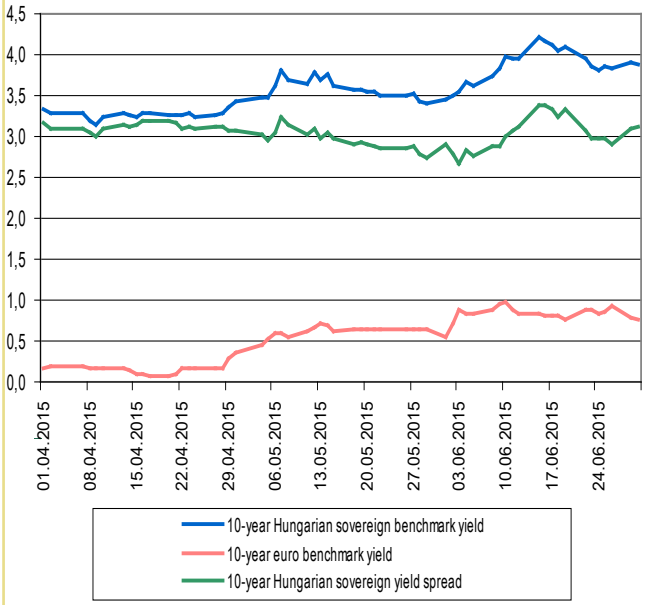
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

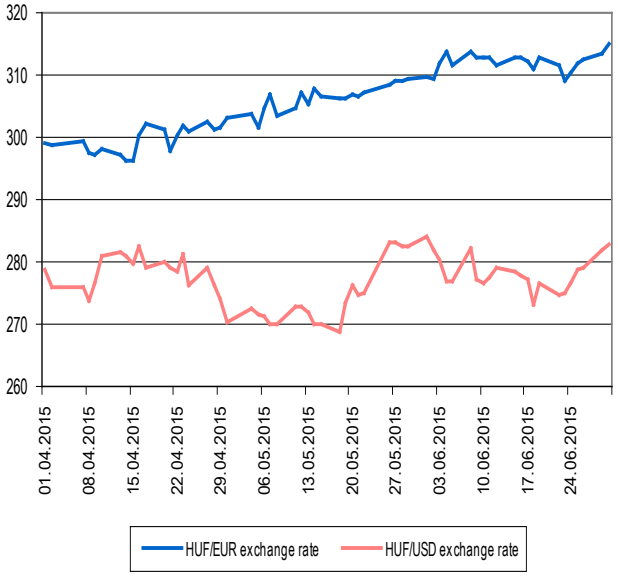
	2010	2011	2012	2013	2014	April 2015	May 2015	June 2015
1. Forint denominated debt	10,978.2	10,362.2	12,042.4	12,976.4	14,612.0	15,337.8	15,368.1	15,668.2
1.1. Loans	540.8	590.8	566.8	603.6	623.3	772.8	792.4	768.3
1.2. Government securities	10,437.4	9,771.4	11,475.6	12,372.8	13,988.7	14,565.0	14,575,7	14,899.9
1.2.1. Public issues	10,019.6	9,378.1	11,077.1	12,182.3	13,847.7	14,424.8	14,435.5	14,760.6
1.2.1.1. Bonds	7,965.8	7,353.4	8,184.1	8,588.8	9,848.0	10,106.3	10,188.7	10,294.0
1.2.1.2. Discount T-bills	1,618.2	1,540.9	1,906.5	1,904.9	1,588.6	1,664.8	1,480.9	1,540.0
1.2.1.3. Retail securities	435.7	473.8	986.6	1,688.5	2,411.1	2,653.7	2,765.9	2,926.6
1.2.2. Private placements	417.8	403.2	398.5	190.5	141.0	140.2	140.2	139.3
2. Foreign currency denominated debt*	8,842.8	10,170.4	8,326.6	8,904.9	8,957.9	8,368.0	8,548.1	8,705.4
2.1. Loans	4,292.8	4,458.1	3,312.5	2,735.6	2,164.3	2,073.4	2,116.8	2,150.1
2.1.1. Foreign loans	4,292.8	4,361.9	3,229.0	2,400.2	1,889.9	1,810.8	1,848.4	1,878.8
2.1.2. Domestic loans	0.0	96.2	83.5	335.4	274.4	262.6	268.4	271.3
2.2. Government securities	4,550.0	5,712.3	5,014.1	6,169.3	6,793.6	6,294.6	6,431.3	6,555.3
2.2.1. Issued abroad	4,550.0	5,712.3	4,924.2	5,736.9	5,844.6	5,278.2	5,383.9	5,477.5
2.2.2. Issued domestically	0.0	0.0	89.9	432.5	948.9	1,016.4	1,047.4	1,077.8
Total	19,821.0	20,532.6	20,369.0	21,881.4	23,569.9	23,705.8	23,916.1	24,373.6
Other liabilities	220.01	422.9	351.1	117.3	311.2	831.2	784.1	701.3
Total central government debt	20,041.0	20,955.5	20,720.1	21,998.6	23,881.1	24,537.0	24,700.2	25,074.9
Marketable HUF debt (1.2.1.1+1.2.1.2.+1.2.2.)	*10,001.8*	*9,297.6*	*10,489.1*	*10,684.2*	*11,577.6*	*11,911.3*	*11,809.8*	*11,973.3*
Gross debt/GDP	*74.4%*	*74.7%*	*72.6%*	*73.7%*	*74.9%*			

