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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

NOVEMBER 2009

The deficit of the central government amounted to HUF 1,123.5 billion in the first eleven months of 2009. The net balance of transfers from the EAGGF fund of the European Union (EU) worth HUF 62.3 billion decreased the net borrowing requirement. Privatisation revenues amounted to HUF 1.0 billion, which decreased the financing requirement. Thus, the total net borrowing requirement amounted to HUF 1,060.2 billion in the first eleven months. Net issuance was HUF 949.5 billion; out of which net HUF-denominated issuance was HUF –676.2 billion and net foreign currency denominated issuance was HUF 1,625.7 billion. Out of the international loan program HUF 1,031.4 billion was placed in the National Bank of Hungary as foreign currency deposits or in commercial banks as loans. The total amount of other liabilities decreased by HUF 65.3 billion in 2009.

The HUF denominated debt of the central government decreased by HUF 675.8 billion in 2009, which is the sum of the HUF 182.0 billion increase in the volume of HUF loans and the HUF 857.8 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 –1,046.7 billion, while discount Treasury bills increased by HUF 303.2 billion and retail government securities decreased by HUF 109.9 billion. The HUF 182.0 billion increase in the volume of HUF loans in the first eleven months of the year was the result of drawdowns of IMF/EC loans and international project financing loans in Hungarian Forints.

The foreign currency debt of the central government increased by HUF 1,669.7 billion in 2009. The foreign currency bond issuance amounted to HUF 267.9 billion and the drawdown of foreign currency denominated loans was HUF 1,757.0 billion, out of which the loans from the international loan package (IMF, EC) amounted to HUF 1,640.6 billion, while loans from international financial institutions amounted to HUF 116.4 billion. Redemptions of foreign currency loans worth HUF 145.7 billion and redemptions of foreign currency government bonds worth HUF 253.6 billion decreased, while exchange rate revaluations totalling HUF 44.0 billion increased the Hungarian Forint value of the foreign currency debt in 2009.

Short-term secondary market yields decreased by 20-35 basis points, the 3 year and 5-year yields decreased by 9-21 basis points, while the 10 year and 15-year yields increased by 7-8 basis points in November. The 1-year yield decreased by 35 bps to 6.10%, the 3-year yield decreased by 21 bps to 6.99% and the 10-year benchmark yield reached 7.46% at the end of November after increasing by 8 basis points.

Monthly OTC turnover of government securities was 22 % lower in November than a month before and reached HUF 1,718 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 40 % of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 36.3 billion in November, and amounted to HUF 2,302.4 billion at the end of the month. This volume represented 23.6% of the total amount of domestic government bonds and discount Treasury bills.

The EUR/HUF exchange rate according to the National Bank of Hungary was 272.29 at the last working day of November 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 November: BBB- (Standard & Poor's); Baa1 (Moody's); BBB (Fitch).

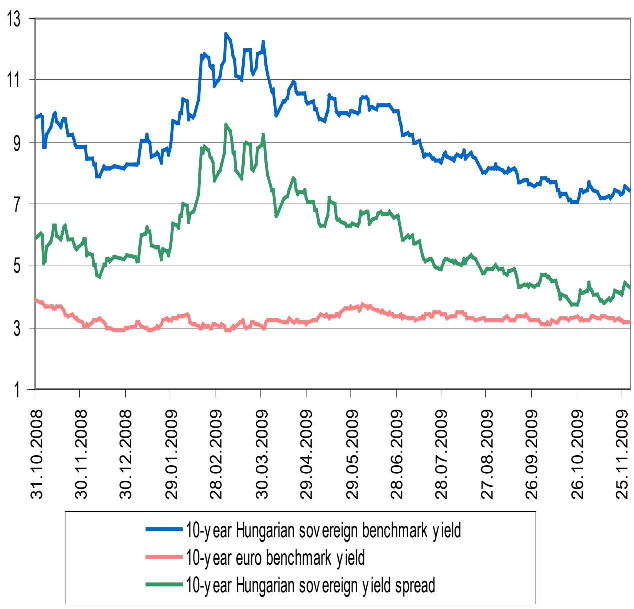
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

