GOVERNMENT SECURITIES MARKET

In May short-term government securities yields were stable, longer-term yields moved downward till end of May, when a correction occurred. While the unfavourable government budget deficit and current account data released early of the month did not stop yields decreasing, the April – better than expected - CPI figure published on 13th May and the central bank inflation report enhanced yield decreasing expectations. Correction in yields only occurred in the last third of the month, when the HUF exchange rate at first slightly then significantly weakened. The following yield increase was attributable to the yield increasing tendencies in the international markets, to the uncertainty about the outcome of the EU referendum in Poland and last, but not least to the lower than expected growth rate of the GDP.

The HUF exchange rate levelled off at 11 per cent near to the stronger end of the intervention band till the last week of the month.
At this time the weakening of the currencies in the region and the announcement on the giving up of the "silent" intervention by the central bank caused the HUF to depreciate by 1.3 percentage points against the euro.

On the primary market demand for government securities – except six and twelve months discount T-bills –increased leading to lower yield level at bond auctions. Although, the demand for discount T-bills decreased due to foreigners' moderate interest, it still ensured a stable yield level. The submitted bids at the five and ten-year bond auctions reached its highest ever level, which triggered a 30 bp yield decrease. Foreigners dominated on the demand side purchasing almost the whole amount of the 10 year bonds at the auction. The five-year government bond attracted the most bids (HUF 130 Billion) compared to the sold amount (HUF 40 Billion, EUR 160 Million) resulting in a 3.2 cover ratio.

On the OTC market the trading volume of government bonds rose by 50 per cent, while that of discount T-bills halved. On the stock exchange the turnover in government securities increased. In May the benchmark yields above one year term decreased towards longer maturities by 1 to 22 basis points so as resulting in a steeper curve. The slight rise of the three and six month yields completed the pivoting of the curve.

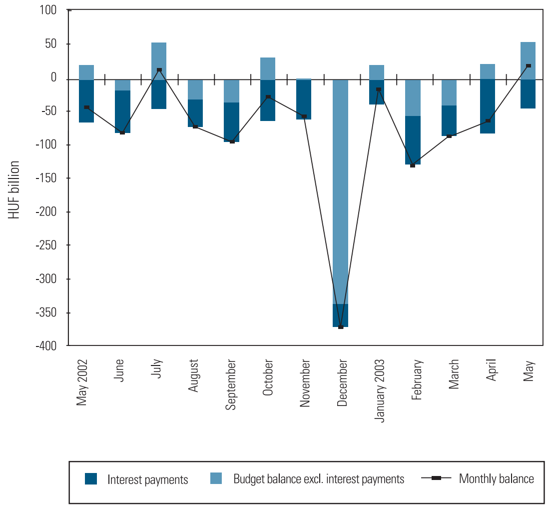
In May an annual yield of 13.73 per cent could have been earned on the portfolio of the MAX Composite index which covers the overwhelming part of the government securities market (publicly offered fix bonds and discount T-bills with at least three months residual maturity). The annual yield of the RMAX index (which shows the price movements of government securities with a residual maturity of less than one year) was 9.98 per cent, while the MAX index yielded 15.21 per cent. Due to the pivoting of the yield curve in May the value of the MAX index exceeded that of the RMAX index underperformed their ex post annual return.

The monthly budget surplus - excl. privatisation proceeds - was HUF 22.7 bn. The aggregate balance of the central government including the Social Security Funds' and the extrabudgetary funds' balances was HUF -8.3 bn. The net issuance of government securities amounted to HUF 136.0 bn during the month, so there was an overfunding of HUF 127.7 billion in May.