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

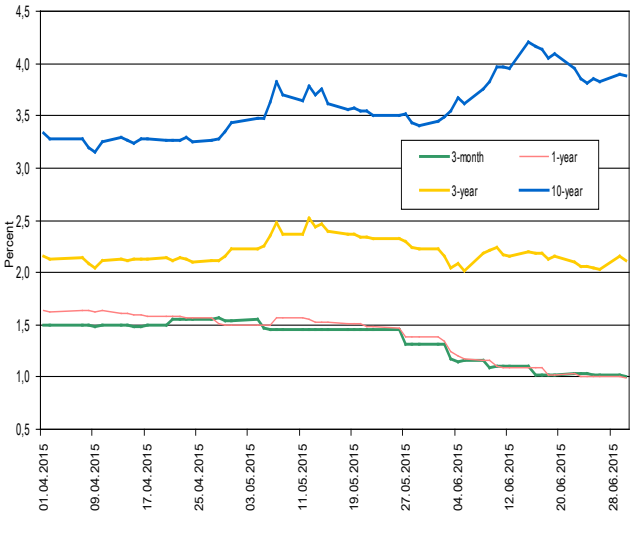
% 10-year Hungarian and eurozone benchmark yields during the last three months



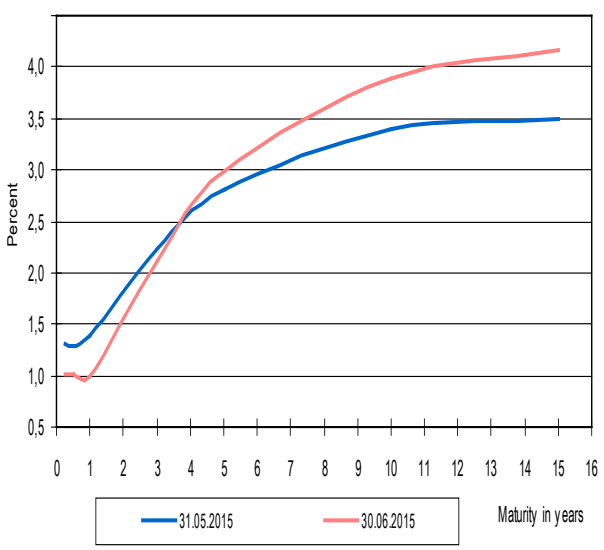
The exchange rate of the Hungarian Forint during the last three months



