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GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT

NOVEMBER 2010

The deficit of the central government amounted to HUF 1,306.7 billion in the first eleven months of 2010. The net balance of transfers from the European Union (EU) worth HUF 13.4 billion and privatisation revenues amounted to HUF 30.1 billion which decreased the financing requirement. Thus, the total net borrowing requirement amounted to HUF 1,263.2 billion in 2010. Net issuance was HUF 782.7 billion; out of which net HUF-denominated issuance was HUF 758.9 billion and net foreign currency denominated issuance was HUF 23.8 billion.

	2009		2010		Change	
HUF billion	December	%	November	%	HUF billion	%
Foreign exchange denominated debt	8,468.5	44.7	9,041.2	44.2	572.7	6.8
Government securities	4,354.0	23.0	4,644.5	22.7	290.5	6.7
Loans	4,114.5	21.7	4,396.7	21.5	282.2	6.9
HUF denominated debt	10,476.2	55.2	11,235.3	54.9	759.1	7.2
Government securities	10,037.5	52.9	10,694.5	52.3	657.0	6.5
Loans	438.7	2.3	540.8	2.6	102.1	23.3
Total	18,944.8	99.9	20,276.6	99.1	1,331.8	7.0
Other obligations	20.1	0.1	188.3	0.9	168.2	836.8
Total central government debt	18,964.9	100.0	20,464.8	100.0	1,500.0	7.9
Out of the international loan program was placed in NBH or in commercial banks	1,124.8		1,006.6		-118.2	

The HUF denominated debt of the central government increased by HUF 759.1 billion in 2010 (the difference between the total net change and the net issuance was caused by the change in the volume of matured but unclaimed securities). The increase in domestic debt was the result of net government bond issuance of HUF 323.6 billion and discount Treasury bills increased by HUF 349.9 billion, while the total amount of retail government securities decreased by HUF 12.3 billion. The HUF 102.1 billion increase in the volume of HUF loans in the first eleven months of the year was the result of drawdowns of international project financing loans in Hungarian Forints.

The foreign currency debt of the central government increased by HUF 572.7 billion in 2010. The foreign currency bond issue increased the debt by HUF 387.3 billion, redemptions of foreign currency debt worth HUF 364.5 billion decreased the debt, while exchange rate revaluations totalling HUF 548.9 billion increased the Hungarian Forint value of the foreign currency debt in 2010.

Out of the international loan program HUF 1,006.6 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 was HUF 188.3 billion in November 2010.

Secondary market yields in November:

Benchmark yields

Maturity	31.12.2009.	31.10.2010.	30.11.2010.	Change, basis points
3-month	6.07	5.35	5.69	34
6-month	6.08	5.45	5.90	45
1-year	6.05	5.77	6.26	49
3-year	7.41	6.60	8.08	148
5-year	7.59	6.81	8.34	153
10-year	7.99	7.03	8.44	141
15-year	7.90	7.02	8.43	141

Monthly OTC turnover of government securities was 4 % higher in November than a month before and reached HUF 2,361.9 billion. Primary dealers, who account for the decisive part of all secondary government securities trading, made 45% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 78.1 billion in November, and amounted to HUF 2,532.0 billion at the end of the month. This volume represented 24.7% 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 284.54 on the last working day of November.

The credit rating of the long-term foreign currency debt of the Republic of Hungary is as follows on the last working day of November: BBB- (Standard & Poor's); Baa1 (Moody's); BBB (Fitch).

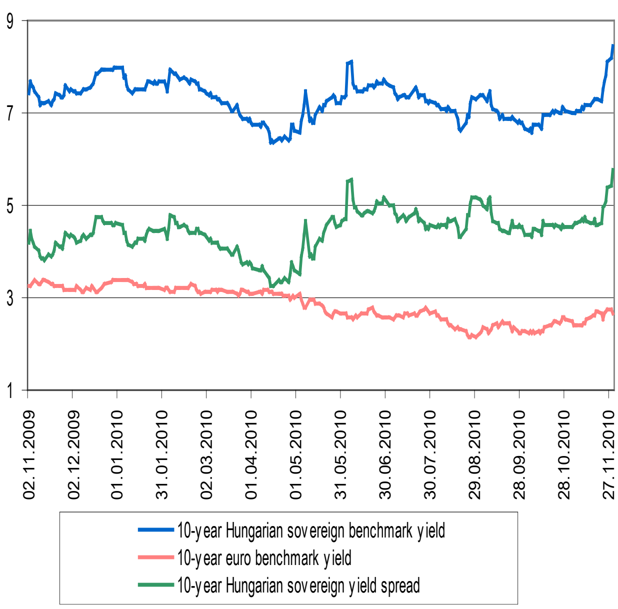
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