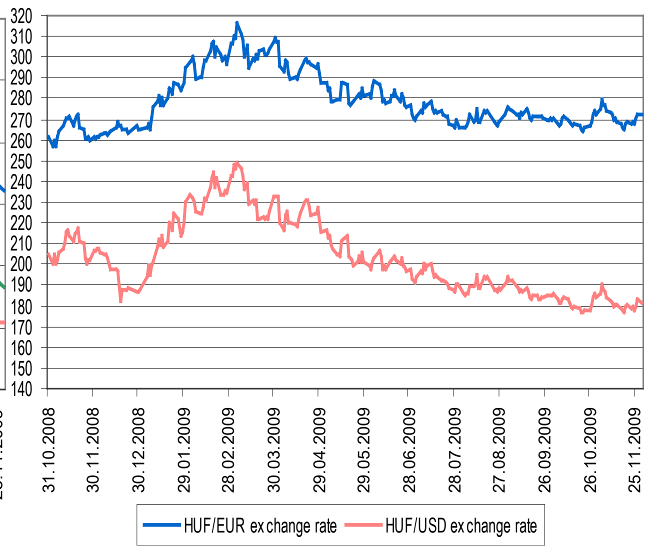
	2004	2005	2006	2007	2008	September 2009	October 2009	November 2009
1. Forint denominated debt	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	11,095.9	11,103.2	10,574.8
1.1. Loans	4.7	0.8	356.4	145.7	219.9	1 015.7	1 006.2	401.9
1.2. Government securities	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	10,080.2	10,097.0	10,172.9
1.2.1. Public issues	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	9,653.6	9,670.4	9,746.3
1.2.1.1. Bonds	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	7,532.2	7,456.4	7,523.9
1.2.1.2. Discount T-bills	1,463.3	1,530.9	1,755.9	1,664.9	1,482.4	1,658.9	1,762.5	1,785.7
1.2.1.3. Retail securities	628.4	588.7	667.4	555.2	546.4	462.5	451.6	436.7
1.2.2. Private placements	743.6	733.9	528.4	492.7	431.0	426.6	426.6	426.6
2. Foreign currency denominated debt*	2,983.5	3,590.7	4,124.4	4,472.6	6,774.8	7,848.7	7,904.9	8,444.5
2.1. Loans	916.8	720.6	803.7	846.5	2,529.4	3,480.0	3,501.7	4,044.7
2.1.1. Foreign loans	528.9	616.9	700.1	838.8	2,529.4	3,480.0	3,501.7	4,044.7
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	4,368.7	4,403.3	4,399.9
2.2.1. Issued abroad	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,368.7	4,403.3	4,399.9
2.2.1.1. Foreign currency bonds	2,066.7	2,870.0	3,320.6	3,626.1	4,245.4	4,368.7	4,403.2	4,399.8
2.2.1.2. Kingdom of Hungary 1924 issues	0.1	0.1	0.1	0.0	0.0	0.1	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	18,944.6	19,008.2	19,019.3
Other liabilities		21.4	29.0	9.1	78.5	10.6	11.3	13.2
Total central government debt		12,765.6	14,705.7	15,585.5	18,103.9	18,944.6	19,019.5	19,032.5
Foreign currency deposits from the international loan program placed at the NBH					*1,483.6*	*1,116.8*	*1,117.9*	*1,031.4*
Government debt adjusted with foreign currency deposits					16 620,3	17 838,4	17 901,6	18 001,1
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*	*9,617.7*	*9,645.4*	*9,736.2*
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.

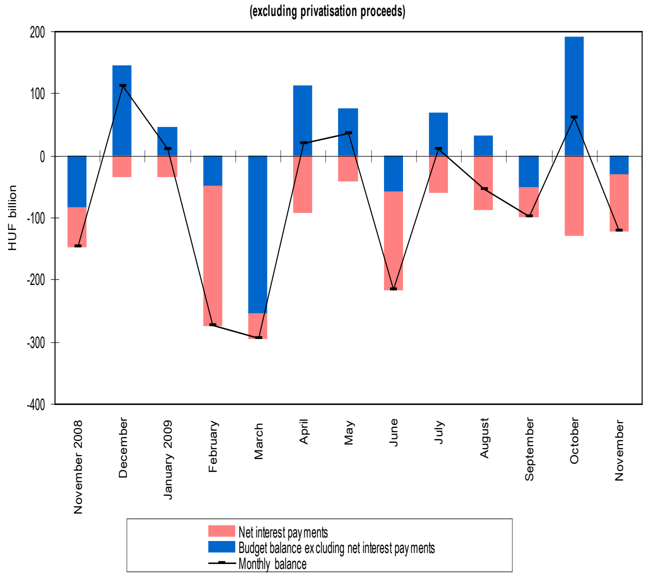
10-year Hungarian and eurozone benchmark yields during the last year



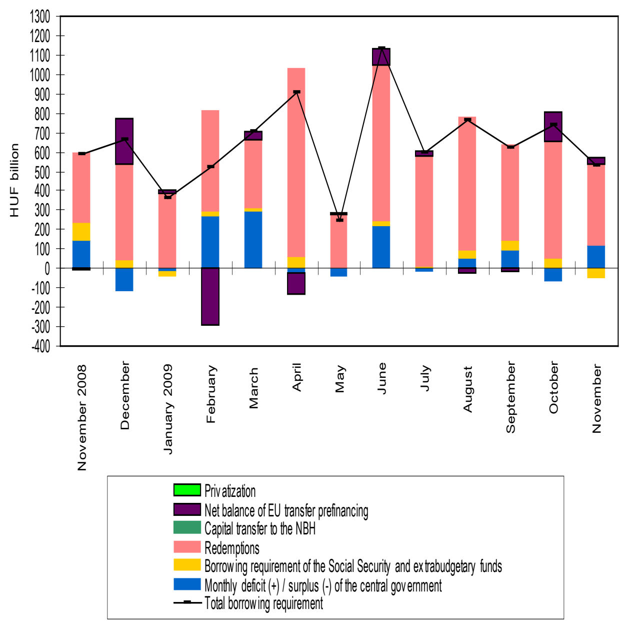
The exchange rate of the Hungarian Forint during the last year