Benchmark yields in the past three months



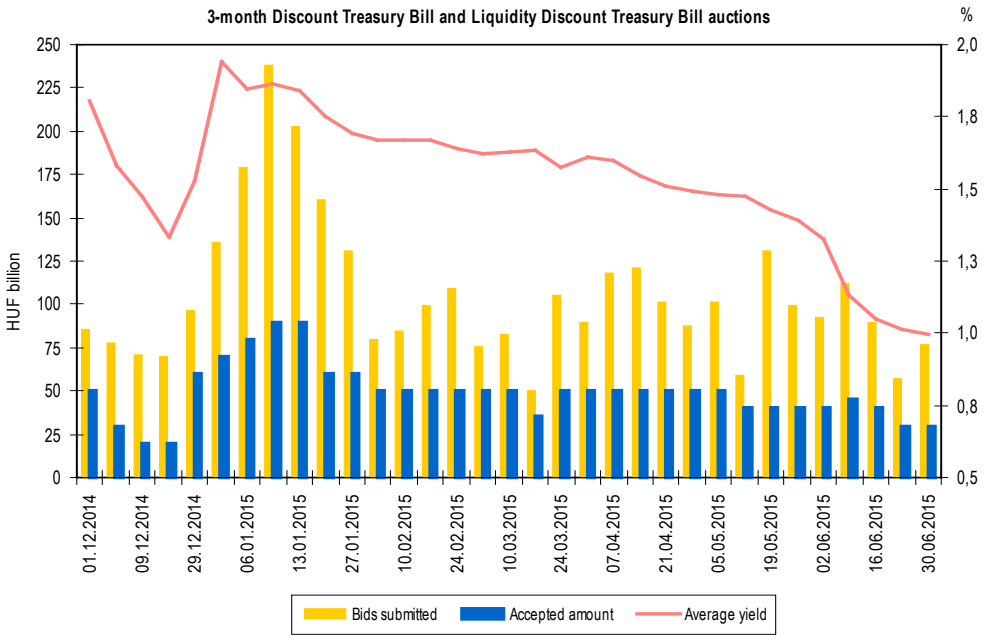
Benchmark yield curves

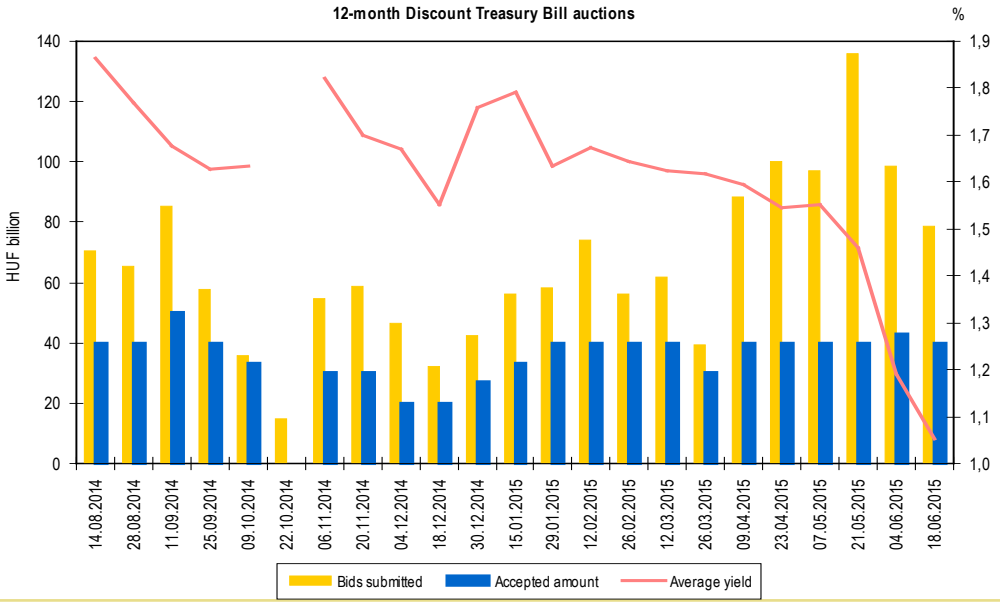


DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D150909	D150916	D150923	D150930	D151007	D160608	D160608
ISIN code	HU0000520598	HU0000520168	HU0000520531	HU0000520549	HU0000520556	HU0000520580	HU0000520580
Maturity in days	91	91	91	91	91	364	350
Date of auction	02.06.2015	09.06.2015	16.06.2015	23.06.2015	30.06.2015	04.06.2015	18.06.2015
Date of financial settlement	10.06.2015	17.06.2015	24.06.2015	01.07.2015	08.07.2015	10.06.2015	24.06.2015
Redemption date	09.09.2015	16.09.2015	23.09.2015	30.09.2015	07.10.2015	08.06.2016	08.06.2016
Maximum yield (%) - ISMA	1.34	1.15	1.09	1.04	1.01	1.24	1.08
Minimum yield (%) - ISMA	1.28	1.10	1.02	0.95	0.95	1.14	1.02
Average yield (%) - ISMA	1.32	1.13	1.05	1.01	1.00	1.19	1.05
Maximum yield (%) - EHM	1.36	1.17	1.11	1.05	1.02	1.26	1.10
Minimum yield (%) - EHM	1.30	1.12	1.03	0.96	0.96	1.16	1.03
Average yield (%) - EHM	1.34	1.15	1.06	1.02	1.01	1.21	1.06
Average selling price (%)	99.6674	99.7152	99.7353	99.7453	99.7479	98.8111	98.9895
Amount offered for sale (HUF million)	40,000.00	40,000.00	40,000.00	30,000.00	30,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	92,424.00	112,177.00	89,925.00	57,085.00	77,100.00	98,500.00	78,463.28
Amount of bids accepted (HUF million)	39,999.97	44,999.97	39,999.97	29,999.98	29,999.96	43,000.00	39,999.97
Bid-to-cover ratio	2.31	2.49	2.25	1.90	2.57	2.29	1.96
Bids submitted (pcs)	80	100	78	54	71	61	60
Bids accepted (pcs)	31	29	46	32	28	27	40
Market sales* (HUF million)	39,999.97	44,999.97	39,999.97	29,999.98	29,999.96	43,000.00	39,999.97
Retained on ÁKK's own account	12,000.03	13,500.03	12,000.03	9,000.02	15,000.04	43,000.00	12,000.03
Total amount issued (HUF million)	52,000.00	58,500.00	52,000.00	39,000.00	45,000.00	86,000.00	52,000.00

