Á▪K▪K

GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

# GOVERNMENT SECURITIES MARKET

## QUARTERLY REPORT

### THIRD QUARTER 2011

The deficit of the central government amounted to HUF 1,575.6 billion (about EUR 5.4 billion) in the first nine months of 2011. The net balance of transfers from the European Union (EU) worth HUF 277.7 billion and privatisation revenues amounted to HUF 36.7 billion decreased, while the capital transfer to the NBH worth HUF 29.1 billion increased the net borrowing requirement. Thus, the total net borrowing requirement amounted to HUF 1,290.3 billion in Q3. Net issuance was HUF 1,727.6 billion; out of which net HUF-denominated issuance was HUF 797.6 billion and net foreign currency denominated issuance was HUF 930.0 billion. HUF 442.8 billion was placed at the National Bank of Hungary and other banks in the form of foreign currency deposits or loans at the end of September. The total amount of other liabilities increased by HUF 155.5 billion in 2011.

ÁKK had set up benchmarks to maintain the optimal cost-risk characteristics of public debt. The 90-day moving average values of those benchmarks at the end of Q3 2011 were as follows:

- The share of foreign currency denominated debt within the total debt, excluding the drawdowns from the international loan facility (IMF and EC) was 34.8%.[1]
- 100.01% of the foreign currency denominated debt was denominated in euro.
- The fixed-floating mix of the HUF-denominated debt was 70.1% and 29.9% respectively.
- The fixed-floating mix of the foreign currency portfolio was 65.0%-35.0% respectively.
- The duration of the HUF-denominated debt was 2.65 years.

All benchmark targets were met in Q3 2011.

Secondary market yields increased in Q3. The 3-12 month yields increased by 15-33 basis points, the 3-5 year yields increased by 42-49 bps, the 10-15 year yields increased by 83-84 basis points. At the end of September the 1-year benchmark yield stood at 6.15%, the 3-year yield at 7.09% and the 10-year yield at 8.14%.

The liquidity in the secondary market increased in the third quarter of 2011. OTC turnover of government securities in Q3 was 15% higher than in the previous quarter and amounted to HUF 19,224 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 60% of their secondary government securities deals with non-resident investors.

The volume of non-resident holdings of Hungarian government securities increased by HUF 473.0 from end-June and amounted to HUF 3,960 billion at the end of September. This amount represented 40.0% of domestic government securities.

The credit rating of the long-term foreign currency denominated debt of the Republic of Hungary as at 30 September 2011 was: BBB- (Standard & Poor's); Baa3 (Moody's); BBB- (Fitch).

The EUR/HUF exchange rate according to the Hungarian National Bank was 292.12 on the last working day of September.

1 As of 1 January 2010 the benchmark for the domestic/foreign currency composition of the debt portfolio changed. The new target range for the share of the net foreign currency debt is between 25% and 38% and the value is calculated by excluding all drawdowns from the IMF and the EC loan facilities.

## MACROECONOMIC INDICATORS

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Jul 2011 | Aug 2011 | Sep 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GDP growth (yearly average) [1 9] | 4.3 | 4.1 | 4.6 | 4.3 | 4.0 | 1.3 | 0.4 | -6.5 | 1.1 | | | |
| Industrial production [1] | 2.8 | 5.9 | 8.3 | 7.3 | 10.1 | 8.1 | 0.0 | -17.7 | 10.7 | 2.7 | -0.4 | |
| Unemployment rate (%) ( 3-month average) | 5.9 | 5.9 | 6.1 | 7.2 | 7.5 | 7.4 | 7.8 | 10.0 | 11.2 | 10.8 | 10.8 | |
| Consumer price index (yearly change) [2] | 4.8 | 5.7 | 5.5 | 3.3 | 6.5 | 7.4 | 3.5 | 5.6 | 4.7 | 3.1 | 3.6 | 3.6 |
| Consumer price index (yearly average) | 5.3 | 4.7 | 6.8 | 3.6 | 3.9 | 8.0 | 6.1 | 4.2 | 4.9 | | | |
| Consumer price index (monthly change) | | | | | | | 0.3 | | | -0.3 | -0.1 | -0.1 |
| Producer price index (yearly change) [2] | -1.3 | 6.2 | 1.6 | 4.5 | 4.5 | 1.6 | 5.8 | | | -1.0 | -0.1 | |
| Producer price index (yearly average) | -1.8 | 2.4 | 3.5 | 4.3 | 6.5 | 0.2 | 5.3 | 4.9 | 4.5 | | | |
| Producer price index (monthly change) | | | | | | | -0.9 | | | 0.3 | 0.7 | |
| Net lending position of housholds (HUF Bn) [3] | 467.2 | 35.0 | 498.1 | 925.6 | 809.0 | 421.5 | 329.0 | 883.1 | 1,241.0 | | | |
| Current account of balance of payments (EUR M) [4] | -4,929.2 | -5,933.0 | -6,915.5 | -6,013.3 | -5,445.6 | -5,036.2 | -7,591.1 | 332.4 | 2,017.4 | | | |
| Net direct investments (EUR M) [5] | 2,889.4 | 424.1 | 2,741.3 | 4,395.2 | 2,504.9 | 1,046.9 | 2,498.8 | -443.0 | 609.8 | | | |
| Balance of the central government budget (HUF Bn) [6] | -957.7 [7] | -733.6 | -890.0 | -545.0 | -1,959.2 | -1,389.9 | -861.7 | -737.2 | -835.7 | -1 367.5 | -1 374.3 | -1 365.7 |
| Central government gross debt (HUF Bn) | 9, 224.2 | 10,587.7 | 11,592.4 | 12,765.6 | 14,705.7 | 15,585.5 | 18,103.9 | 18,964.9 | 20,041.0 | 19,738.3 | 20,101.6 | 21,068.6 |
| Central government gross debt (per cent of GDP) | 53.7% | 55.9% | 56.0% | 57.9% | 61.9% | 61.3% | 68.2% | 72.7% | 73.9% | | | |
| Net foreign debt (EUR M) [8] | 11,519.8 | 16,122.6 | 21,184.8 | 24,889.2 | 30,995.3 | 40,703.7 | 54,405.5 | 51,424.4 | 51,429.8 | | | |
| Net foreign debt (per cent of GDP) | 16.3% | 21.6% | 25.7% | 28.0% | 34.5% | 40.3% | 51.5% | 55.4 | 52.2% | | | |
| HUF/USD mid exchange rate at the end of period | 225.16 | 207.92 | 180.29 | 213.58 | 191.62 | 172.61 | 187.91 | 188.07 | 208.65 | 189.27 | 187.82 | 215.65 |
| HUF/EUR mid exchange rate at the end of period | 235.90 | 262.23 | 245.93 | 252.73 | 252.30 | 253.35 | 264.78 | 270.84 | 278.75 | 270.20 | 271.28 | 292.12 |

**Source: Central Statistical Office, National Bank of Hungary (NBH), Ministry of Finance**

[1] Same period of previus year= 100%, working-day adjusted

[2] In case of yearly data: December / previous December; otherwise: month/same month of the previous year

[3] Non-consolidated data

[4] Data compiled in accordance with the new methodology used by the NBH from 2004