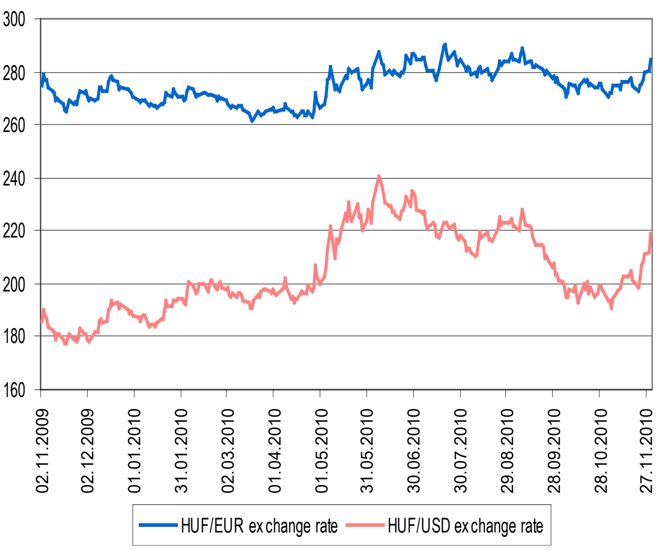
	2004	2005	2006	2007	2008	2009	September 2010	October 2010	November 2010
1. Forint denominated debt	8,608.8	9,153.5	10,552.3	11,103.8	11,250.6	10,476.2	11,024.3	11,045.5	11,253.3
1.1. Loans	4.7	0.8	356.4	145.7	219.9	438.7	540.8	540.8	540.8
1.2. Government securities	8,604.2	9,152.7	10,195.9	10,958.1	11,030.7	10,037.5	10,483.4	10,504.7	10,694.5
1.2.1. Public issues	7,860.6	8,418.8	9,667.5	10,465.4	10,599.7	9,613.2	10,063.4	10,084.6	10,274.4
1.2.1.1. Bonds	5,768.9	6,299.1	7,244.2	8,245.3	8,570.6	7,519.2	7,860.9	7,797.3	7,842.9
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	1,774.2	1,854.8	1,997.2
1.2.1.3. Retail securities	628.4	588.7	667.4	555.2	546.4	446.6	428.2	432.6	434.3
1.2.2. Private placements	743.6	733.9	528.4	492.7	431.0	424.3	420.1	420.1	420.1
2. Foreign currency denominated debt*	2,983.5	3,590.7	4,124.4	4,472.6	6,774.8	8,466.7	8,781.6	8,665.9	9,041.2
2.1. Loans	916.8	720.6	803.7	846.5	2,529.4	4,112.7	4,254.8	4,198.5	4,396.7
2.1.1. Foreign loans	528.9	616.9	700.1	838.8	2,529.4	4,112.7	4,254.8	4,198.5	4,396.7
2.1.2. Domestic loans	387.8	103.8	103.6	104.0	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
2.1.2.2. Other loans	32.2	7.7	7.7	7.7	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	4,526.8	4,467.4	4,644.5
2.2.1. Issued abroad	2,066.8	2,870.1	3,320.7	3,626.1	4,245.5	4,354.0	4,526.8	4,467.4	4,644.5
2.2.1.1. Foreign currency bonds	2,066.7	2,870.0	3,320.6	3,626.1	4,245.4	4,354.0	4,526.8	4,467.3	4,644.4
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	0.1
2.2.2. Issued domestically	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	18,942.9	19,805.9	19,711.4	20,276.6
Other liabilities		21.4	29.0	9.1	78.5	20.1	247.2	184.4	188.3
Total central government debt		12,765.6	14,705.7	15,585.5	18,103.9	18,963.1	20,053.1	19,895.7	20,464.9
Foreign currency deposits from the international loan program placed at the NBH					*1,483.6*	*1,124.8*	*957.6*	*940.7*	*1,006.6*
Government debt adjusted with foreign currency deposits					16,620.3	17,838.3	19,095.5	18,955.0	19,458.2
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*	*9,623.3*	*10,055.2*	*10,072.1*	*10,260.2*
Gross debt/GDP	*56.0%*	*57.9%*	*61.8%*	*61.3%*	*68.2%*	*72.7%*			