*Without issuance onto ÁKK's own account

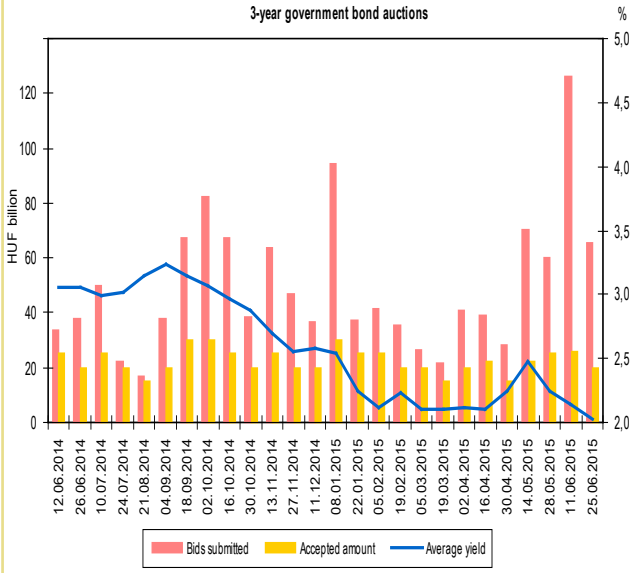


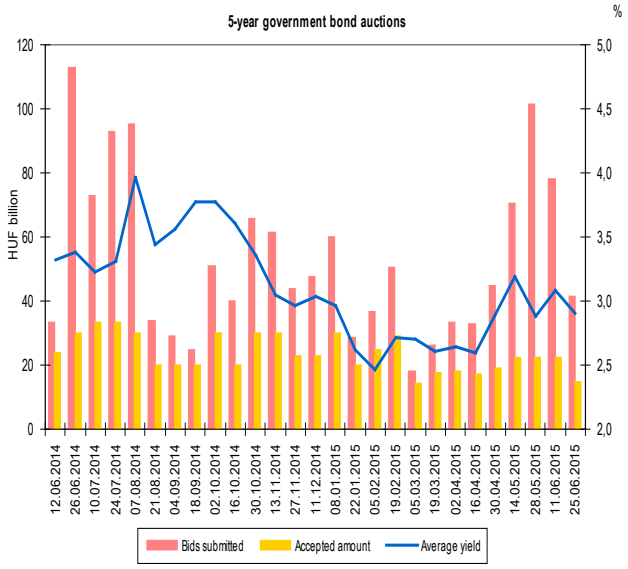


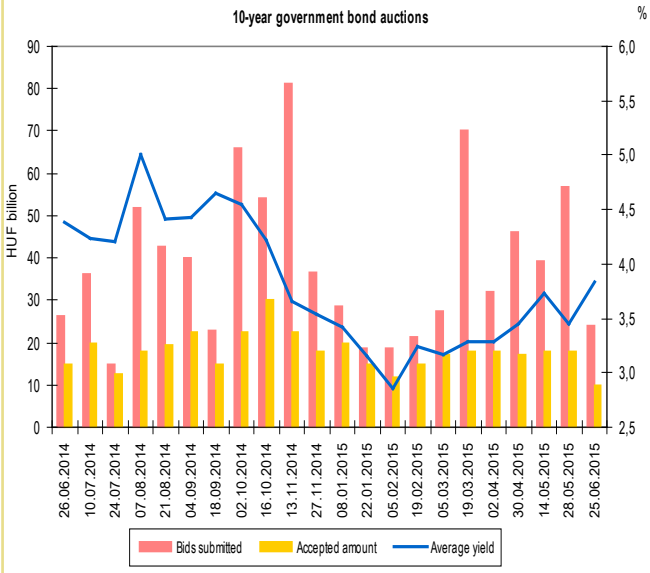
GOVERNMENT BOND AUCTION RESULTS

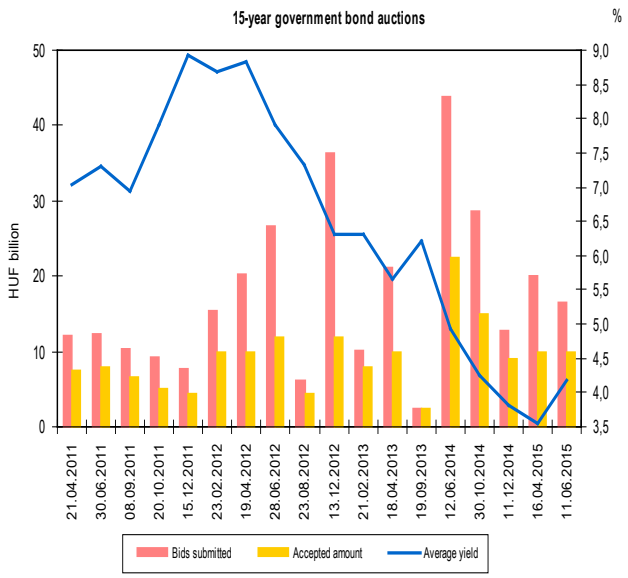
Government Bond	2018/D	2018/C	2020/B	2031/A	2018/D	2018/C	2020/B	2025/B
ISIN code	HU0000402987	HU0000402979	HU0000402953	HU0000403001	HU0000402987	HU0000402979	HU0000402953	HU0000402748
Maturity (in years)	3	3	5	15	3	3	5	10
Coupon (%)	2.10%	2.50%	3.50%	3.25%	2.10%	2.50%	3.50%	5.50%
Auction	6th auction	12th auction	19th auction	2nd auction	7th auction	13th auction	20th auction	33rd auction
Date of auction	04.06.2015	11.06.2015	11.06.2015	11.06.2015	18.06.2015	25.06.2015	25.06.2015	25.06.2015
Date of financial settlement	10.06.2015	17.06.2015	17.06.2015	17.06.2015	24.06.2015	01.07.2015	01.07.2015	01.07.2015
Redemption date	24.10.2018	22.06.2018	24.06.2020	22.10.2031	24.10.2018	22.06.2018	24.06.2020	24.06.2025
Maximum annual yield (%) - ISMA		2.16	3.10	4.21		2.04	2.92	3.86
Minimum annual yield (%) - ISMA		2.11	3.06	4.15		2.01	2.89	3.81
Average annual yield (%) - ISMA		2.14	3.08	4.18		2.03	2.91	3.84
Maximum annual yield (%) - EHM		2.16	3.10	4.21		2.04	2.92	3.86