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



Gross borrowing requirement

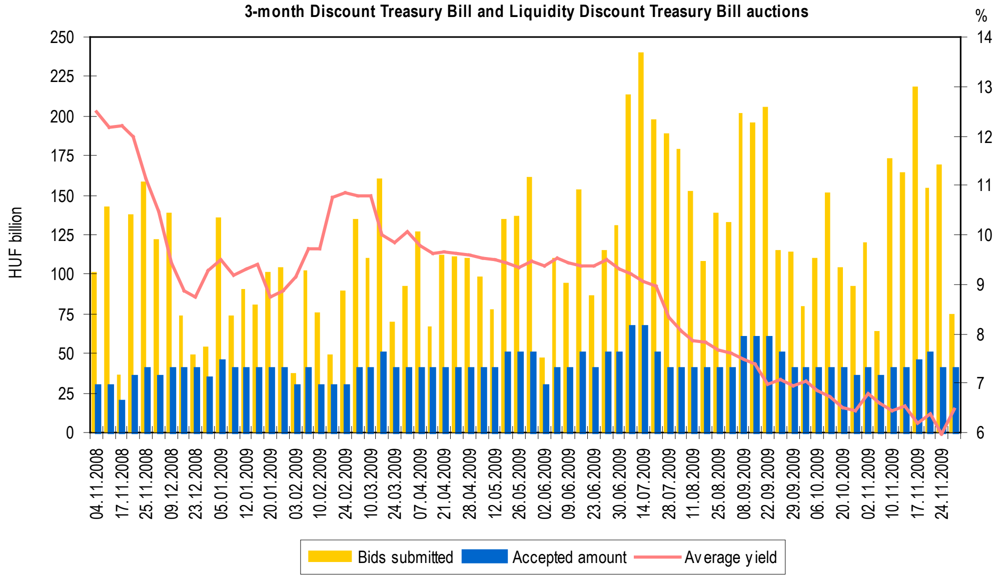


DISCOUNT TREASURY BILL AUCTION RESULTS

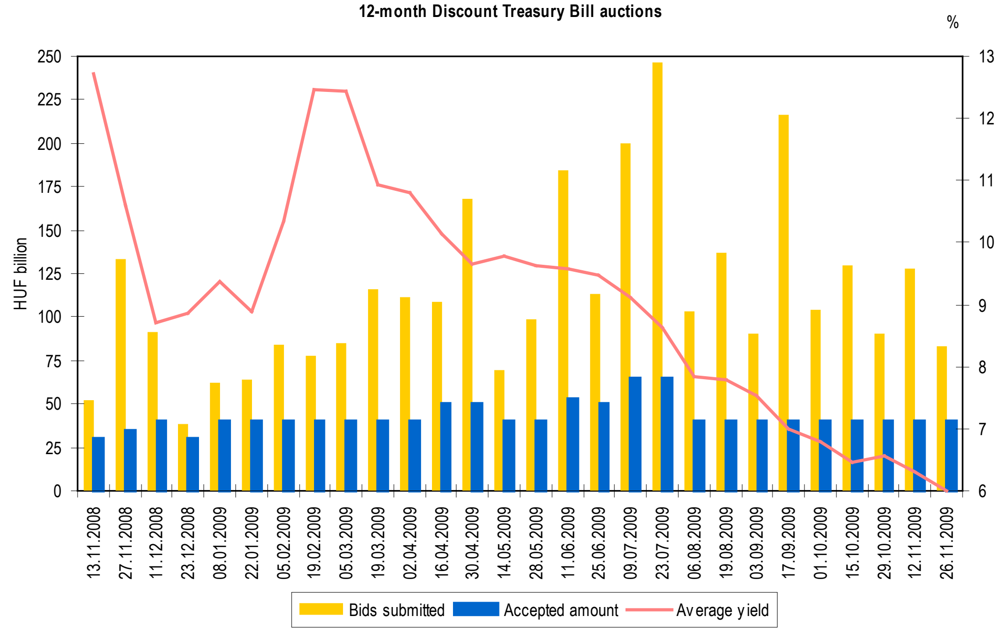
	Liquidity Discount T-bills				3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D091223	D091230	D091230	D091230	D100210	D100217	D100224	D100303	D101020	D101020
ISIN code	HU0000517537	HU0000517545	HU0000517545	HU0000517545	HU0000517594	HU0000517602	HU0000517610	HU0000517628	HU0000517669	HU0000517669
Maturity in days	49	42	35	28	91	91	91	91	336	322
Date of auction	02.11.2009	16.11.2009	23.11.2009	30.11.2009	03.11.2009	10.11.2009	17.11.2009	24.11.2009	12.11.2009	26.11.2009
Date of financial settlement	04.11.2009	18.11.2009	25.11.2009	02.12.2009	11.11.2009	18.11.2009	25.11.2009	02.12.2009	18.11.2009	02.12.2009
Redemption date	23.12.2009	30.11.2009	30.12.2009	30.12.2009	10.02.2010	17.02.2010	24.02.2010	03.03.2010	20.10.2010	20.10.2010
Maximum yield, (%) - ISMA	6.84	6.65	6.40	6.52	6.64	6.47	6.22	5.99	6.32	6.06
Minimum yield (%) - ISMA	6.60	6.41	6.30	6.30	6.55	6.39	6.10	5.95	6.28	5.91
Average yield (%) - ISMA	6.80	6.53	6.36	6.48	6.61	6.45	6.19	5.97	6.30	6.00
Maximum yield, (%) - EHM	6.93	6.74	6.49	6.61	6.73	6.56	6.31	6.07	6.41	6.14
Minimum yield (%) - EHM	6.69	6.50	6.39	6.39	6.64	6.48	6.18	6.03	6.37	5.99
Average yield (%) - EHM	6.89	6.62	6.45	6.57	6.70	6.54	6.28	6.05	6.39	6.08
Average selling price (%)	99.0829	99.2439	99.3855	99.4985	98.3566	98.3957	98.4594	98.5134	94.4465	94.9067
Amount offered for sale (HUF million)	40,000.00	40,000.00	40,000.00	40,000.00	35,000.00	35,000.00	35,000.00	40,000.00	40,000.00	40,000.00
Amount of bids submitted (HUF million)	119,700.00	163,918.71	154,701.00	74,950.00	64,317.48	173,102.64	218,270.18	169,176.12	127,591.97	82,954.00
Amount of bids accepted (HUF million)	39,999.99	39,999.97	49,999.98	40,000.00	34,999.97	39,999.94	44,999.96	39,999.98	39,999.98	39,999.96
Bid-to-cover ratio	2.99	4.10	3.09	1.87	1.84	4.33	4.85	4.23	3.19	2.07
Bids submitted (pcs)	39	82	60	38	92	149	154	147	120	95
Bids accepted (pcs)	23	46	16	25	54	47	39	28	28	52
Market sales* (HUF million)	39,999.99	39,999.97	49,999.98	40,000.00	34,999.97	39,999.94	44,999.96	39,999.98	39,999.98	39,999.96
Retained on ÁKK's own account	0.01	0.03	0.02	0.00	10,500.03	12,000.06	13,500.04	12,000.02	12,000.02	12,000.04
Total amount issued (HUF million)	40,000.00	40,000.00	50,000.00	40,000.00	45,500.00	52,000.00	58,500.00	52,000.00	52,000.00	52,000.00

*Without issuance onto ÁKK's own

3-month Discount Treasury Bill and Liquidity Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