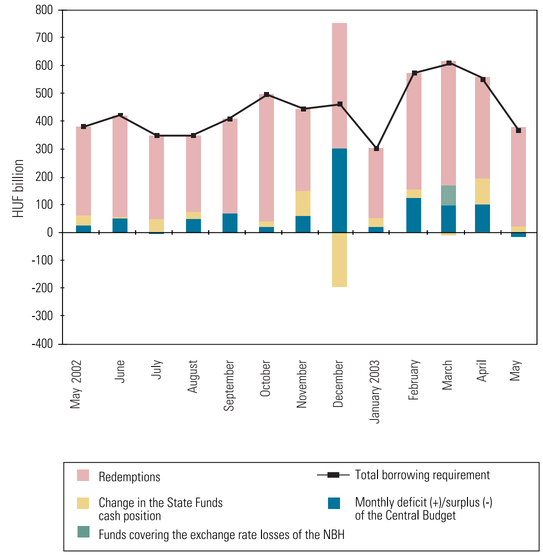
In May 2003 the long-term foreign currency rating of the Republic of Hungary was the following: Standard and Poor's - 'A-', Moody's Investor Service - 'A1' Fitch Ratings Ltd.- 'A-'. Hungary's Forint denominated debt stood at 'A1' with Moody's, 'A+' with Fitch Ratings Ltd. and 'A' with Standard and Poor's.

According to the data supplied by the Central Clearing House and Depository (Budapest) Ltd. for value date of 30th May, 2003, foreign holdings of Hungarian government securities increased by HUF 157.6 bn (EUR 632 million) during May and amounted to HUF 2163.1 bn (EUR 8.7 billion) at the end of the month. Foreign holdings constituted 32.6% of the outstanding stock of publicly issued government securities at the end of May (the same figure as for April was 30,8%). According primary dealers' report in May the foreigners were still the most active investor group in the secondary market. Their share in government bond turnover exceeded one third of the market, while the trading volume of discount T-bills transacted by them halved compared to the April level. While foreigners dominated the secondary market reaching 30% share, the enormous increase in their holdings in government securities realised through purchases linked to auctions.

Monthly Balance of the Central Government Budget (excl. privatisation proceeds) and its main components