Minimum annual yield (%) - EHM		2.11	3.06	4.15		2.01	2.89	3.81
Average annual yield (%) - EHM		2.13	3.08	4.18		2.03	2.91	3.84
Maximum price (%)	99.4100	101.1283	102.0205	89.4774	99.5000	101.4010	102.7915	113.8142
Minimum price (%)	99.2500	100.9828	101.8348	88.8256	99.2600	101.3144	102.6519	113.3720
Average price (%)	99.3000	101.0510	101.9204	89.1553	99.3400	101.3437	102.6903	113.5567
Amount offered for sale (HUF million)	10,000.00	20,000.00	15,000.00	10,000.00	10,000.00	20,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	24,400.00	126,150.00	78,100,00	16,513.00	17,500.00	65,271.00	41,550.00	24,160.00
Amount of bids accepted (HUF million)	15,000.00	26,000.00	22,499.96	9,999.97	9,999.99	19,999.97	14,999.98	9,999.99
Bid-to-cover ratio	1.63	4.85	3.47	1.65	1.75	3.26	2.77	2.42
Bids submitted (pcs)	39	80	79	54	31	64	59	50
Bids accepted (pcs)	27	17	41	43	21	24	21	26
Tail (average price - minimum price)	0.05	0.07	0.09	0.33	0.08	0.03	0.04	0.18
Market sales* (HUF million)	15,000.00	26,000.00	22,499.96	9,999.97	9,999.99	19,999.97	14,999.98	9,999.99
Non-competitive offer (HUF million)	6,000.00	0.00	0.04	10,000.03	0.01	8,000.03	6,000.02	0.01
Total amount issued (HUF million)	21,000.00	26,000.00	22,500.00	20,000.00	10,000.00	28,000.00	21,000.00	10,000.00