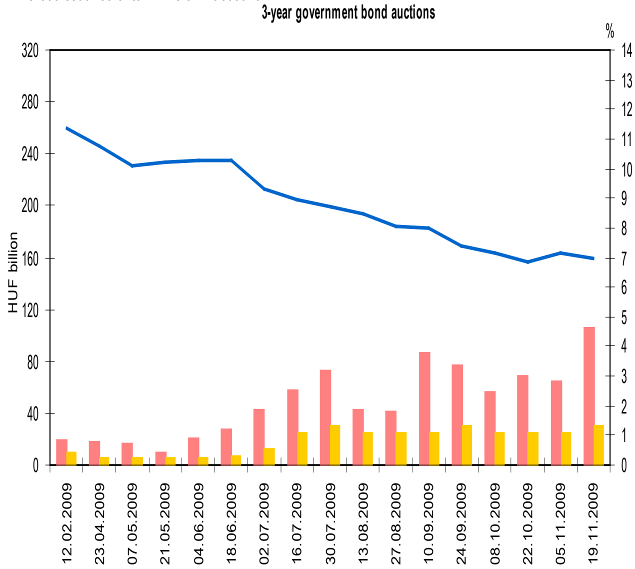


GOVERNMENT BOND AUCTION RESULTS

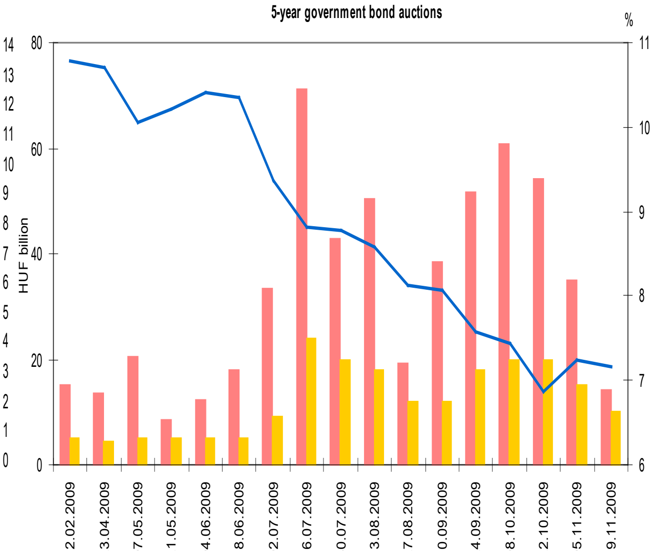
Government Bond	2013/E	2015/A	2019/A	2013/E	2015/A	2019/A
ISIN code	HU0000402466	HU0000402268	HU0000402433	HU0000402466	HU0000402268	HU0000402433
Maturity (in years)	3	5	10	3	5	10
Coupon (%)	7.50%	8.00%	6.50%	7.50%	8.00%	6.50%
Auction	6th auction	32th auction	22th auction	7nd auction	33th auction	23th auction
Date of auction	05.11.2009	05.11.2009	05.11.2009	19.11.2009	19.11.2009	19.11.2009
Date of financial settlement	11.11.2009	11.11.2009	11.11.2009	25.11.2009	25.11.2009	25.11.2009
Redemption date	24.10.2013	12.02.2015	24.06.2019	24.10.2013	12.02.2015	24.06.2019
Maximum annual yield (%) - ISMA	7.21	7.30	7.55	6.97	7.21	7.39
Minimum annual yield (%) - ISMA	7.13	7.17	7.44	6.93	7.09	7.34
Average annual yield (%) - ISMA	7.18	7.24	7.50	6.94	7.17	7.36
Maximum annual yield (%) - EHM	7.21	7.30	7.55	6.97	7.21	7.39
Minimum annual yield (%) - EHM	7.13	7.17	7.44	6.93	7.09	7.34
Average annual yield (%) - EHM	7.17	7.24	7.49	6.94	7.17	7.35
Maximum price (%)	101.2242	103.4718	93.6471	101.8768	103.8095	94.3067
Minimum price (%)	100.9550	102.9134	92.9435	101.7420	103.2892	93.9840
Average price (%)	101.0718	103.1548	93.2817	101.8402	103.4586	94.1909
Amount offered for sale (HUF million)	25,000.00	15,000.00	10,000.00	25,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	64,394.63	35,050.00	20,235.00	106,300.00	14,250.00	20,150.00
Amount of bids accepted (HUF million)	24,999.97	14,999.98	9,999.97	30,000.00	10,000.00	9,999.98
Bid-to-cover ratio	2.58	2.34	2.02	3.54	1.43	2.02
Bids submitted (pcs)	93	74	48	95	42	40
Bids accepted (pcs)	49	47	29	19	34	21
Tail (average price - minimum price)	0.12	0.24	0.34	0.10	0.17	0.21
Market sales* (HUF million)	24,999.97	14,999.98	9,999.97	30,000.00	10,000.00	9,999.98
Non-competitive offer (HUF million)	0.00	0.00	480.00	11,200.00	0.00	200.00
Total amount issued (HUF million)	35,000.00	21,000.00	12,000.00	42,000.00	10,000.00	14,000.00