[5] Including intercompany loans

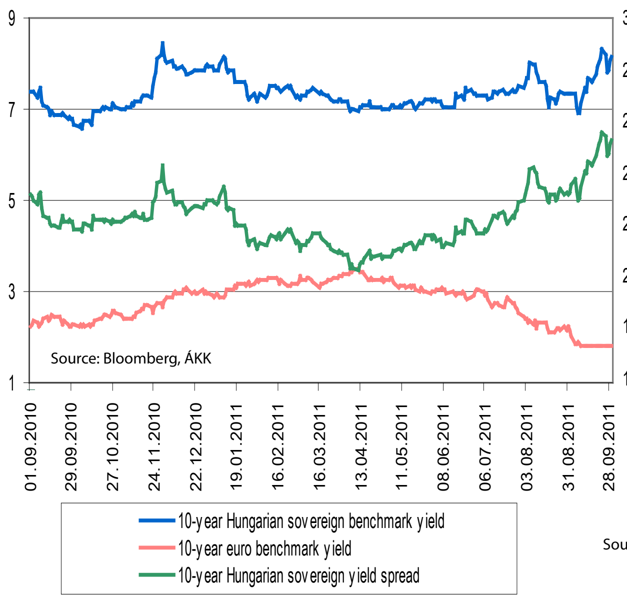
[6] Excluding privatisation proceeds and transfers to the NBH

[7] Excluding debt assumptions and bond-transfers amounting to HUF 512.05 billion at the end of 2002