Gross Borrowing Requirement and its main components

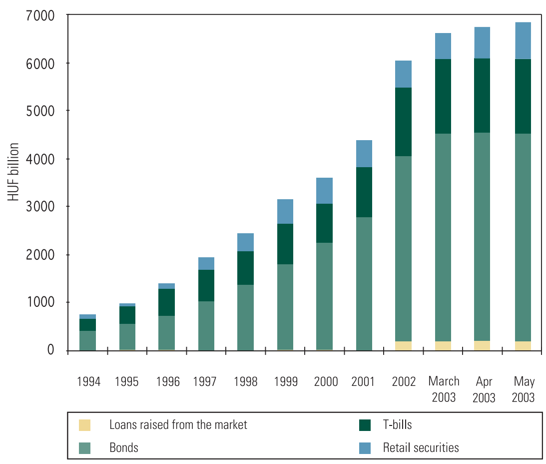


THE CENTRAL GOVERNMENT GROSS DEBT

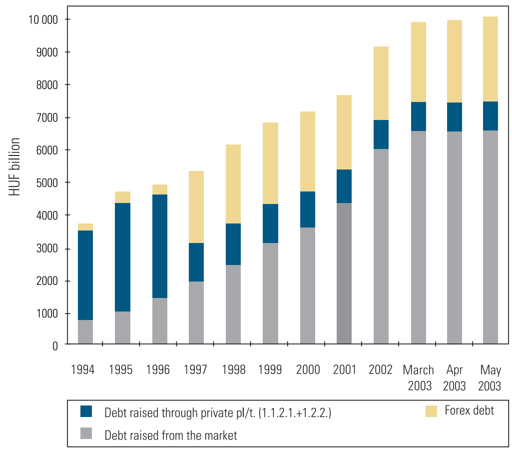
	at current prices, in HUF billions											
Debt Stock	1994	1995	1996	1997	1998	1999	2000	2001	2002	March 2003	Apr 2003	May 2003
1. Forint denominated	3499.09	4377.40	4630.40	3.151.67	3733.92	4350.19	4717.46	5397.40	6956.90	7491.77	7584.96	7673.12
1.1. Loans	2181.95	2766.55	2193.32	502.67	434.96	380.21	303.84	228.29	353.18	325.71	304.47	256.62
1.1.1. Foreign									1.66	1.66	1.66	1.66
1.1.2. Domestic	2181.95	2766.55	2193.32	502.67	434.96	380.21	303.84	228.29	351.52	324.05	302.81	254.96
1.1.2.1. Raised from NBH	733.40	714.76	611.01	502.48	434.90	362,43	289.50	217.36	144.03	125.83	125.83	125.83
1.1.2.2. Other	8.49	28.49	19.00	0.19	0.06	17.79	14.34	10.93	207.49	198.23	176.98	129.13
1.1.2.3. Non-interest bearing loans	1440.06	2023.30	1563.31									
1.2. Government securities	1317.14	1610.85	2437.08	2649.00	3298.97	3969.98	4.413.61	5169.11	6603.72	7166.05	7280.49	7416.50
1.2.1. Public issues	739.75	963.59	1392.90	1900.85	2432.82	3116.83	3582.37	4360.04	5826.30	6394.52	6508.95	6644.97
1.2.1.1. Bonds	424.61	546.61	708.49	998.73	1386.46	1790.84	2221.22	2782.01	3.829.23	4321.48	4383.41	4551.63
1.2.1.2. T-Bills	236.02	339.74	560.66	661.26	689.89	826.74	837.90	1033.30	1436.75	1540.58	1596.60	1572.99
1.2.1.3. Retail securities	79.11	77.24	123.75	240.86	356.47	499.25	523.25	544.73	560.32	532.46	528.95	520.34
1.2.2. Private placements	577.39	647.26	1044.18	748.16	866.15	853.16	831.25	809.07	777.43	771.54	771.54	771.54
2. Forex denominated	252.52	356.10	301.98	2.219.05	2431.87	2536.21	2508.75	2322.10	2267.29	2433.70	2422.37	2461.16
2.1. Loans	236.50	345.46	258.35	2.161.31	2367.83	1929.55	1772.75	1410.40	1394.26	1273.34	1266.81	1288.91
2.1.1. Foreign	236.50	319.89	256.94	274.60	249.65	361.19	368.80	317.81	461.92	430.96	427.92	437.86
2.1.2. Domestic		25.57	1.40	1886.71	2118.18	1568.37	1403.95	1092.59	932.34	842.38	838.90	851.05
2.1.2.1. Taken over in 1997				1886.71	2118.18	1568.37	1403.95	1092.59	849.58	762.77	759.62	770.62
2.1.2.2. Others		25.57	1.40						82.76	79.61	79.28	80.43
2.2. Government securities	16.02	10.65	43.63	57.74	64.04	606.66	735.99	911.70	873.03	1160.35	1155.55	1172.26
2.2.1. Issued abroad			32.99	40.70	44.44	587.11	715.67	911.70	873.03	1160.35	1155.55	1172.26
2.2.1.1. Foreign currency bonds			32.99	40.70	43.81	586.78	715.37	911.45	872.86	1160.18	1155.38	1172.12
2.2.1.2. Kingdom of Hungary 1924 issues					0.64	0.33	0.30	0.25	0.17	0.17	0.17	0.14
2.2.2. Issued in the domestic market	16.02	10.65	10.65	17.04	19.60	19.55	20.32					
Total	3751.60	4733.50	4932.38	5370.72	6165.79	6886.40	7226.20	7719.50	9224.20	9925.46	10.007.33	10.134.28
Memo item: marketable HUF debt (1.2.1.1.+1.2.1.2.+1.2.2.)	1238.03	1533.61	2313.33	2408.15	2942.49	3470.73	3890.37	4624.38	6043.41	6633.60	6751.55	6.896.16

According to the declaration of the MoF Accounting Department the forex denominated debt is calculated upon the mid exchange rate quoted by the National Bank of Hungary on the last workday of the month.