*Without issuance onto ÁKK's own account

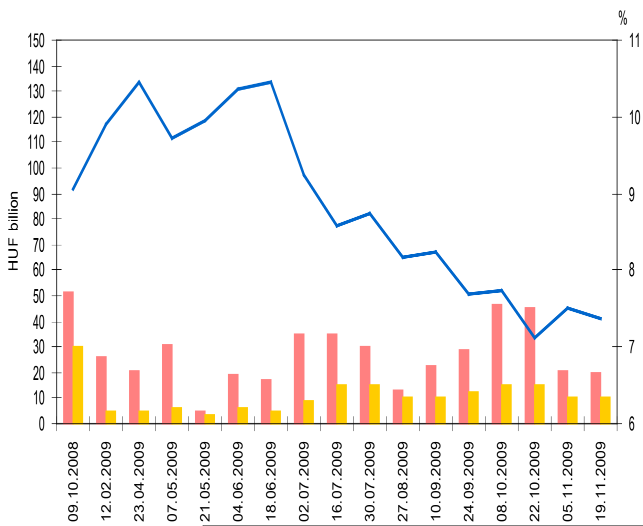
3-year government bond auctions



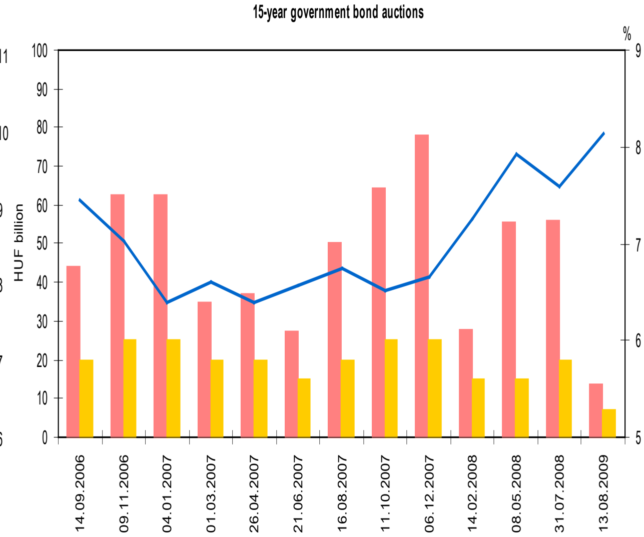
5-year government bond auctions



10-year government bond auctions



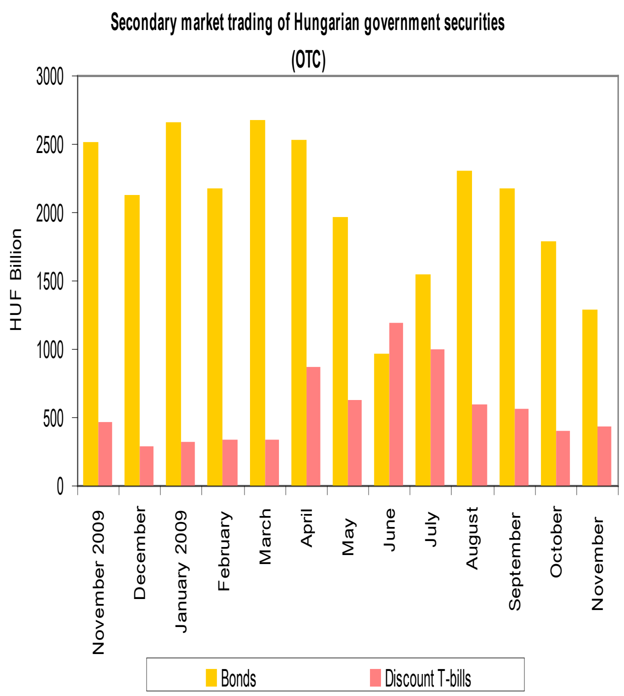
15-year government bond auctions

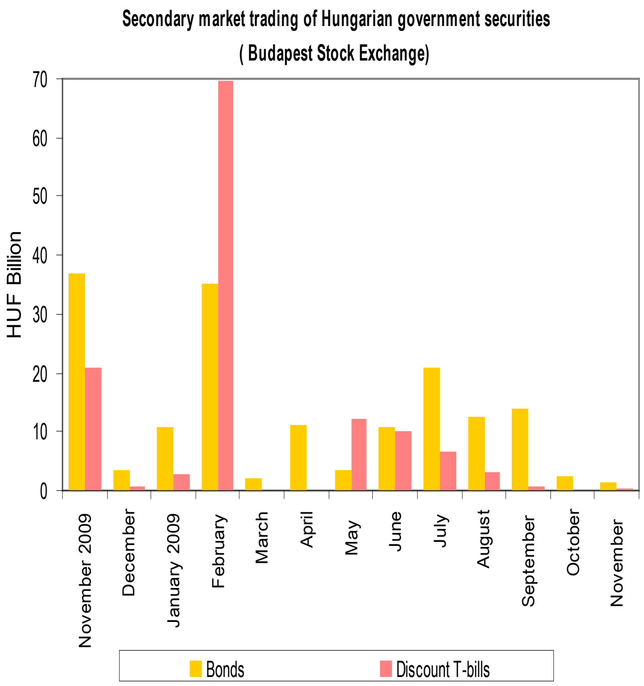


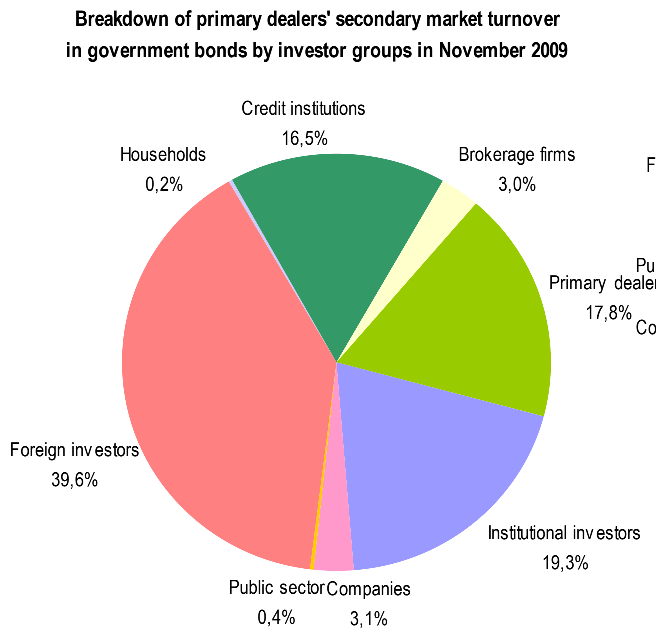
Bids submitted Accepted amount Average yield