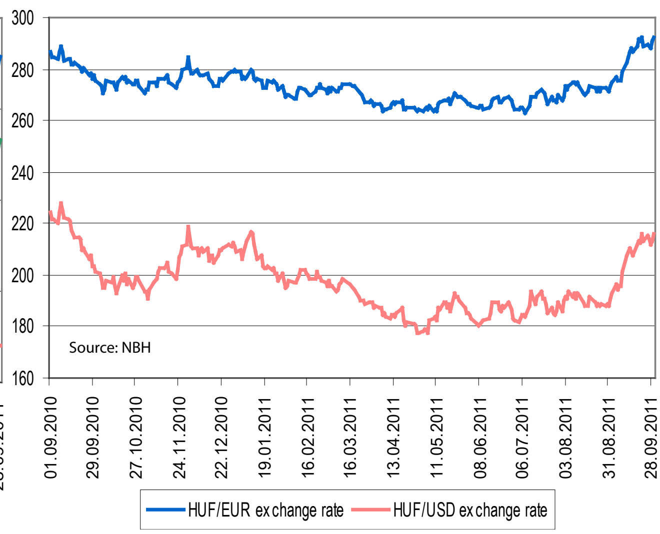
[8] Excluding intercompany loans

[9] FISIM with new methodology as from 2001

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

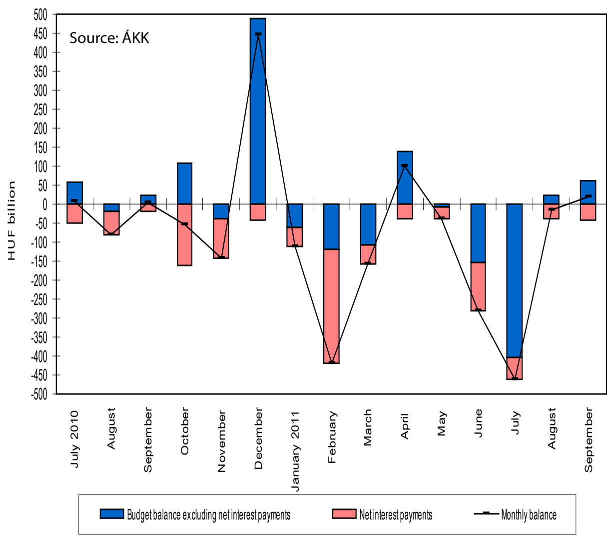



The exchange rate of the Hungarian Forint during the last year

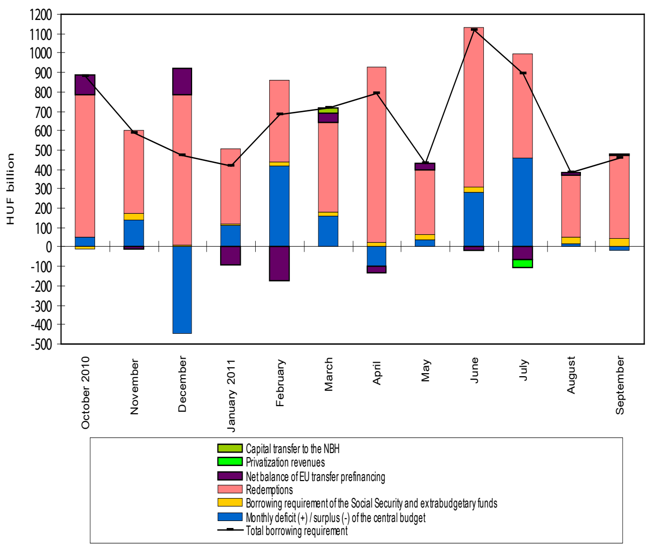



Source: ÁKK

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




Gross borrowing requirement



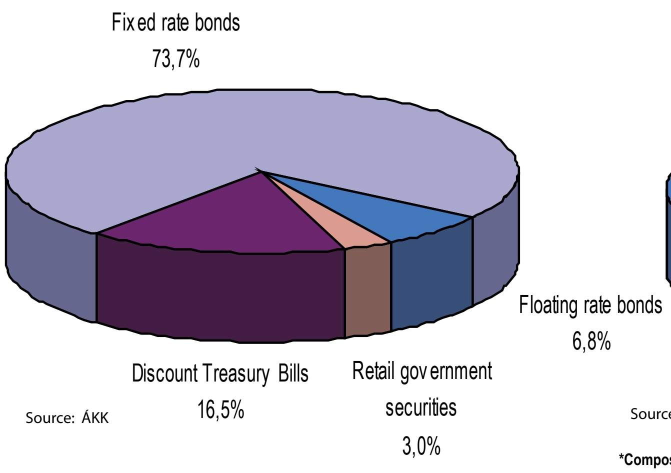
## CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Jul 2011 | Aug 2011 | Sep 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Forint denominated debt | 8,608.8 | 9,153.5 | 10,552.3 | 11,103.8 | 11,250.6 | 10,476.2 | 10,978.2 | 10,231.1 | 10,374.5 | 10,423.5 |
| 1.1. Loans | 4.7 | 0.8 | 356.4 | 145.7 | 219.9 | 438.7 | 540.8 | 540.8 | 540.8 | 540.8 |
| 1.2. Government securities | 8,604.2 | 9,152.7 | 10,195.9 | 10,958.1 | 11,030.7 | 10,037.5 | 10,437.4 | 9,690.3 | 9,833.7 | 9,882.7 |
| 1.2.1. Public issues | 7,860.6 | 8,418.8 | 9,667.5 | 10,465.4 | 10,599.7 | 9,613.2 | 10,019.6 | 9,274.1 | 9,417.5 | 9,467.4 |
| 1.2.1.1. Bonds | 5,768.9 | 6,299.1 | 7,244.2 | 8,245.3 | 8,570.6 | 7,519.2 | 7,965.8 | 7,154.8 | 7,302.7 | 7,423.8 |
| 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 | 1,618.2 | 1,662.3 | 1,655.1 | 1,581.4 |
| 1.2.1.3. Retail securities | 628.4 | 588.7 | 667.4 | 555.2 | 546.6 | 446.6 | 435.7 | 457.0 | 459.8 | 462.2 |
| 1.2.2. Private placements | 743.6 | 733.9 | 528.4 | 492.7 | 431.0 | 424.3 | 417.8 | 416.2 | 416.2 | 415.3 |
| 2. Foreign currency denominated debt* | 2,983.5 | 3,590.7 | 4,124.4 | 4,472.6 | 6,774.8 | 8,468.5 | 8,842.8 | 9,361.2 | 9,526.4 | 10,269.6 |
| 2.1. Loans | 916.8 | 720.6 | 803.7 | 846.5 | 2,529.4 | 4,114.5 | 4,292.8 | 4,142.9 | 4,287.3 | 4,628.0 |
| 2.1.1. Foreign loans | 528.9 | 616.9 | 700.1 | 838.8 | 2,529.4 | 4,114.5 | 4,292.8 | 4,142.9 | 4,287.3 | 4,628.0 |
| 2.1.2. Domestic loans | 387.8 | 103.8 | 103.6 | 7.7 | 0.0 | 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 | 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 | 0.0 |
| 2.2. Government securities | 2,066.8 | 2,870.1 | 3,320.7 | 3,626.1 | 4,245.5 | 4,354.0 | 4,550.0 | 5,218.2 | 5,239.1 | 5,641.6 |
| 2.2.1. Issued abroad | 2,066.8 | 2,870.1 | 3,320.7 | 3,626.1 | 4,245.5 | 4,354.0 | 4,550.0 | 5,218.2 | 5,239.1 | 5,641.6 |
| 2.2.1.1. Foreign currency bonds | 2,066.7 | 2,870.0 | 3,320.6 | 3,627.1 | 4,245.4 | 4,354.0 | 4,550.0 | 5,218.2 | 5,239.1 | 5,641.5 |
| 2.2.1.2. Kingdom of Hungary 1924 issues | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 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 | 0.0 |
| Total | 11,592.4 | 12,744.2 | 14,676.7 | 15,576.4 | 18,025.4 | 18,944.8 | 19,821.0 | 19,592.2 | 19,900.9 | 20,693.1 |
| Other liabilities | | 21.4 | 29.0 | 9.1 | 78.5 | 20.1 | 220.01 | 146.0 | 200.7 | 375.5 |
| Total central government debt | | 12,765.6 | 14,705.7 | 15,585.5 | 18,103.9 | 18,964.8 | 20,041.0 | 19,738.3 | 20,101.6 | 21,068.6 |
| Foreign currency deposits from the international loan program placed at the NBH | | | | | *1,483.6* | *1,24.8* | *974.1* | *401.0* | *400.7* | *442.8* |
| Government debt adjusted with foreign currency deposits | | | | | 16,620.3 | 17,840.1 | 19,066.9 | 19,337.3 | 19,700.9 | 20,625.8 |
| *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* | *10,001.8* | *9,233.3* | *9,373.9* | *9,420.5* |
| *Gross debt/GDP* | *56.0%* | *57.9%* | *61.8%* | *61.3%* | *68.2%* | *72.7%* | *73.9%* | | | |

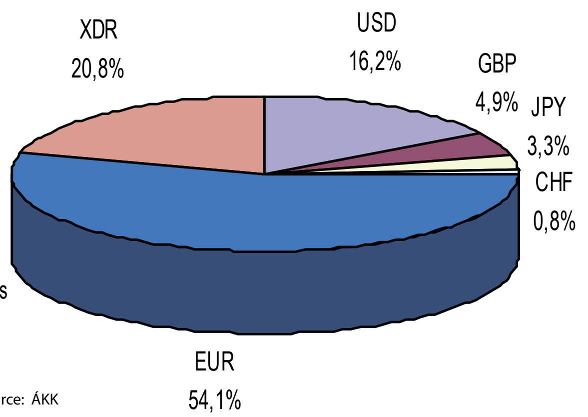
*Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.

**Composition of HUF government securities as at 30.09.2011**




Source: ÁKK

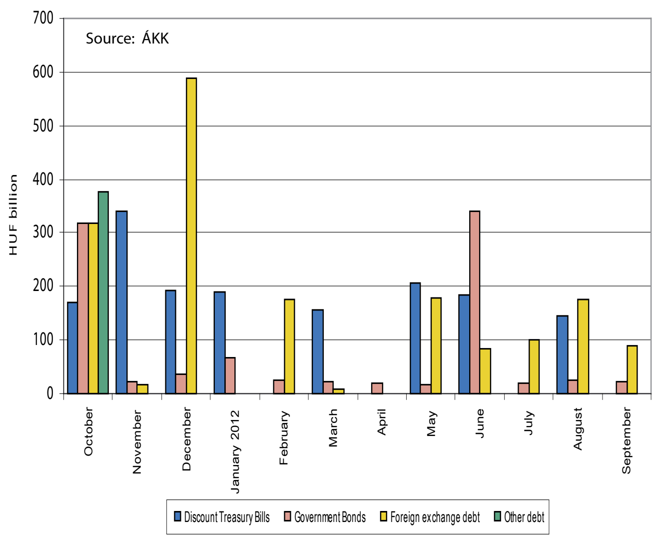
**Currency composition of the foreign exchange debt portfolio as at 30.09.2011 ***