Components of the Central Government HUF Debt



Components of the Central Government Gross Debt

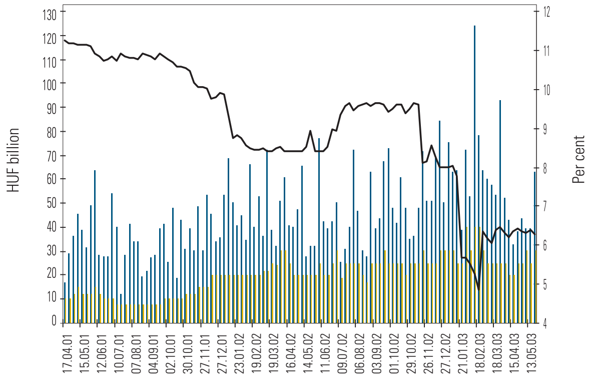


DATA ON DISCOUNT TREASURY BILL AUCTIONS

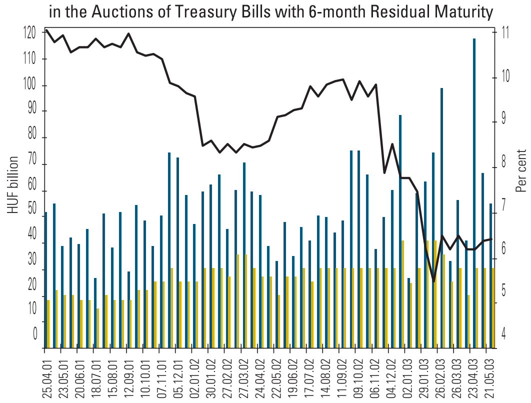
	3 month discount Treasury bill				6 month discount Treasury bill		12 month discount Treasury bill	
Code of T-bill	D030806	D030813	D030721	D030827	D030829	D031029	D040512	D040512
Maturity in days	91	91	92	91	168	154	364	350
Date of auction	29. 04. 03	06. 05. 03	13. 05. 03	20. 05. 03	07. 05. 03	21. 05. 03	08. 05. 03	22. 05. 03
Date of financial settlement	07. 05. 03	14. 05. 03	21. 05. 03	28. 05. 03	14. 05. 03	28. 05. 03	14. 05. 03	28. 05. 03
Redemption date	06. 08. 03	13. 08. 03	27. 08. 03	21. 08. 03	29. 10. 03	29. 10. 03	12. 05. 04	12. 05. 04
Maximum annual bond yield equivalent (%) – ISMA	6.35	6.34	6.40	6.28	6.35	6.37	6.23	6.27
Average annual bond yield equivalent (%) – ISMA	6.32	6.28	6.36	6.23	6.32	6.34	6.21	6.24
Minimum annual bond yield equivalent (%) – ISMA	6.20	6.10	6.10	6.00	6.15	6.10	6.15	6.05
Maximum annual bond yield equivalent (%) – EHM	6.44	6.43	6.49	6.37	6.44	6.46	6.32	6.36
Average annual bond yield equivalent (%) – EHM	6.41	6.37	6.45	6.32	6.41	6.43	6.30	6.33
Minimum annual bond yield equivalent (%) – EHM	6.29	6.18	6.18	6.08	6.24	6.18	6.24	6.13
Average selling price (%)	98.4276	98.4374	98.4007	98.4496	97.1352	97.3595	94.0920	94.2803
Offered for sale (HUF million)	25,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	35,000.00	35,000.00
Amount of bids submitted (HUF million)	43,504.35	39,436.66	39,525.26	62,769.86	65,507.61	54,120.60	102,259.30	89,644.14
Amount of bids accepted (HUF million)	24,999.95	29,999.98	24,999.96	29,999.98	29,999.99	30,000.00	35,000.00	34,999.94
Cover (amount of bids submitted/amount of bids accepted)	1.74	1.31	1.58	2.09	2.18	1.80	2.92	2.56
Bids submitted (no.s)	112	130	108	147	127	116	174	182
Bids accepted (no.s)	52	109	95	105	49	71	72	76
Market sales* (HUF million)	24,999.95	29,999.98	24,999.96	29,999.98	29,999.99	30,000.00	35,000.00	34,999.94
Retained on GDMA account (HUF million)	0.05	3000.02	2500.04	3000.02	3000.01	3000.00	10500.00	3500.06
Total issue amount (HUF million)	25,000.00	33,000.00	27,500.00	33,000.00	33,000.00	33,000.00	45,500.00	38,500.00