*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**

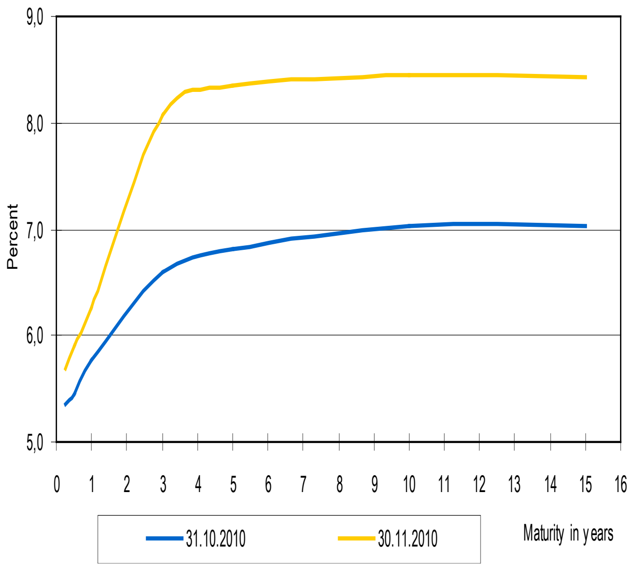


The exchange rate of the Hungarian Forint during the last year



Benchmark yields in the past three months

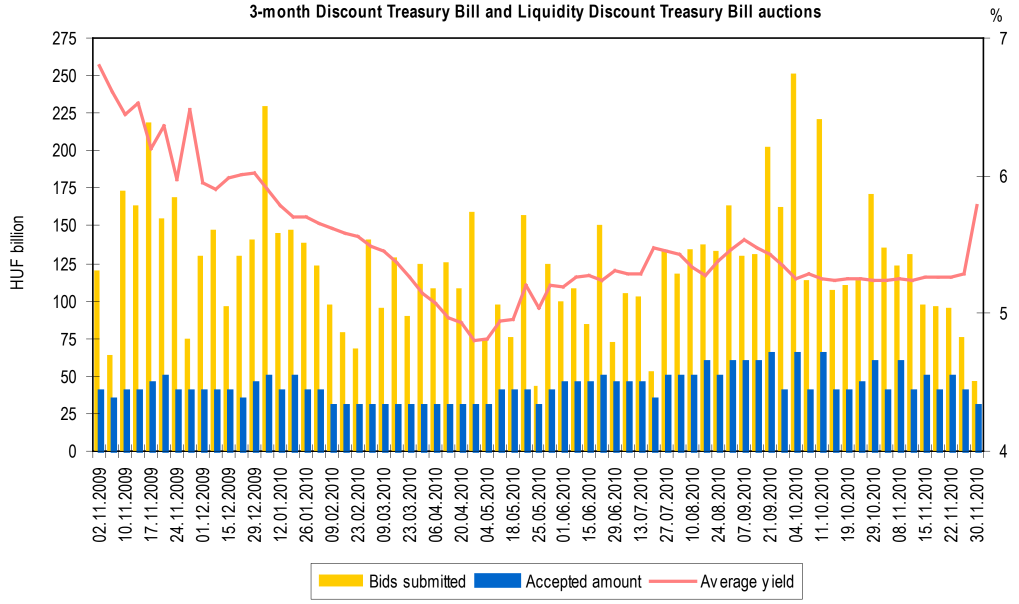
Benchmark yield curves



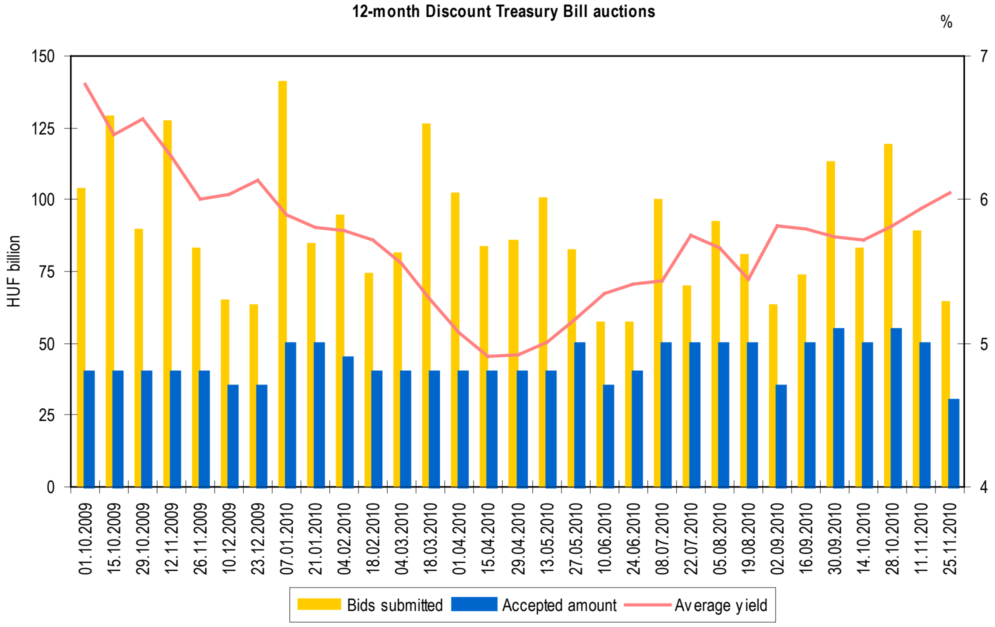
DISCOUNT TREASURY BILL AUCTION RESULTS

	Liquidity Discount T-bills			3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D101222	D101229	D101229	D110209	D110216	D110223	D110302	D110309	D111116	D111116
ISIN code	HU0000518048	HU0000518063	HU0000518063	HU0000518121	HU0000518139	HU0000518154	HU0000518162	HU0000518170	HU0000518147	HU0000518147
Maturity in days	42	42	35	91	91	91	91	91	364	350
Date of auction	08.11.2010	15.11.2010	22.11.2010	02.11.2010	09.11.2010	16.11.2010	23.11.2010	30.11.2010	11.11.2010	25.11.2010
Date of financial settlement	10.11.2010	17.11.2010	24.11.2010	10.11.2010	17.11.2010	24.11.2010	01.12.2010	08.12.2010	17.11.2010	01.12.2010
Redemption date	22.12.2010	29.12.2010	29.12.2010	09.02.2011	16.02.2011	23.02.2011	02.03.2011	09.03.2011	16.11.2011	16.11.2011
Maximum yield, (%) - ISMA	5.27	5.28	5.27	5.25	5.26	5.28	5.30	5.90	5.98	6.10
Minimum yield (%) - ISMA	5.23	5.23	5.23	5.16	5.21	5.24	5.25	5.51	5.81	5.96
Average yield (%) - ISMA	5.26	5.27	5.26	5.24	5.24	5.26	5.28	5.78	5.94	6.05