*Without issuance onto ÁKK's own account









GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2016/C	2016/D	2016/C	2016/D
ISIN code	HU0000402318	HU0000402623	HU0000402318	HU0000402623
Coupon (%)	5.50	5.50	5.50	5.50
Date of reverse auction	10.06.2015	10.06.2015	24.06.2015	24.06.2015
Date of financial settlement	17.06.2015	17.06.2015	01.07.2015	01.07.2015
Redemption date	12.05.2016	22.12.2016	12.02.2016	22.12.2016
Minimum annual yield (%)	1.08	1.12	0.95	0.95
Average annual yield - ISMA (%)	1.14	1.13	0.96	0.95
Average annual yield - EHM (%)	1.14	1.13	0.96	0.95
Amount of bids submitted (HUF million)	10,804.76	56,795.32	2,222.31	17,813.43
Amount of bids accepted (HUF million)	9,414.76	56,434.52	2,222.31	17,813.43

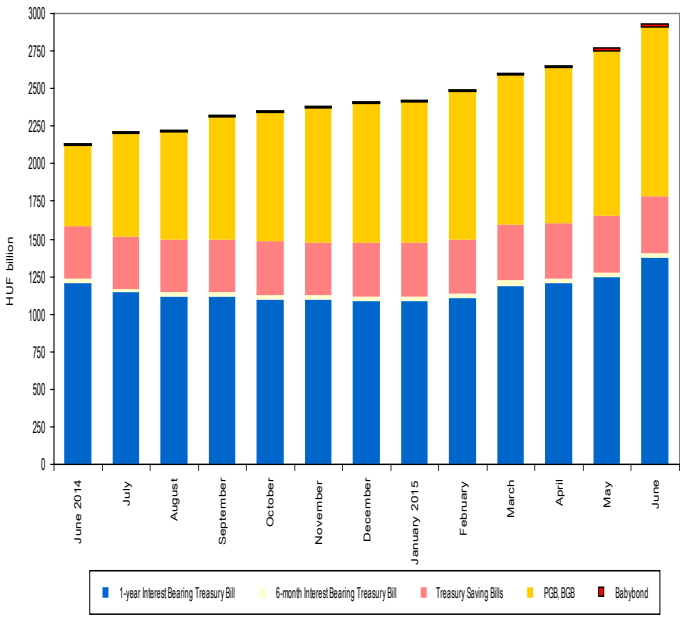
INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JUNE 2015

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2015/B	17.06.2015	22.06.2015	22.12.2015	22.12.2015	1.17	0.59
2017/C	18.06.2015	20.06.2015	20.09.2015	21.09.2015	1.50	0.38
2021/A	20.06.2015	23.06.2015	23.09.2015	23.09.2015	1.50	0.38
2016/B	25.06.2015	02.07.2015	02.01.2016	04.01.2016	1.45	0.74
2016/A	29.06.2015	30.06.2015	30.09.2015	30.09.2015	2.75	0.69