* Without GDMA purchase

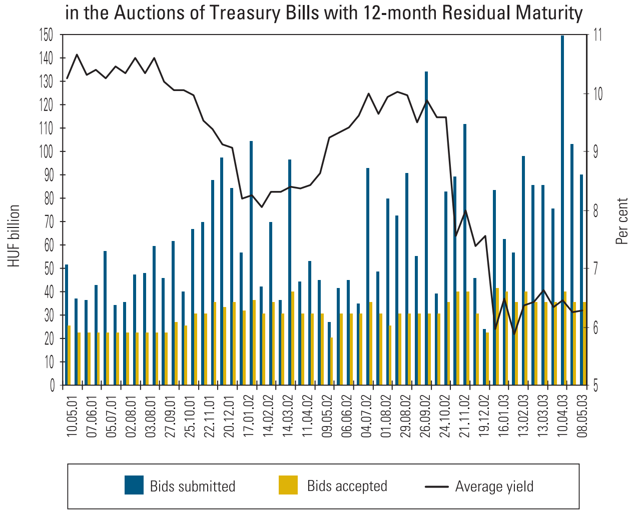
Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 3-month Residual Maturity



Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 6-month Residual Maturity



Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 12-month Residual Maturity

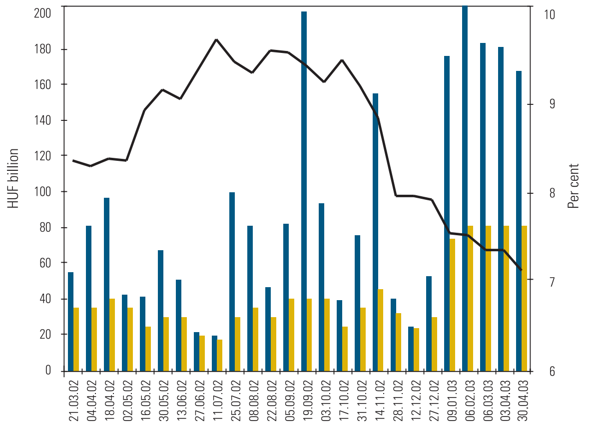


DATA ON AUCTIONS OF GOVERNMENT BONDS

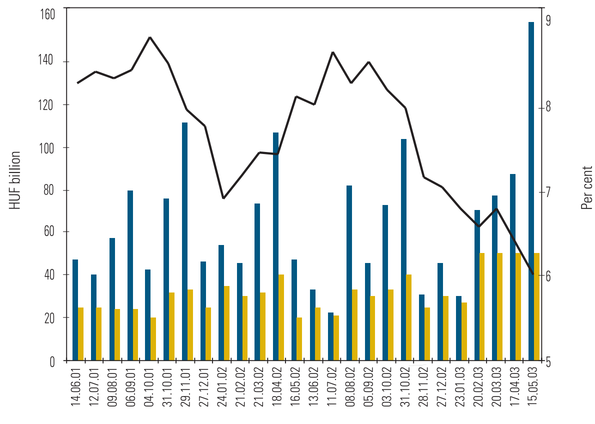
Name of GovernmentBond	2006/F	2017/A	2008/C	2013/D
ISIN code of Government Bond	HU0000402094	HU0000402037	HU0000402102	HU0000402045
Maturity (in years)	3	15	5	10
Coupon (%)	7.00	6.75	6.25	6.75
Type of selling	5. auction	9. auction	5. auction	14. auction
Date of auction	30-Apr-03	30-Apr-03	15-May-03	15-May-03
Date of financial settlement	08-May-03	08-May-03	22-May-03	22-May-03
Redemption date	12-Apr-06	24-Nov-17	12-Jun-08	12-Feb-13
Minimum annual yield (%) – ISMA	6.33	6.20	5.97	5.95
Maximum annual yield (%) – ISMA	6.37	6.25	6.00	5.96
Average annual yield (%) – ISMA	6.36	6.24	5.99	5.95
Minimum annual yield (%) – EHM	6.33	6.20	5.96	5.95
Maximum annual yield (%) – EHM	6.36	6.25	5.99	5.95
Average annual yield (%) – EHM	6.35	6.23	5.98	5.95
Maximum selling price (%)	101.7275	105.1232	101.1980	105.7445
Minimum selling price (%)	101.6222	104.6376	101.0695	105.6695
Average selling price (%)	101.6599	104.7738	101.1256	105.7405
Amount offered for sale (HUF million)	60,000.00	20,000.00	40,000.00	30,000.00
Amount of bids submitted (HUF million)	165,616.77	39,835.50	158,419.09	129,298.64
Amount of bids accepted (HUF million)	80,000.00	19,999.98	49,999.99	39,999.99
Cover (amount of bids submitted/amount of bids accepted)	2.07	1.99	3.17	3.23
Bids submitted (no.s)	227	120	151	132
Bids accepted (no.s)	132	60	53	27
Tail (average selling price - minimum selling price)	0.04	0.14	0.06	0.07
Market sales* (HUF million)	80,000.00	19,999.98	49,999.99	39,999.99
Retained on GDMA account (HUF million)	0.00	0.02	0.01	0.01
Total Issue Amount (HUF million)	80,000.00	20,000.00	50,000.00	40,000.00