Maximum yield, (%) - EHM	5.34	5.35	5.34	5.32	5.33	5.35	5.37	5.98	6.06	6.18
Minimum yield (%) - EHM	5.30	5.30	5.30	5.23	5.28	5.31	5.32	5.59	5.89	6.04
Average yield (%) - EHM	5.33	5.34	5.33	5.31	5.31	5.33	5.35	5.86	6.02	6.13
Average selling price (%)	99.3901	99.3889	99.4912	98.6928	98.6928	98.6878	98.6829	98.5600	94.3343	94.4448
Amount offered for sale (HUF million)	50,000.00	50,000.00	50,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	50,000.00	40,000.00
Amount of bids submitted (HUF million)	123,850.00	97,740.00	95,560.00	135,046.74	131,253.35	96,472.84	75,999.12	46,481.43	89,330.00	64,520.00
Amount of bids accepted (HUF million)	59,999.96	50,000.00	49,999.97	39,999.91	39,999.95	39,999.97	39,999.98	29,999.98	49,999.95	29,999.97
Bid-to-cover ratio	2.06	1.95	1.91	3.38	3.28	2.41	1.90	1.55	1.79	2.15
Bids submitted (pcs)	52	45	46	96	99	106	79	77	147	103
Bids accepted (pcs)	26	30	24	44	30	42	40	66	85	70
Market sales* (HUF million)	59,999.96	50,000.00	49,999.97	39,999.91	39,999.95	39,999.97	39,999.98	29,999.98	49,999.95	29,999.97
Retained on ÁKK's own account	0.04	0.00	0.03	12,000.09	12,000.05	12,000.03	12,000.02	9,000.02	15,000.05	9,000.03
Total amount issued (HUF million)	60,000.00	50,000.00	50,000.00	52,000.00	52,000.00	52,000.00	52,000.00	39,000.00	65,000.00	39,000.00

