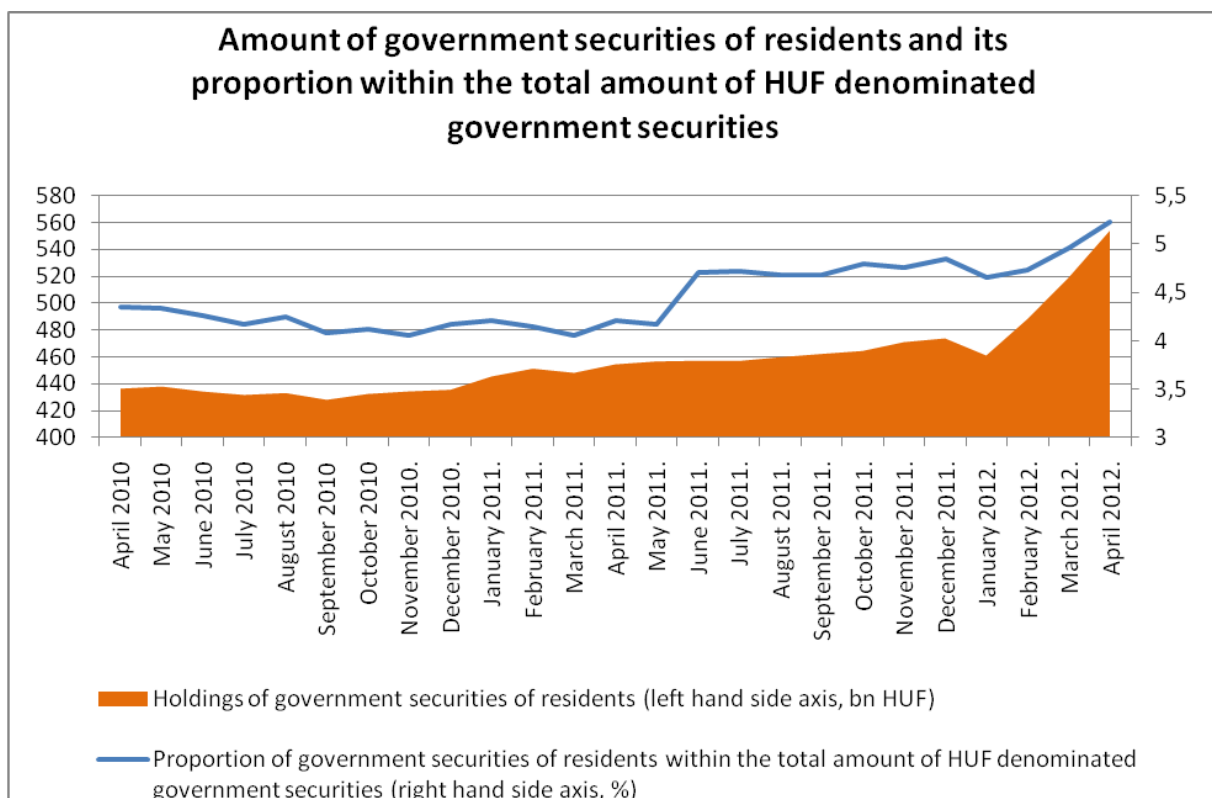


The holdings of government securities of residents increased substantially

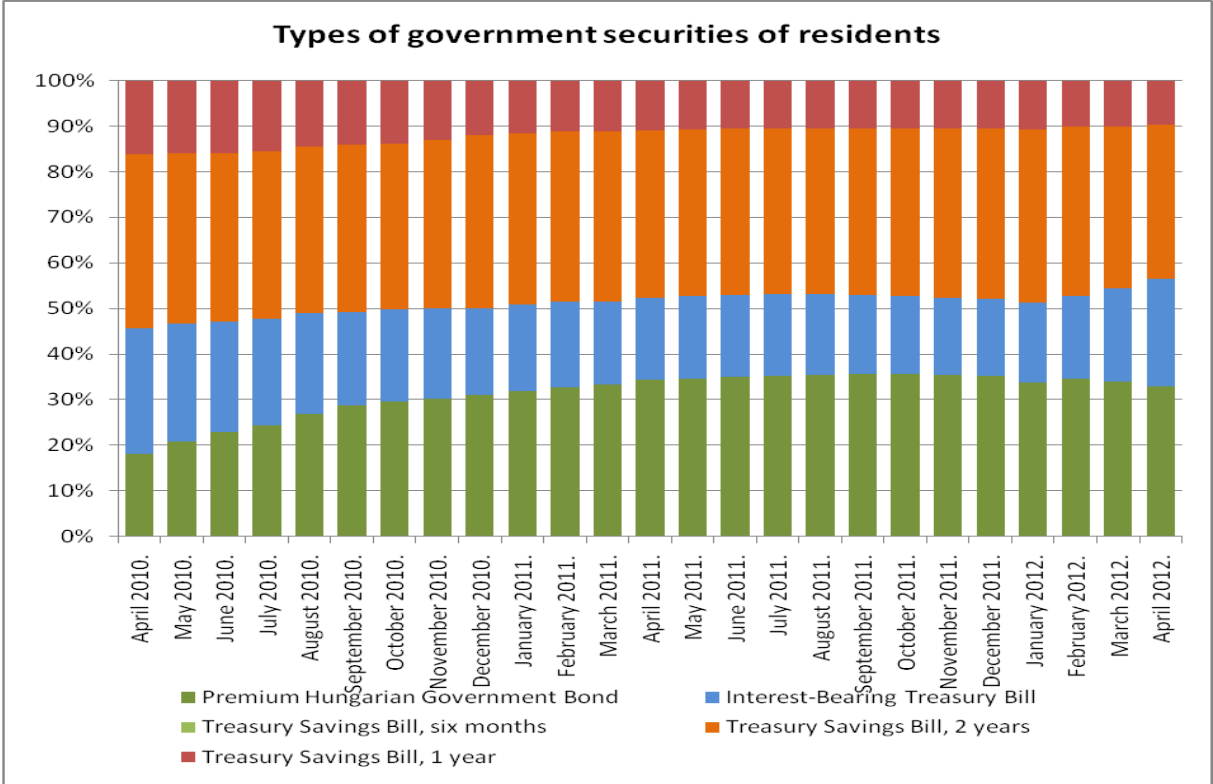
In the past two years the unfavourable trend characteristic of the prior period has been reversed and the holdings of government securities of residents have risen gradually. This trend has accelerated from the beginning of 2012. As a parallel phenomenon, the holdings of residents within the total holdings of HUF denominated government securities have also increased, which is a positive development for households and the national economy, too. Domestic residents can thus possess relatively low-risk and high-yield investments, and via the purchasing of government securities by households the financing of the state becomes more secure as it is less exposed to foreign resources. Due to the measures aimed at optimal saving practices this trend has continued to accelerate in the past couple of months.



Source: ÁKK

In April 2010 the **holdings of government securities of residents** was 437bn HUF which has since then increased to 474bn HUF **after a gradual rise**. From the beginning of 2012, **as a consequence of the measures aimed at stimulating the purchasing of government securities by residents**, resources from households **could be more and more channeled** to the financing of general government debt. **By having increased the number of sales points and the types of available government securities for residents**, the holdings of residents of