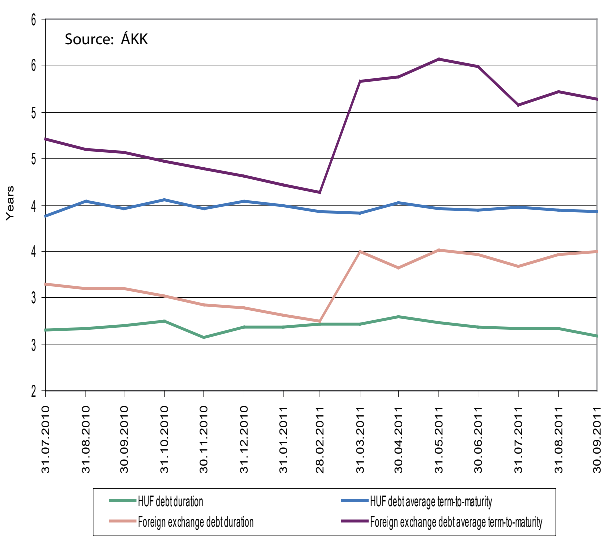

Source: ÁKK

***Composition before swaps.**

**Maturity profile of the central government gross debt over the next 12 months, as at 30.09. 2011**




**Duration and average term-to-maturity of the HUF and foreign currency debt portfolios**



## GOVERNMENT BOND AUCTION RESULTS

| Government Bond | 2015/B | 2014/D | 2017/A | 2022/A | 2014/D | 2017/A | 2022/A | 2015/B | 2014/D | 2017/A | 2022/A |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ISIN code | HU0000402482 | HU0000402516 | HU0000402037 | HU0000402524 | HU0000402516 | HU0000402037 | HU0000402524 | HU0000402482 | HU0000402516 | HU0000402037 | HU0000402524 |
| Maturity (in years) | 5 | 3 | 5 | 10 | 3 | 5 | 10 | 5 | 3 | 5 | 10 |
| Coupon (%) | 5.44% | 6.75% | 6.75% | 7.00% | 6.75% | 6.75% | 7.00% | 5.44% | 6.75% | 6.75% | 7.00% |
| Auction | 12th auction | 14th auction | 14th auction | 11th auction | 15th auction | 15th auction | 12th auction | 13th auction | 16th auction | 16th auction | 13th auction |
| Date of auction | 07.07.2011 | 14.07.2011 | 14.07.2011 | 14.07.2011 | 28.07.2011 | 28.08.2011 | 28.07.2011 | 04.08.2011 | 11.08.2011 | 11.08.2011 | 11.08.2011 |
| Date of financial settlement | 13.07.2011 | 20.07.2011 | 20.07.2011 | 20.07.2011 | 03.08.2011 | 03.08.2011 | 03.08.2011 | 10.08.2011 | 17.08.2011 | 17.08.2011 | 17.08.2011 |
| Redemption date | 22.12.2015 | 22.08.2014 | 24.11.2017 | 24.06.2022 | 22.08.2014 | 24.11.2017 | 24.06.2022 | 22.12.2015 | 22.08.2014 | 24.11.2017 | 24.06.2022 |
| Maximum annual yield (%) - ISMA | | 6.64 | 7.12 | 7.37 | 6.58 | 7.14 | 7.41 | | 6.92 | 7.50 | 7.70 |
| Minimum annual yield (%) - ISMA | | 6.60 | 7.12 | 7.30 | 6.50 | 7.10 | 7.39 | | 6.80 | 7.46 | 7.68 |
| Average annual yield (%) - ISMA | | 6.64 | 7.12 | 7.36 | 6.57 | 7.12 | 7.40 | | 6.90 | 7.48 | 7.69 |
| Maximum annual yield (%) - EHM | | 6.63 | 7.11 | 7.36 | 6.57 | 7.13 | 7.40 | | 6.91 | 7.49 | 7.69 |
| Minimum annual yield (%) - EHM | | 6.59 | 7.11 | 7.29 | 6.49 | 7.09 | 7.38 | | 6.79 | 7.45 | 7.67 |
| Average annual yield (%) - EHM | | 6.63 | 7.11 | 7.35 | 6.56 | 7.12 | 7.40 | | 6.89 | 7.47 | 7.69 |
| Maximum price (%) | 97.0500 | 100.4093 | 98.1087 | 97.7770 | 100.6749 | 98.2185 | 97.1263 | 96.8200 | 99.8712 | 96.4956 | 95.0800 |
| Minimum price (%) | 96.7500 | 100.3005 | 98.1087 | 97.2713 | 100.4590 | 98.0228 | 96.9830 | 96.7000 | 99.5548 | 96.3052 | 94.9410 |
| Average price (%) | 96.8100 | 100.3005 | 98.1087 | 97.3751 | 100.4896 | 98.1097 | 97.0363 | 96.7400 | 99.6160 | 96.3943 | 94.9977 |
| Amount offered for sale (HUF million) | 5,000.00 | 20,000.00 | 15,000.00 | 10,000.00 | 20,000.00 | 15,000.00 | 10,000.00 | 7,000.00 | 15,000.00 | 15,000.00 | 8,000.00 |
| Amount of bids submitted (HUF million) | 15,010.00 | 79,853.83 | 59,500.00 | 26,340.24 | 43,771.55 | 38,350.00 | 28,700.00 | 19,400.00 | 78,320.86 | 86,200.00 | 58,130.00 |
| Amount of bids accepted (HUF million) | 7,499.99 | 24,999.99 | 20,000.00 | 9,999.97 | 19,999.96 | 14,999.97 | 9,999.95 | 6,999.99 | 22,500.00 | 22,500.00 | 12,000.00 |
| Bid-to-cover ratio | 2.00 | 3.19 | 2.98 | 2.63 | 2.19 | 2.56 | 2.87 | 2.77 | 3.48 | 3.83 | 4.84 |
| Bids submitted (pcs) | 35 | 79 | 55 | 60 | 66 | 64 | 56 | 26 | 77 | 65 | 60 |
| Bids accepted (pcs) | 27 | 13 | 9 | 24 | 37 | 36 | 25 | 13 | 20 | 23 | 17 |
| Tail (average price - minimum price) | 0.06 | 0.00 | 0.00 | 0.10 | 0.03 | 0.09 | 0.05 | 0.04 | 0.06 | 0.09 | 0.06 |
| Market sales* (HUF million) | 7,499.99 | 24,999.99 | 20,000.00 | 9,999.97 | 19,999.96 | 14,999.97 | 9,999.95 | 6,999.99 | 22,500.00 | 22,500.00 | 12,000.00 |
| Non-competitive offer (HUF million) | 560.00 | 6,500.00 | 3,700.00 | 2,208.00 | 0.00 | 0.00 | 0.00 | 875.00 | 4,420.00 | 2,860.00 | 1,960.00 |
| Total amount issued (HUF million) | 10,500.00 | 35,000.00 | 40,000.00 | 14,000.00 | 28,000.00 | 30,000.00 | 14,000.00 | 9,800.00 | 22,500.00 | 45,000.00 | 16,800.00 |

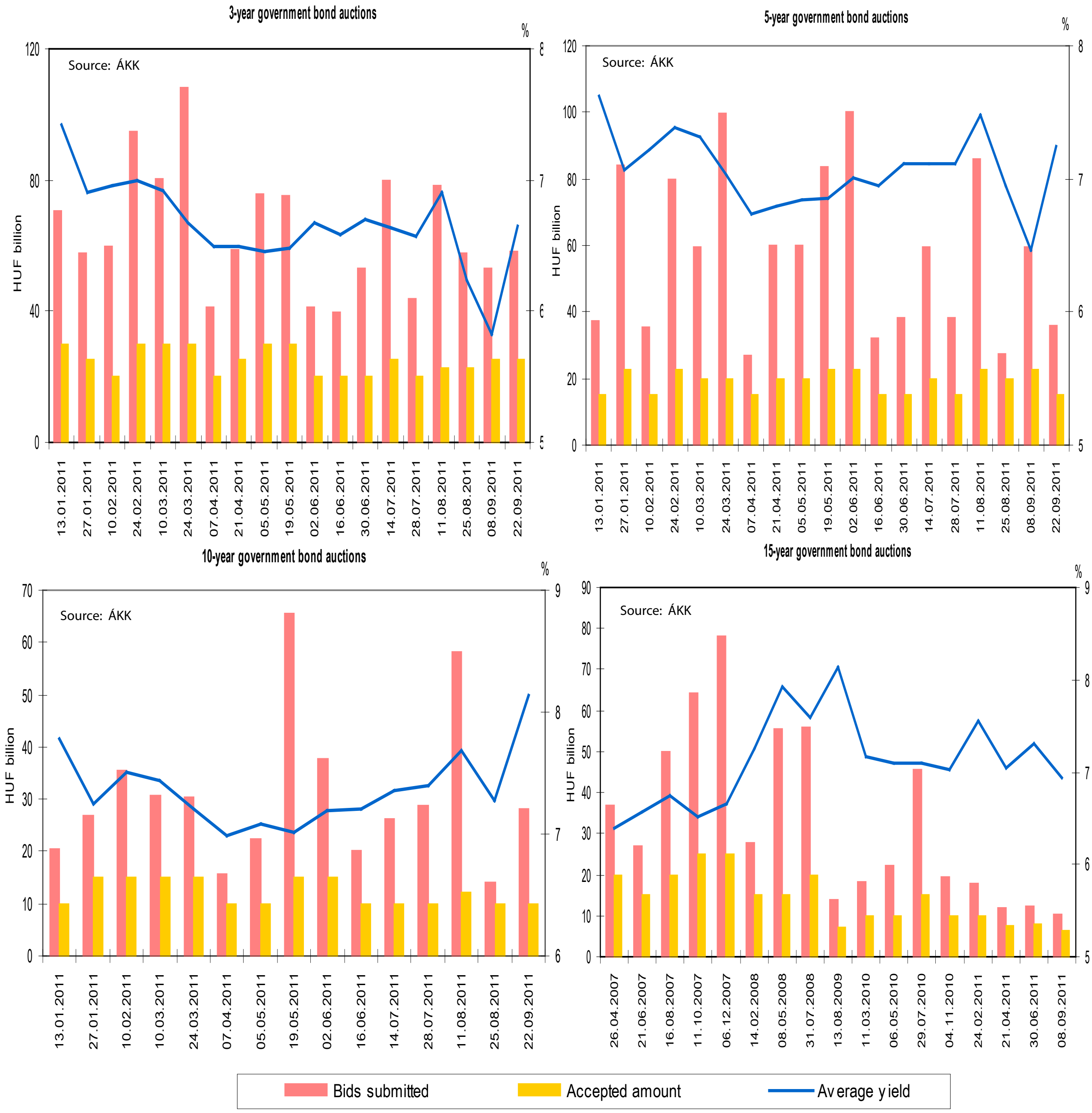
*Without issuance onto ÁKK's own account