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



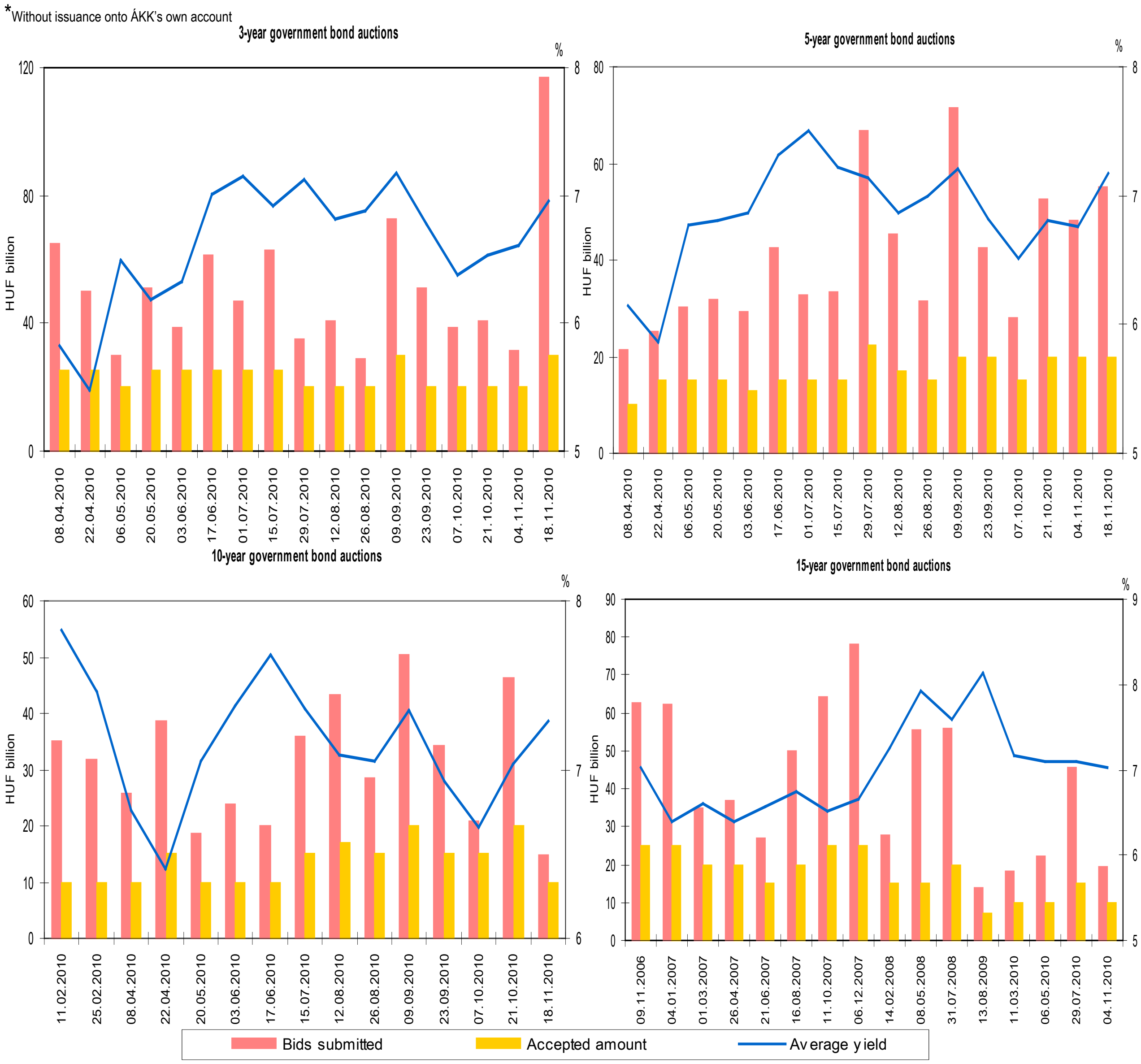
12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