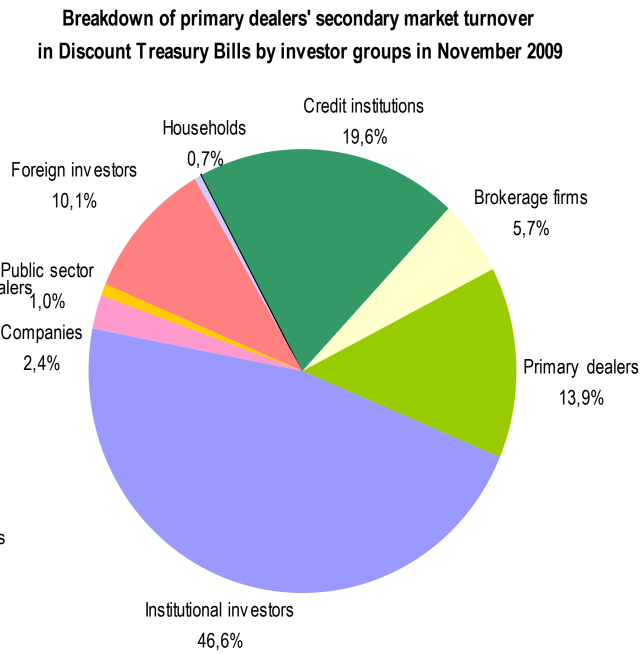
GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2010/C	2010/D	2010/C	2010/D
ISIN code	HU0000402391	HU0000402409	HU0000402391	HU0000402409
Coupon (%)	6.75	6.25	6.75	6.25
Date of reverse auction	04.11.2009	04.11.2009	18.11.2009	18.11.2009
Date of financial settlement	11.11.2009	11.11.2009	25.11.2009	25.11.2009
Redemption date	12.04.2010	24.08.2010	12.04.2010	24.08.2010
Minimum annual yield (%)	0.00	6.70	0.00	6.25
Average annual yield - ISMA (%)	0.00	6.72	0.00	6.26
Average annual yield - EHM (%)	0.00	6.67	0.00	6.21
Amount of bids submitted (HUF million)	866.45	16,868.93	578.31	5,139.01
Amount of bids accepted (HUF million)	0.00	5,240.77	0.00	2,300.00