## GOVERNMENT BOND AUCTION RESULTS

| Government Bond | 2014/D | 2017/A | 2022/A | 2015/B | 2014/D | 2017/A | 2028/A | 2014/D | 2017/A | 2022/A | 2015/B |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ISIN code | HU0000402516 | HU0000402037 | HU0000402524 | HU0000402482 | HU0000402516 | HU0000402037 | HU0000402532 | HU0000402516 | HU0000402037 | HU0000402524 | HU0000402482 |
| Maturity (in years) | 3 | 5 | 10 | 5 | 3 | 5 | 15 | 3 | 5 | 10 | 5 |
| Coupon (%) | 6.75% | 6.75% | 7.00% | 5.44% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 7.00% | 5.44% |
| Auction | 17th auction | 17th auction | 14th auction | 13th auction | 18th auction | 18th auction | 4th auction | 19th auction | 19th auction | 15th auction | 14th auction |
| Date of auction | 25.08.2011 | 25.08.2011 | 25.08.2011 | 01.09.2011 | 08.09.2011 | 08.09.2011 | 08.09.2011 | 22.09.2011 | 22.09.2011 | 22.09.2011 | 29.09.2011 |
| Date of financial settlement | 31.08.2011 | 31.08.2011 | 31.08.2011 | 07.09.2011 | 14.09.2011 | 14.09.2011 | 14.09.2011 | 28.09.2011 | 28.09.2011 | 28.09.2011 | 05.10.2011 |
| Redemption date | 22.08.2014 | 24.11.2017 | 24.06.2022 | 22.12.2015 | 22.08.2014 | 24.11.2017 | 22.10.2022 | 22.08.2014 | 24.11.2017 | 24.06.2022 | 22.12.2015 |
| Maximum annual yield (%) - ISMA | 6.25 | 6.99 | 7.35 | | 5.85 | 6.47 | 6.96 | 6.65 | 7.25 | 8.18 | |
| Minimum annual yield (%) - ISMA | 6.20 | 6.90 | 7.17 | | 5.82 | 6.45 | 6.85 | 6.65 | 7.25 | 8.10 | |
| Average annual yield (%) - ISMA | 6.23 | 6.95 | 7.28 | | 5.83 | 6.46 | 6.93 | 6.65 | 7.25 | 8.14 | |
| Maximum annual yield (%) - EHM | 6.24 | 6.98 | 7.34 | | 5.84 | 6.46 | 6.95 | 6.64 | 7.24 | 8.17 | |
| Minimum annual yield (%) - EHM | 6.19 | 6.89 | 7.16 | | 5.81 | 6.44 | 6.84 | 6.64 | 7.24 | 8.09 | |
| Average annual yield (%) - EHM | 6.23 | 6.94 | 7.27 | | 5.82 | 6.46 | 6.92 | 6.64 | 7.24 | 8.13 | |
| Maximum price (%) | 101.4489 | 99.2199 | 98.7139 | 96.8000 | 102.4350 | 101.4599 | 99.0084 | 100.2364 | 97.5544 | 92.2516 | 96.7000 |
| Minimum price (%) | 101.3155 | 98.7789 | 97.4123 | 96.6500 | 102.3547 | 101.3594 | 97.9354 | 100.2364 | 97.5544 | 91.7227 | 96.5100 |
| Average price (%) | 101.3568 | 98.9778 | 97.9488 | 96.6800 | 102.4140 | 101.3849 | 98.2625 | 100.2364 | 97.5544 | 92.0163 | 96.6000 |
| Amount offered for sale (HUF million) | 15,000.00 | 20,000.00 | 15,000.00 | 5,000.00 | 20,000.00 | 15,000.00 | 10,000.00 | 20,000.00 | 15,000.00 | 8,000.00 | 5,000.00 |
| Amount of bids submitted (HUF million) | 57,703.56 | 27,330.00 | 13,970.00 | 16,365.88 | 53,100.00 | 59,383.00 | 10,300.00 | 58,450.00 | 35,892.26 | 28,114.00 | 12,650.00 |
| Amount of bids accepted (HUF million) | 22,500.00 | 19,999.98 | 10,000.00 | 7,499.97 | 25,000.00 | 22,499.97 | 6,500.00 | 25,000.00 | 15,000.00 | 10,000.00 | 5,000.00 |
| Bid-to-cover ratio | 2.56 | 1.37 | 1.40 | 2.18 | 2.12 | 2.64 | 1.58 | 2.34 | 2.39 | 2.81 | 2.53 |
| Bids submitted (pcs) | 65 | 62 | 36 | 31 | 66 | 54 | 40 | 56 | 38 | 48 | 25 |
| Bids accepted (pcs) | 20 | 47 | 34 | 18 | 23 | 17 | 31 | 10 | 10 | 15 | 12 |
| Tail (average price - minimum price) | 0.04 | 0.20 | 0.54 | 0.03 | 0.06 | 0.03 | 0.33 | 0.00 | 0.00 | 0.29 | 0.09 |
| Market sales* (HUF million) | 22,500.00 | 19,999.98 | 10,000.00 | 7,499.97 | 25,000.00 | 22,499.97 | 6,500.00 | 25,000.00 | 15,000.00 | 10,000.00 | 5,000.00 |
| Non-competitive offer (HUF million) | 0.00 | 0.00 | 0.00 | 2 360.00 | 700.00 | 8,280.00 | 0.00 | 9,360.00 | 5,360.00 | 1,906.00 | 1 020.00 |
| Total amount issued (HUF million) | 22,500.00 | 20,000.00 | 10,000.00 | 10,500.00 | 25,000.00 | 22,500.00 | 13,000.00 | 35,000.00 | 21,000.00 | 14,000.00 | 7,000.00 |