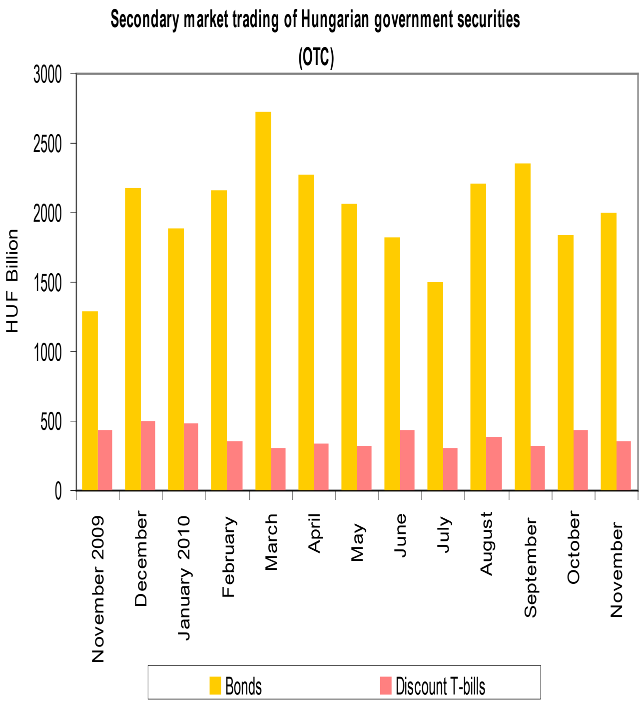
Government Bond	2014/C	2016/C	2023/A	2015/B	2014/C	2016/C	2020/A
ISIN code	HU0000402193	HU0000402318	HU0000402383	HU0000402482	HU0000402193	HU0000402318	HU0000402235
Maturity (in years)	3	5	15	5	3	5	10
Coupon (%)	5.50%	5.50%	6.00%	5.44%	5.50%	5.50%	7.50%
Auction	31st auction	28th auction	19th auction	4th auction	32nd auction	29th auction	28th auction
Date of auction	04.11.2010	04.11.2010	04.11.2010	11.11.2010	18.11.2010	18.11.2010	18.11.2010
Date of financial settlement	10.11.2010	10.11.2010	10.11.2010	17.11.2010	24.11.2010	24.11.2010	24.11.2010
Redemption date	12.02.2014	12.02.2016	24.11.2023	22.12.2015	12.02.2014	12.02.2016	12.11.2020
Maximum annual yield (%) - ISMA	6.65	6.79	7.07		6.97	7.19	7.32
Minimum annual yield (%) - ISMA	6.55	6.75	6.99		6.96	7.15	7.25
Average annual yield (%) - ISMA	6.61	6.76	7.03		6.96	7.17	7.29
Maximum annual yield (%) - EHM	6.64	6.79	7.07		6.96	7.19	7.31
Minimum annual yield (%) - EHM	6.54	6.75	6.99		6.95	7.15	7.24
Average annual yield (%) - EHM	6.60	6.75	7.02		6.96	7.17	7.29
Maximum price (%)	96.9733	94.5829	91.6984	97.7500	95.8829	92.9836	101.7236
Minimum price (%)	96.6941	94.4166	91.0687	96.2000	95.8557	92.8220	101.2346
Average price (%)	96.8166	94.5579	91.3944	97.0100	95.8758	92.9067	101.4252
Amount offered for sale (HUF million)	20,000.00	15,000.00	10,000.00	5,000.00	20,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	31,584.00	48,140.00	19,350.00	11,950.00	117,150.68	55,009.03	14,756.00
Amount of bids accepted (HUF million)	19,999.95	19,999.99	9,999.97	5,000.00	29,999.98	19,999.99	9,999.97
Bid-to-cover ratio	1.58	2.41	1.94	2.39	3.91	2.75	1.48
Bids submitted (pcs)	69	59	50	26	92	65	58
Bids accepted (pcs)	49	17	29	13	21	33	43
Tail (average price - minimum price)	0.12	0.14	0.33	0.81	0.02	0.08	0.19
Market sales* (HUF million)	19,999.95	19,999.99	9,999.97	5,000.00	29,999.98	19,999.99	9,999.97
Non-competitive offer (HUF million)	2,233.00	6,613.00	2,551.00	1,750.00	6,477.00	2,000.00	0.03
Total amount issued (HUF million)	24,000.00	28,000.00	14,000.00	10,000.00	42,000.00	28,000.00	10,000.00