* Without GDMA purchase

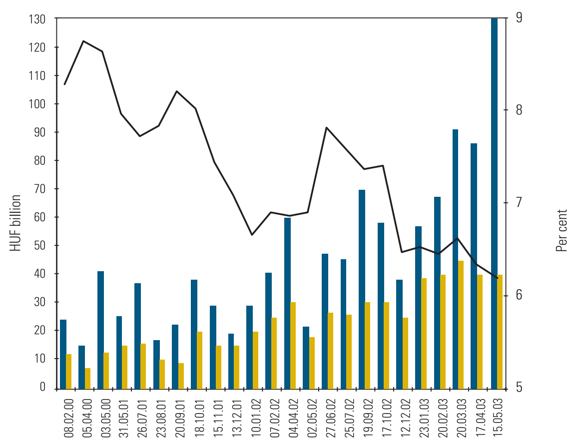
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 3 - year Government Bonds



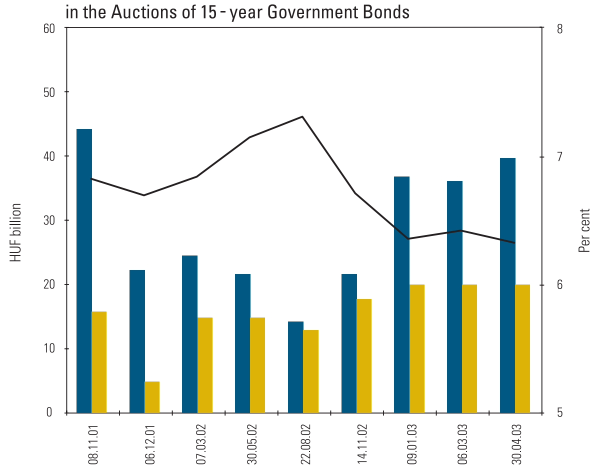
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 5 - year Government Bonds



Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 10 - year Government Bonds

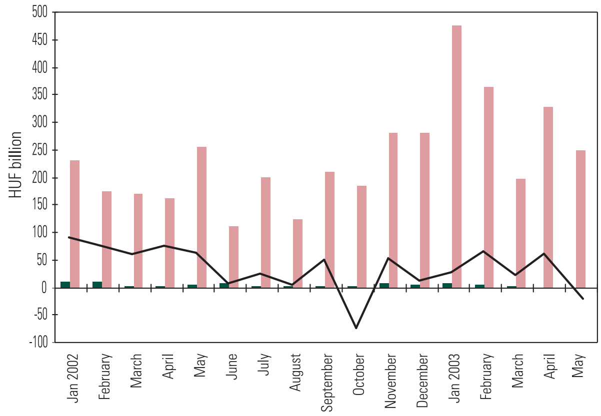


Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 15 - year Government Bonds

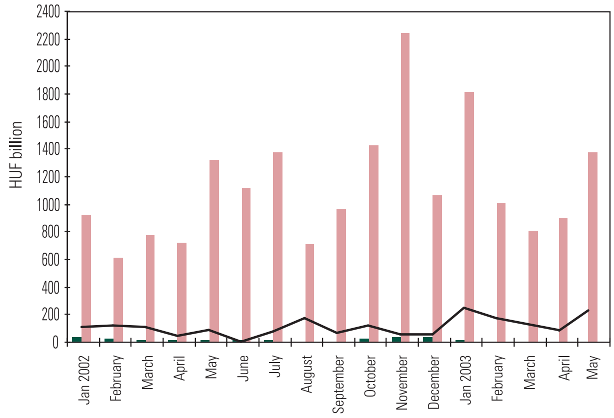


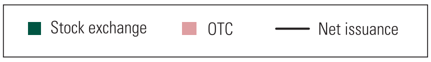
Bids submitted Bids accepted Average yield

Secondary Market Turnover of Discount Treasury Bills
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)

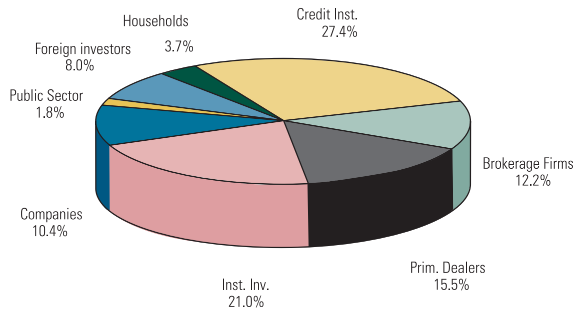


Secondary Market Turnover of Government Bonds
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)

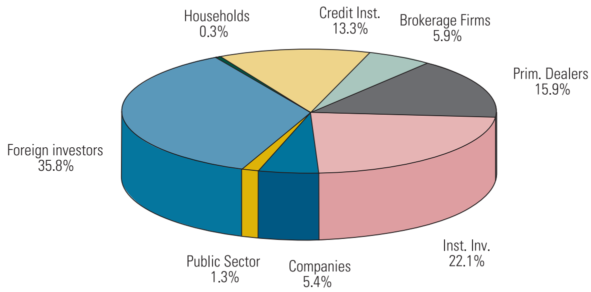




Share of Main Investor Groups of the Secondary Market Turnover in Discount Treasury Bills in MAY, 2003



Share of Main Investor Groups of the Secondary Market Turnover in Government Bonds in MAY, 2003



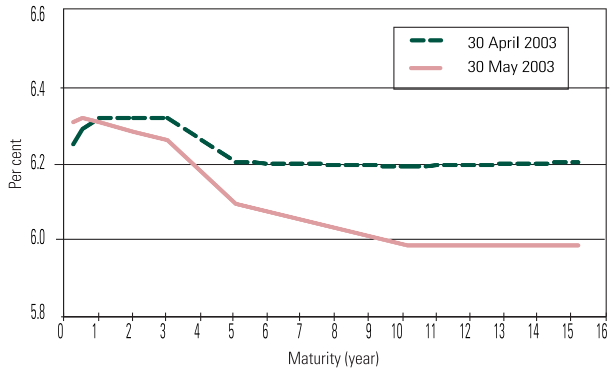
HUNGARIAN GOVERNMENT SECURITIES TOTAL RETURN INDEX

	MAX index	RMAX index	MAX composite
Value on 30 May, 2003	256.8883	237.5438	249.6622
Monthly change (in May)	3.3996	1.1745	2.7796
Annual yield (May, 2002–2003)	15.21%	9.98%	13.73%