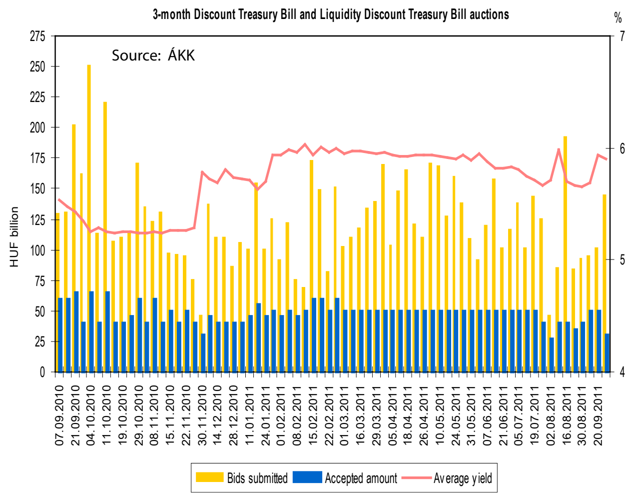
*Without issuance onto ÁKK's own account

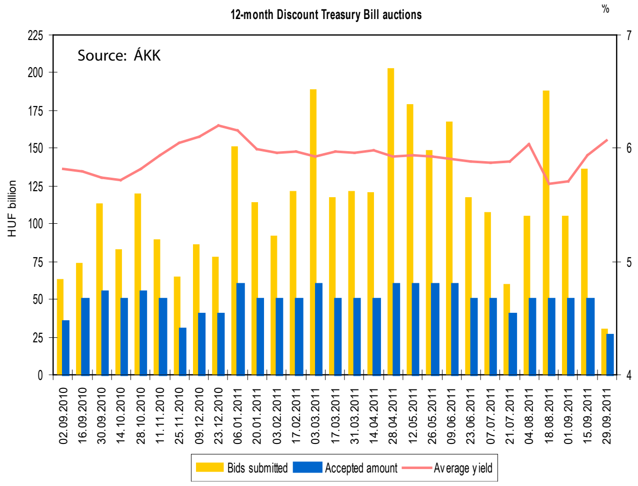
Source: ÁKK




## GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

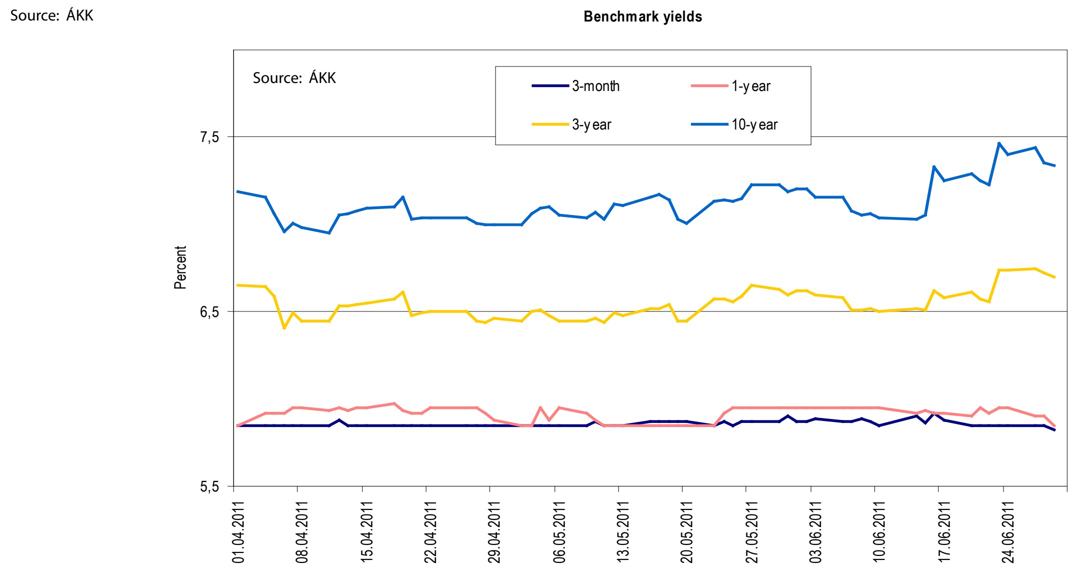
| Government bond | 2012/B | 2012/B | 2012/C | 2012/B | 2012/C | 2012/B | 2012/C | 2012/B | 2012/C | 2012/B | 2012/C |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ISIN code | HU0000402367 | HU0000402367 | HU0000402417 | HU0000402367 | HU0000402417 | HU0000402367 | HU0000402417 | HU0000402367 | HU0000402417 | HU0000402367 | HU0000402417 |
| Coupon (%) | 7.25 | 7.25 | 6.00 | 7.25 | 6.00 | 7.25 | 6.00 | 7.25 | 6.00 | 7.25 | 6.00 |
| Date of reverse auction | 13.07.2011 | 27.07.2011 | 27.07.2011 | 10.08.2011 | 10.08.2011 | 24.08.2011 | 24.08.2011 | 07.09.2011 | 07.09.2011 | 21.09.2011 | 21.09.2011 |
| Date of financial settlement | 20.07.2011 | 03.08.2011 | 03.08.2011 | 17.08.2011 | 17.08.2011 | 31.08.2011 | 31.08.2011 | 14.09.2011 | 14.09.2011 | 28.09.2011 | 28.09.2011 |
| Redemption date | 12.06.2012 | 12.06.2012 | 24.10.2012 | 12.06.2012 | 24.10.2012 | 12.06.2012 | 24.10.2012 | 12.06.2012 | 24.10.2012 | 12.06.2012 | 24.10.2012 |
| Minimum annual yield (%) | 5.80 | 5.85 | 5.80 | 6.00 | 6.09 | 5.75 | 5.85 | 0.00 | 5.60 | 5.75 | 5.83 |
| Average annual yield - ISMA (%) | 5.81 | 5.85 | 5.81 | 6.01 | 6.10 | 5.77 | 5.86 | 0.00 | 5.63 | 5.76 | 5.85 |
| Average annual yield - EHM (%) | 5.78 | 5.81 | 5.80 | 5.96 | 6.09 | 5.72 | 5.85 | 0.00 | 5.62 | 5.70 | 5.83 |
| Amount of bids submitted (HUF million) | 7,092.89 | 12,418.90 | 15,842.75 | 14,326.44 | 12,593.25 | 11,500.00 | 13,701.57 | 69.00 | 1,264.00 | 3,271.10 | 27,653.88 |
| Amount of bids accepted (HUF million) | 1,869.83 | 300.00 | 11,127.75 | 7,326.44 | 5,593.25 | 650.00 | 1,919.91 | 0.00 | 1,200.00 | 1,021.10 | 8,452.82 |