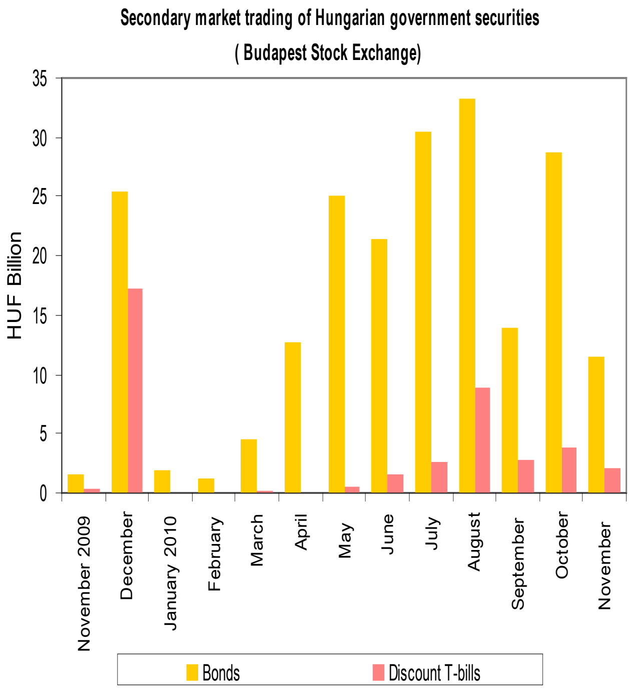
*Without issuance onto ÁKK's own account