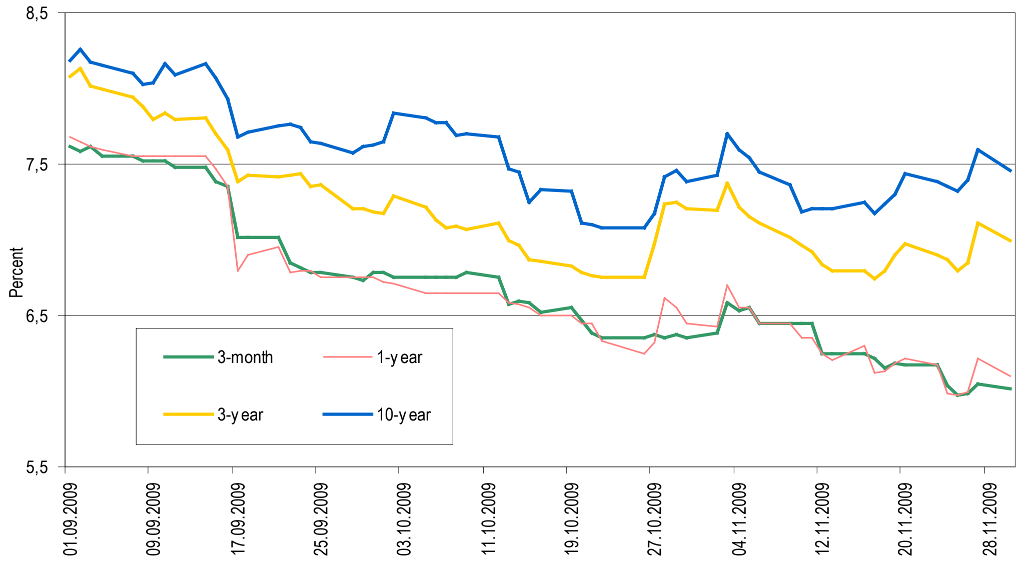




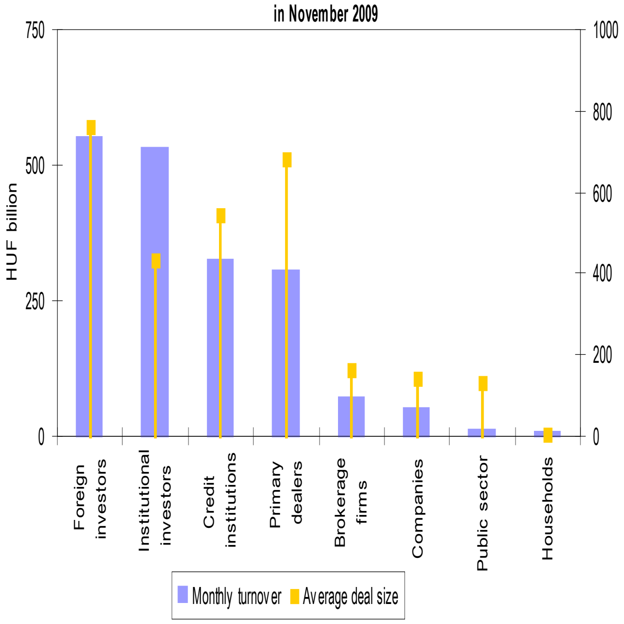




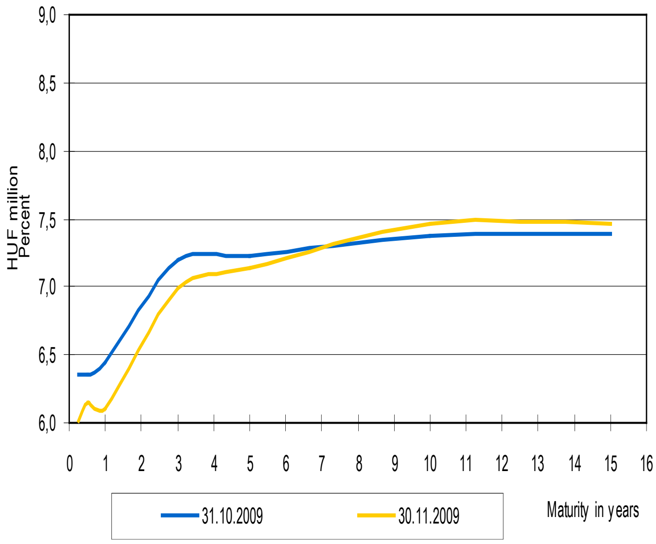
Benchmark yields in the past three months



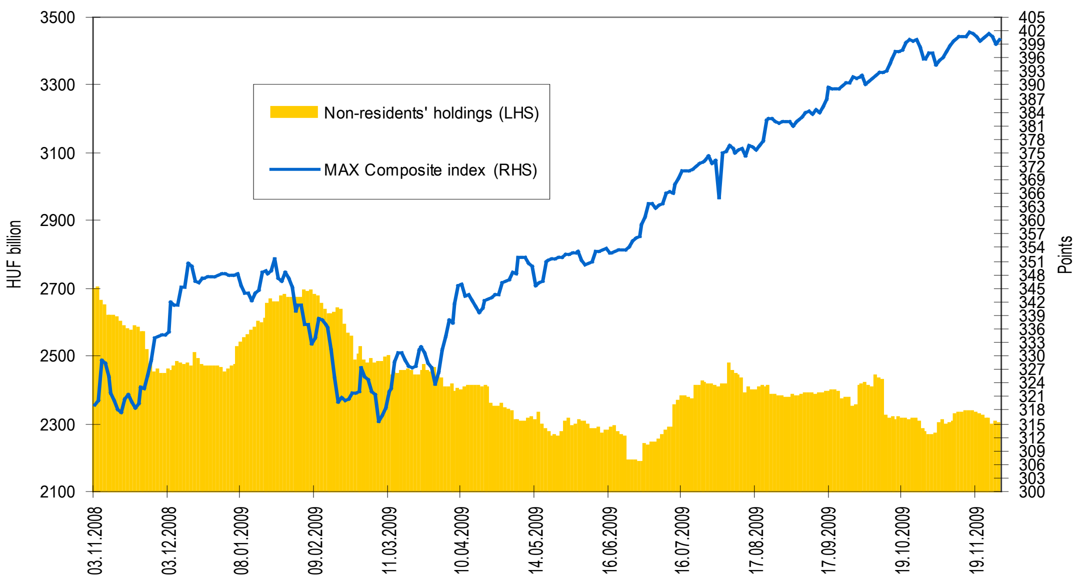
Primary dealers' trading with different investor groups in November 2009



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 NOVEMBER 2009

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2014/A	30.10.2009	02.11.2009	02.05.2010	03.05.2010	8.30	4.17

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 November 2009	403.9098	405.3044	399.9408	405.0254
Changes compared to the end of the month before	2.7324	3.2216	2.8139	2.4334
Annual yield earned on the index portfolio	20.74%	12.19%	19.47%	9.82%

Government securities with the highest secondary market turnover in November 2009

Government security	Date of redemption	Turnover (HUF billion)
2013/E	22.08.2013	196.1
2015/A	12.02.2015	167.2
D091230	30.12.2009	114.4
2011/C	22.04.2011	110.8
2010/D	24.08.2010	104.6
2019/A	24.06.2019	90.7
D101020	12.02.2014	88.3
2013/D	12.02.2013	77.5
2012/C	24.10.2012	70.6
D100224	24.02.2010	67.6

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

	HUF billion	
Government bond	31.10.2009	30.11.2009
2013/E	162.11	228.33
2015/A	642.33	667.29
2019/A	440.27	460.95
2023/A	208.35	208.40

PRIMARY DEALERS - AS AT 30 NOVEMBER 2009

Primary dealers:		Primary dealers for retail securities:
CIB Bank Zrt.	Magyar Külkereskedelmi Bank Zrt.	CIB Bank Zrt.
CITIBANK Europe Plc.	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