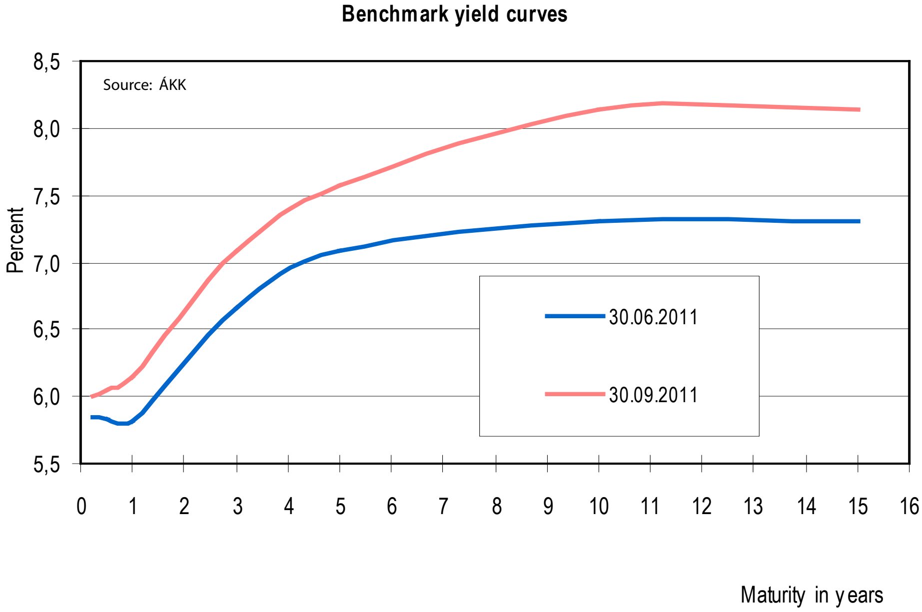



## INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN Q3 2011

| Government Bond | Date of interest rate reset | Interest period | | Date of interest payment | Reset interest rate (%) | Interest payable (%) |
|---|---|---|---|---|---|---|
| 2026/A | 26.08.2011 | 28.08.2011 | 28.02.2012 | 28.02.2012 | 5.74 | 5.82 |
| 2013/J | 23.08.2011 | 26.08.2011 | 26.08.2012 | 27.08.2012 | 6.10 | 6.10 |
| 2013/A | 19.09.2011 | 20.09.2011 | 20.03.2012 | 20.03.2012 | 5.79 | 3.00 |
| 2016/A | 29.09.2011 | 30.09.2011 | 31.12.2011 | 02.01.2012 | 5.25 | 1.32 |

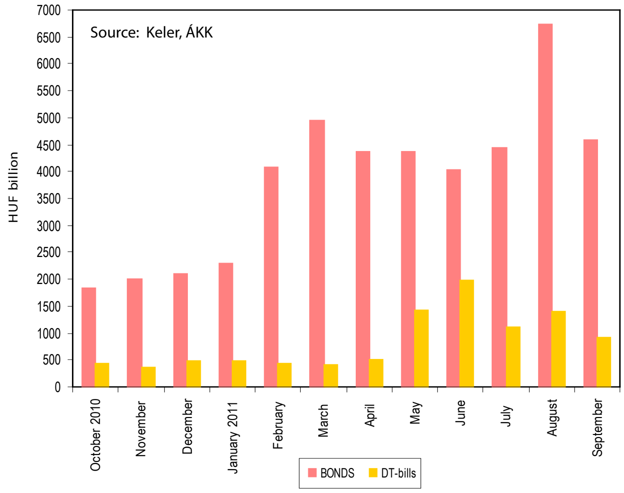


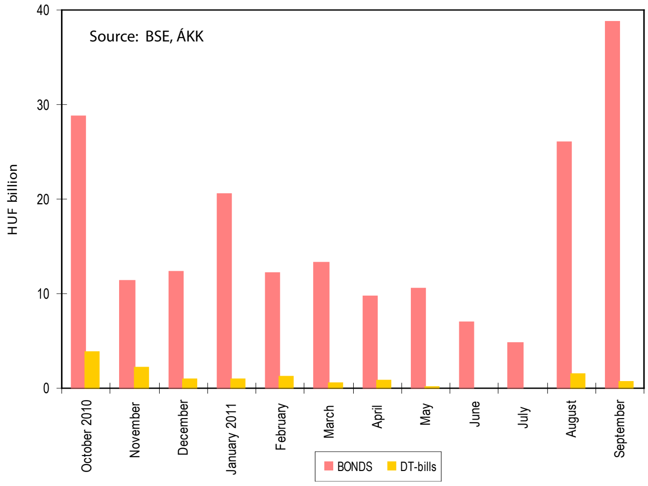
## PRIMARY DEALERS - AS AT 30 JUNE 2011

| Primary dealers: | | Primary dealers for retail securities: |
|---|---|---|
| BNP Paribas SA | MKB Bank Zrt. | CIB Bank Zrt. |
| CIB Bank Zrt. | Magyar Takarékszövetkezeti Bank Zrt. | K&H Bank Zrt. |
| CITIBANK Europe Plc. | Nomura International Plc. | Magyar Takarékszövetkezeti Bank Zrt. |
| Deutsche Bank Europe GmbH | OTP Bank Nyrt. | OTP Bank Nyrt. |
| ERSTE Befektetési Zrt. | Raiffeisen Bank Zrt. | UniCredit Bank Hungary Zrt. |
| Goldman Sachs International | The Royal Bank of Scotland Plc. | |
| ING Bank N.V. | UniCredit Bank Hungary Zrt. | |
| K&H Bank Zrt. | | The branch network of the Hungarian State Treasury |

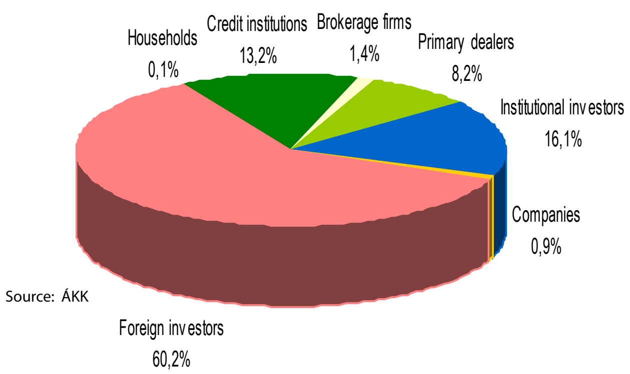
Secondary market trading of Hungarian government securities (OTC)



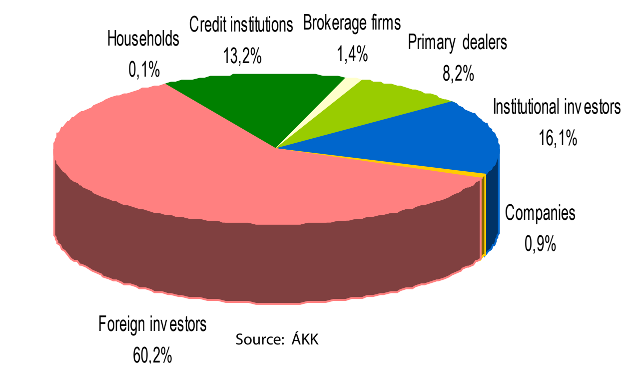

Secondary market trading of Hungarian government securities ( Budapest Stock Exchange)