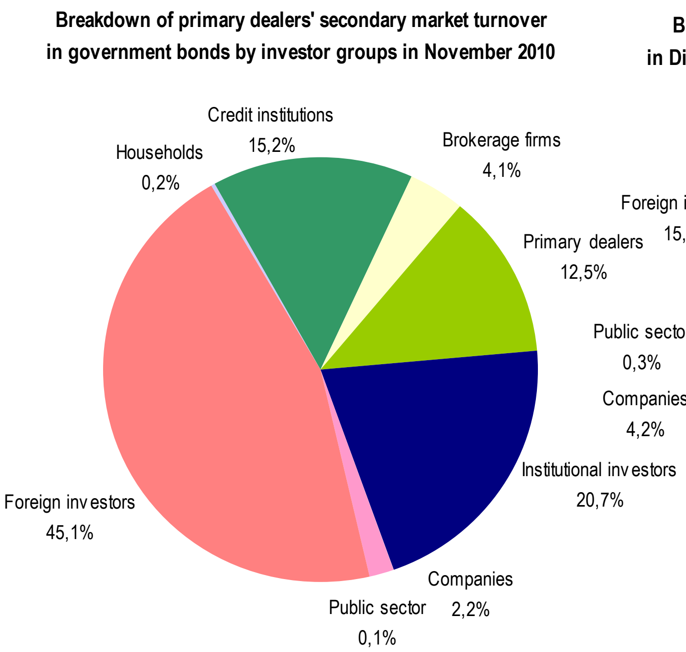


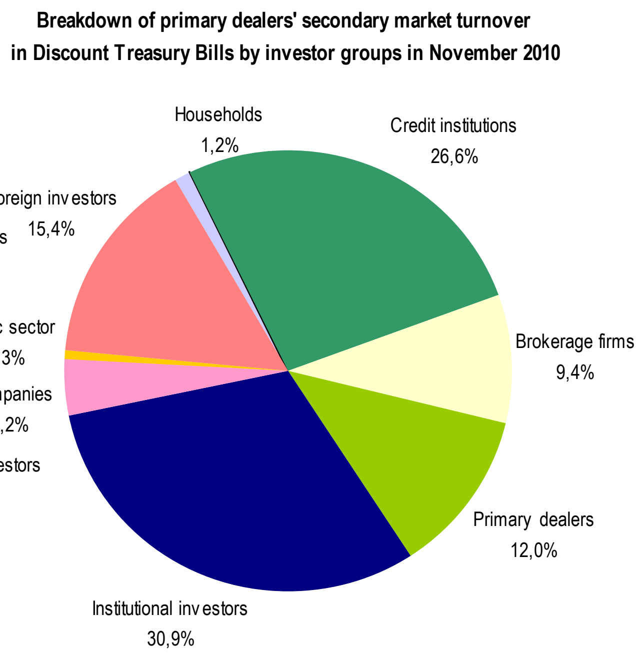
GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2011/B	2011/C	2011/B	2011/C
ISIN code	HU0000402334	HU0000402425	HU0000402334	HU0000402425
Coupon (%)	6.00	6.75	6.00	6.75
Date of reverse auction	03.11.2010	03.11.2010	17.11.2010	17.11.2010
Date of financial settlement	10.11.2010	10.11.2010	24.11.2010	24.11.2010
Redemption date	12.10.2011	22.04.2011	12.10.2011	22.04.2011
Minimum annual yield (%)	5.65	5.45	5.81	5.55
Average annual yield - ISMA (%)	5.66	5.45	5.82	5.57
Average annual yield - EHM (%)	5.65	5.37	5.80	5.48
Amount of bids submitted (HUF million)	27,964.43	7,045.18	23,105.07	17,606.16
Amount of bids accepted (HUF million)	13,404.98	5,081.77	3,623.00	17,106.16









INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN NOVEMBER 2010

Government Bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate (%)	Interest payable (%)
2014/A	29.10.2010	02.11.2010	02.05.2011	02.05.2011	5.30	2.66

HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index
Value as at 30 November 2010	415.8722	427.7398	414.8656	427.8209
Changes compared to the end of the month before	-21.8924	2.5905	-17,2949	3.6112
Annual yield earned on the index portfolio	2.96%	5.54%	3.73%	5.63%

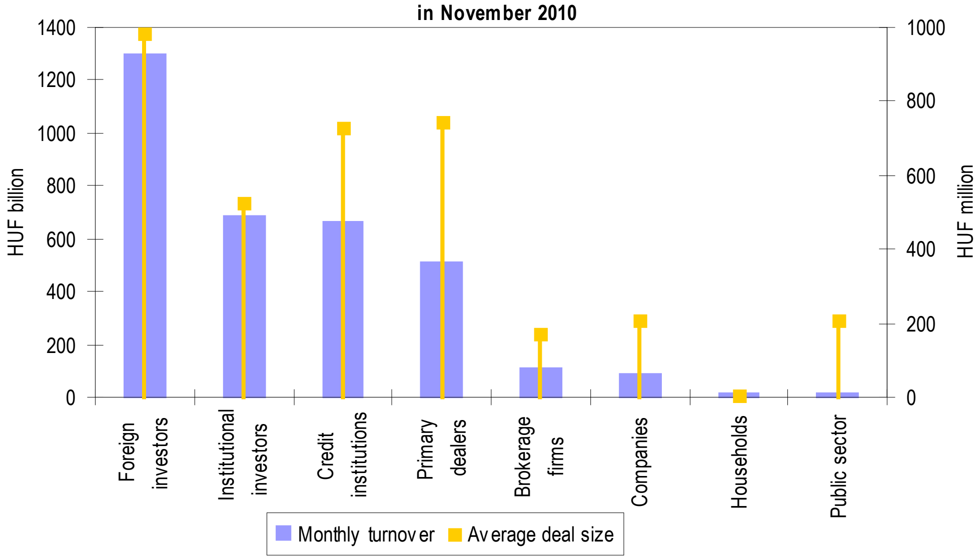
Government securities with the highest secondary market turnover in November 2010

Government security	Date of redemption	Turnover (HUF billion)
2013/E	24.10.2013	267.4
2016/C	12.02.2016	267.0
2014/C	12.02.2014	224.5
2019/A	24.06.2019	221.3
2015/A	12.02.2015	177.6
D101222	22.12.2010	171.0
2020/A	12.11.2020	134.6
2017/B	24.02.2017	130.4
2011/C	22.04.2011	105.6
2013/D	12.02.2013	104.6

The outstanding volume of government bonds with benchmark status at the end of November 2010

	HUF billion	
Government bond	30.10.2010	30.11.2010
2014/C	649.99	708.71
2016/C	698.03	746.73
2020/A	468.08	478.18
2023/A	270.00	282.60

Primary dealers' trading with different investor groups in November 2010



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