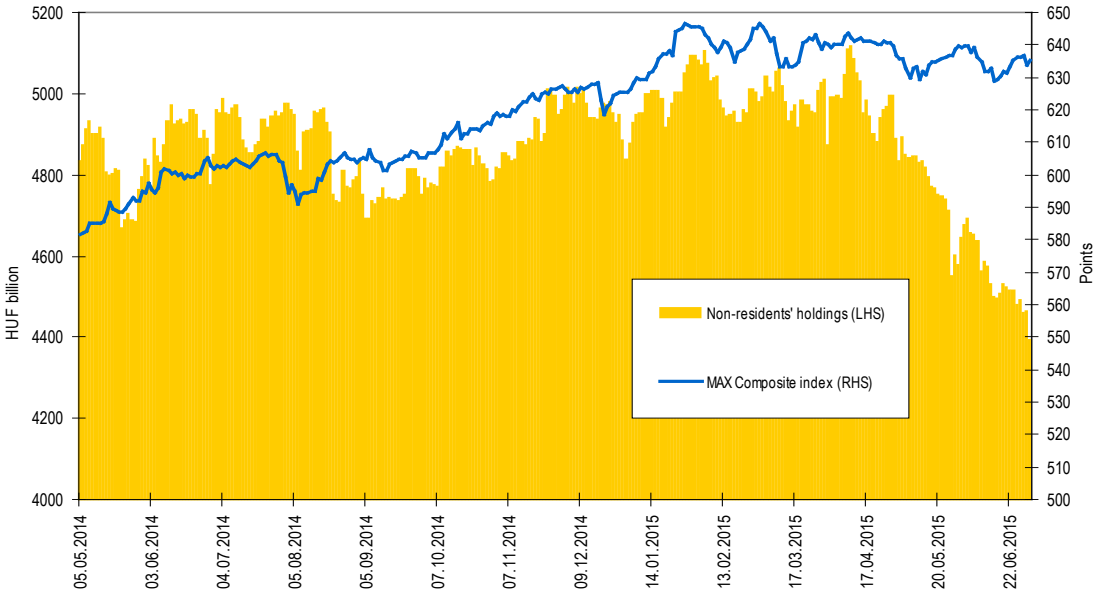
OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		Change
	31.12.2014	30.06.2015	HUF billion
1-year Interest Bearing T-bill	1,089.0	1,370.6	281.6
6-month Interest Bearing T-bill	28.8	35.5	6.7
Treasury Saving Bills	355.1	375.6	20.5
PGB, BGB	927.8	1,130.5	202.6
Babybond	10.3	14.4	4.1
Total	**2,411.0**	**2,926.5**	**515.5**

Outstanding amount of retail securities during the last year



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



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 June 2015	661.9307	541.2561	635.2392	528.3736
Changes compared to the end of the month before	-5,4206	1.5932	-4.5277	0.7447
Annual yield earned on the index portfolio	5.82%	2.34%	5.42%	1.79%

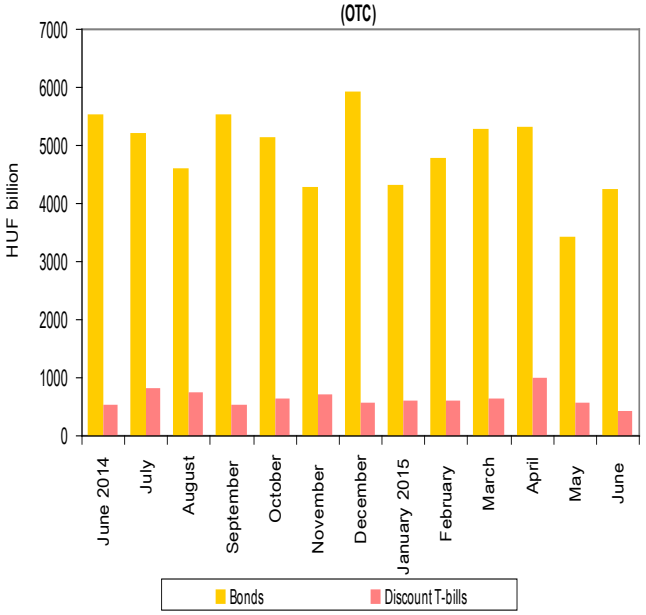
Government securities with the highest secondary market turnover in June 2015