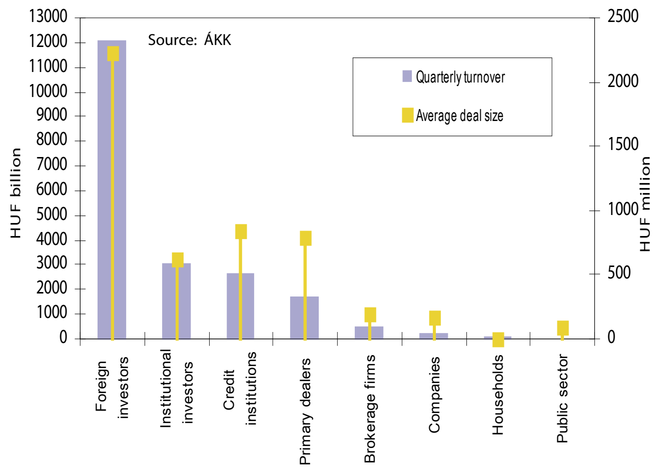

Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in Q3 2011




Breakdown of primary dealers' secondary market turnover in government bonds by investor groups in Q3 2011



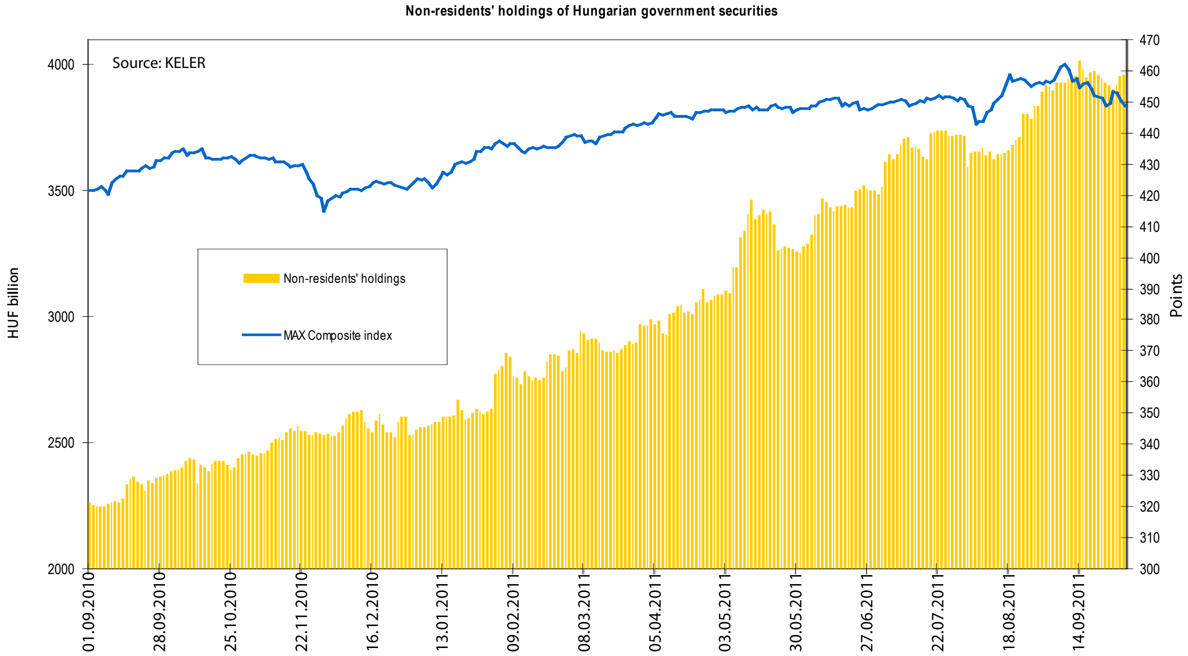

Primary dealers' trading with different investor groups in Q3 2011




**Government securities with the highest secondary market turnover in Q3 2011**

| Government security | Date of redemption | Turnover (HUF billion) |
|---|---|---|
| 2014/C | 2014.02.12. | 2,750.4 |
| 2014/D | 2014.08.22. | 2,032.5 |
| 2016/C | 2016.02.12. | 1,930.3 |
| 2017/B | 2017.02.24. | 1,824.2 |
| 2019/A | 2019.06.24. | 1,318.4 |
| 2015/A | 2015.02.12. | 1,125.7 |
| D120502 | 2012.05.12. | 1,046.7 |
| 2017/A | 2017.11.24. | 995.2 |
| 2020/A | 2020.11.12. | 967.1 |
| 2022/A | 2022.06.24. | 936.2 |

Source: ÁKK




## HUNGARIAN GOVERNMENT SECURITIES INDICES

| | Value of the index | | | | Annual yield earned on the index portfolio | | | |
|---|---|---|---|---|---|---|---|---|
| | MAXindex | RMAX index | MAX Composite index | ZMAX index | MAXindex | RMAX index | MAX Composite index | ZMAX index |
| 30.06.2011 | 454.3254 | 443.4159 | 449.1876 | 442.4747 | 8.87% | 5.76% | 8.44% | 5.70% |
| 31.07.2011 | 461.4880 | 447.7145 | 455.9385 | 446.6394 | 7.38% | 5.80% | 7.22% | 5.74% |
| 31.08.2011 | 453.1469 | 440.9520 | 447.8879 | 440.0783 | 9.29% | 5.91% | 8.84% | 5.78% |
| 30.09.2011 | 452.4949 | 449.1198 | 448.5921 | 448.7100 | 3.36% | 5.64% | 3.80% | 5.78% |

Source: ÁKK

## OUTSTANDING AMOUNT OF BENCHMARK GOVERNMENT BOND SERIES IN Q3 2011

| | HUF billion | | |
|---|---|---|---|
| Government Bond | 31.07.2011 | 31.08.2011 | 30.09.2011 |
| 2014/D | 351.80 | 421.25 | 481.33 |
| 2017/B | 211.95 | 272.33 | 323.43 |
| 2022/A | 152.15 | 186.16 | 198.13 |
| 2028/A | 24.85 | 24.86 | 31.38 |

Source: ÁKK

## REUTERS PAGES (CODES)

main page: HUTREASURY

| Auction results are available from 12.00 (CET) | |
|---|---|
| HUISSUE | Publication of the following issues and reverse auctions |
| HUAUCTION01 | Discount T-bill auction results |
| HUAUCTION02 | Government Bond auction results |
| HUAUCTION03 | Non-competitive offer |
| HUBUYBACK | Government Bond buyback auction results |
| HUEXCHANGE | Government Bond exchange auction results |
| Secondary market data | |
| HUBONDFIX | Benchmark yield fixing (updated at 14.00 CET) |
| HUBEST 3.4.5 | Best secondary market quotations |
| HUBONDAKK. HUBONDAKK4 | Best morning secondary market quotations |
| HUBONDAKK2. HUBONDAKK3 | Best afternoon secondary market quotations |
| HUBONDINDEX1 | Hungarian Government Total Return Index (MAX), updated at 14.00 CET |
| HUBONDINDEX2 | Benchmark Indices for Governmnet Bonds BMX3Y-15Y (updated at 16.00 CET) |
| .HUMAXBOND | Hungarian Government Total Return Index (MAX) statistics |
| HUMAXCOMP1, HUMANCOMP2 | MAX Composite Index |
| Other | |
| HUFLOATER | Interest rate reset of floating rate bonds |
| HUBONDINFO | Primary dealers |

## FURTHER INFORMATION PAGES:

Bloomberg pages (code): GDMA

Homepage: www.allampapir.hu

www.akk.hu