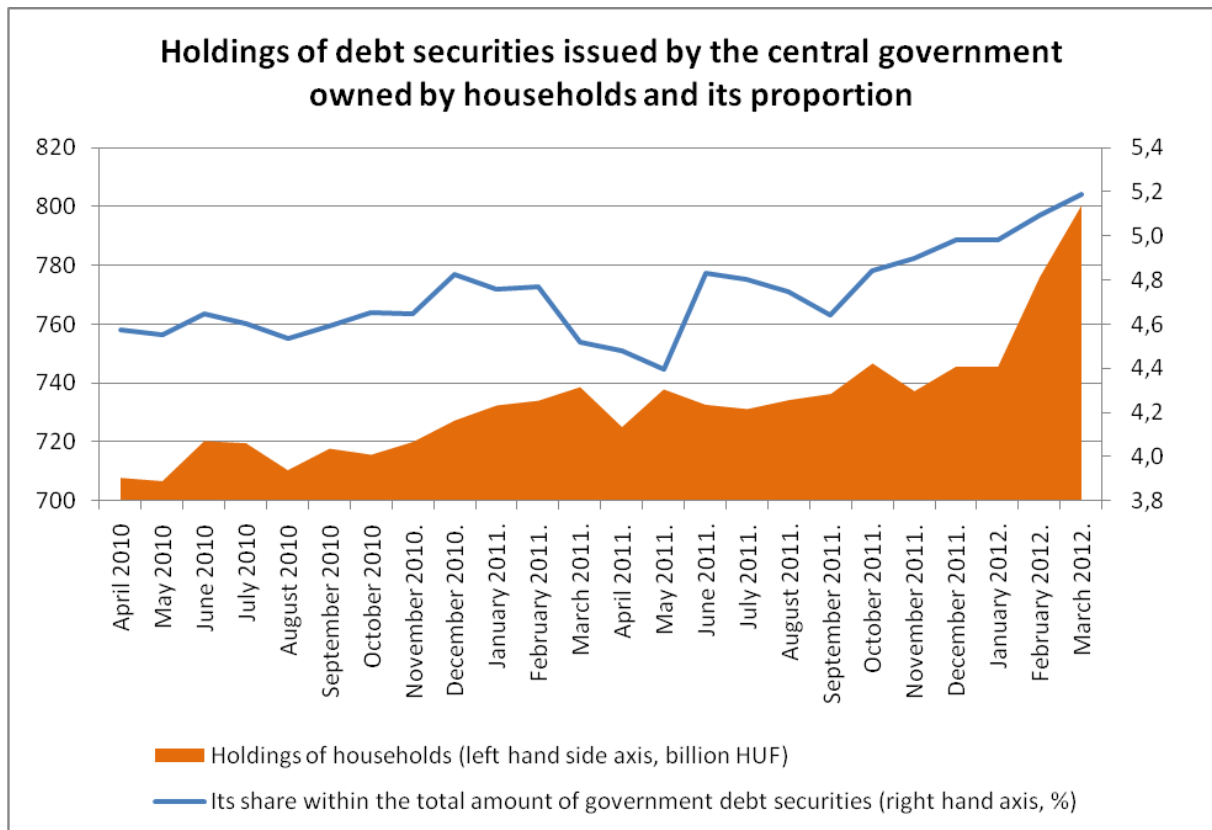
461bn HUF in January 2012 have increased according to the **latest statistics of April to 554bn HUF (an increase of 20 percent)**, which corresponds to **5.2 percent of the total amount of HUF denominated government securities**. This favourable development has also been a proof of the increasing confidence of domestic private investors in economic policy.



Source: ÁKK

Within government securities of residents in the past two years **Treasury Savings Bills (KTJ) with a tenor of one year** have usually been the most popular. In addition, another factor which has contributed substantially to reversing the prior unfavourable trend was that the **popularity of Premium Hungarian Government Bonds has increased hugely** in the surveyed period. Whereas **in April 2010** the proportion of the inflation-linked security was only **18 percent** by the fourth month of 2012 this figure has increased to **33 percent**.

In April 2012 holdings have **increased by 35bn HUF** in comparison to the previous month, which was mostly attributable to the **increase of the holdings of Interest-Bearing Treasury Bills by 25bn HUF**.



Source: MNB

Yet another proof of the **confidence in the economic policy of the government** has been the **substantial increase of the holdings of households** of debt securities issued by the central government. These holdings include government securities purchased by households other than government securities for domestic residents. According to the latest statistics of **March 2012**, the total holdings of government securities by households has **reached 800bn HUF after a sharp increase**, which corresponds to **5.2 percent of the overall amount of securities issued by the central government**.