Government security	Date of redemption	Turnover (HUF billion)
2022/A	24.06.2022	1,208.9
2025/B	24.06.2025	726.3
2019/A	24.06.2019	562.0
2017/A	24.11.2017	510.4
2017/B	24.02.2017	462.6
2018/B	25.04.2018	379.1
2023/A	24.11.2023	328.3
2020/B	24.06.2020	320.9
2028/A	22.10.2028	247.2
2020/A	12.11.2020	230.8

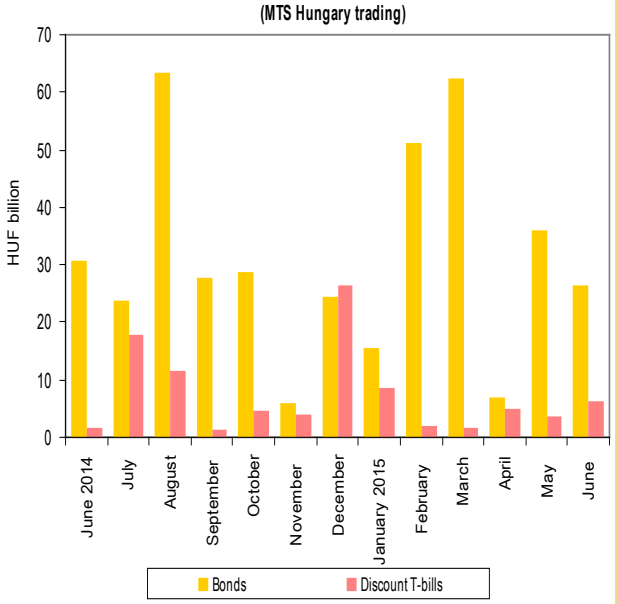
The outstanding volume of government bonds with benchmark status at the end of June 2015

	HUF billion	
Government bond	31.05.2015	30.06.2015
2018/C	252.48	317.61
2020/B	457.84	519.20
2025/B	655.93	680.63
2031/A	11.32	24.52

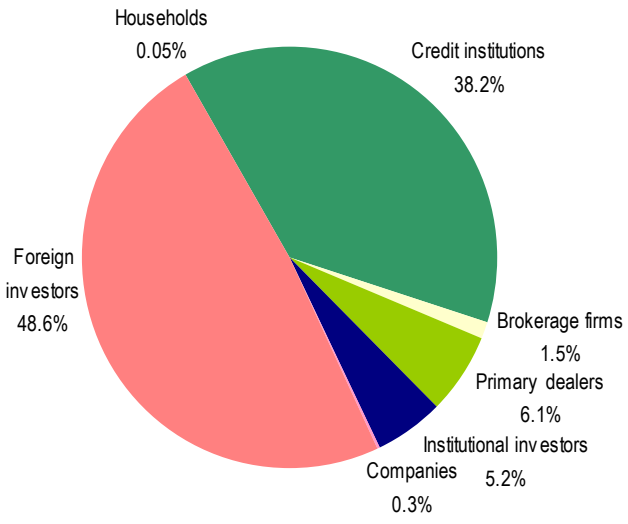
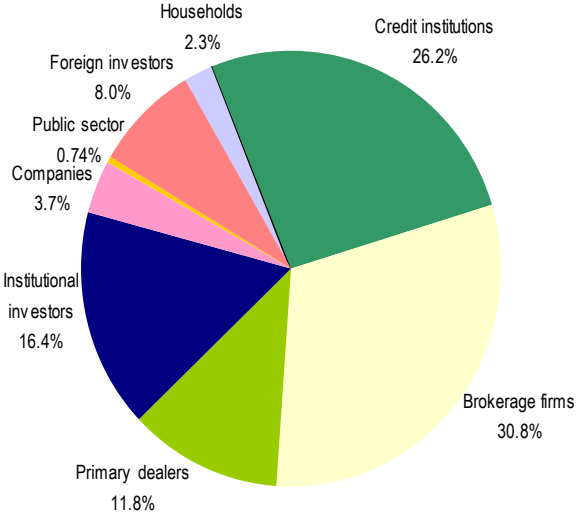
Secondary market trading of Hungarian government securities (OTC)



Secondary market trading of Hungarian government securities (MTS Hungary trading)



Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in June 2015



Breakdown of primary dealers' secondary market turnover in Discount Treasury Bills by investor groups in June 2015