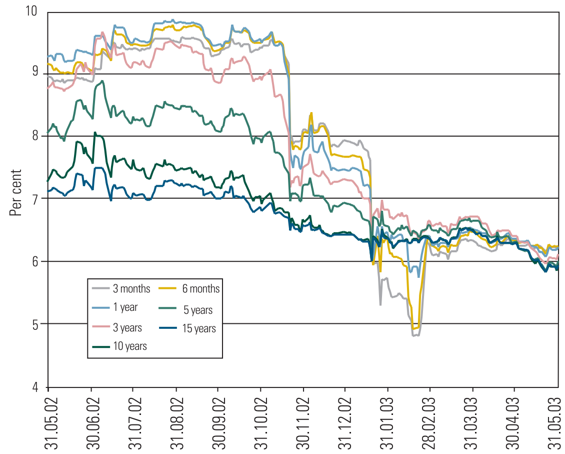
PRIMARY DEALERS

Primary dealers		Primary dealers for retail securities
CIB Bank Rt.	Kereskedelmi és Hitelbank Rt.	CIB Bank Rt.
CITIBANK Rt.	Országos Takarékpénztár és Kereskedelmi Bank Rt.	Kereskedelmi és Hitelbank Rt.
CAIB Értékpapír Rt.	Magyar Külkereskedelmi Bank Rt.	Országos Takarékpénztár és Kereskedelmi Bank Rt.
Deutsche Bank Rt.	Postabank és Takarékpénztár Rt.	Magyar Takarékszövetkezeti Bank Rt.
ERSTE Bank Befektetési Magyarország Rt.	Raiffeisen Értékpapír és Befektetési Rt.	and as Network Dealer:
ING Bank Rt.	Magyar Takarékszövetkezeti Bank Rt.	Hungarian State Treasury Branch Network

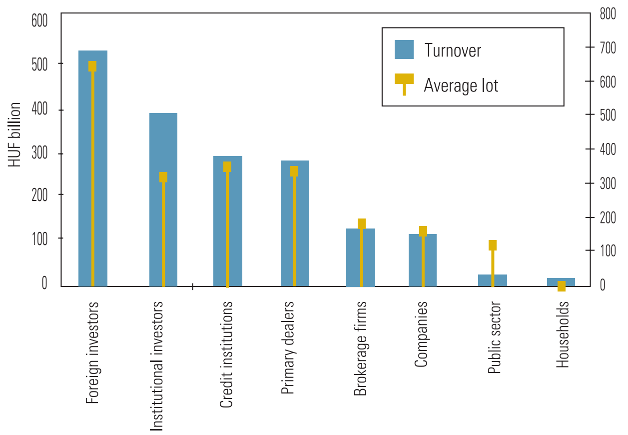
Benchmark Yield Curve



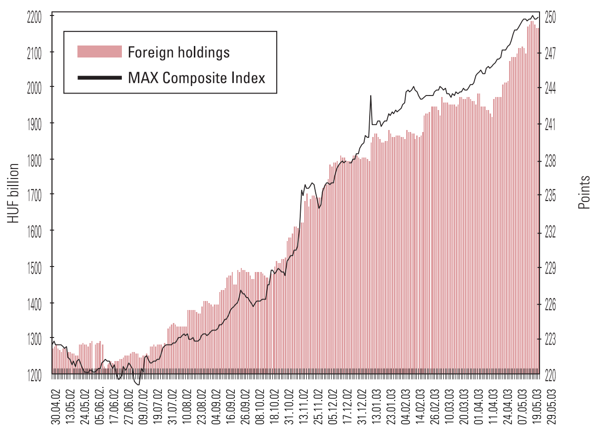
Benchmark Yields



Monthly Turnover and Average Lot Size of Primary Dealers with Different Investor Groups in May



Hungarian Government Securities Possessed by Foreign Investors



REUTERS PAGES (CODES)

Main Page: HUTREASURY

Data on auctions are accessible from 12.00	
HUISSUE	Publication of the following issues and reverse auctions
HUAUCTION01	Discount T-bills' auction results
HUAUCTION02	T-bonds' auction results
Secondary market data	
HUBONDFIX	Benchmark yields' fixing (from 14.30 updated)
HUBONDINDEX	Hungarian Government Total Return Index (MAX) (from 16.00 updated)
HUBONDINDEX2	Benchmark Indices for Government Bonds BMX2Y-10Y (from 16.00 updated)
.HUMAXBOND	Hungarian Government Total Return Index (MAX) statistics
Other	
HUFLOATER	Interest rate reset of floating rate bonds
HUBEST 4,5,6	Market makers listed by the codes of government securities
HUINDEXED	Accrued interest and capital uplift (inflation adjusted capital) of the index-linked government bond on daily basis (till 2 month in advance)
HUBONDINFO	Current list of authorised dealers (phone numbers)

Bloomberg pages (code): GDMA

Telerate pages (codes): 47184–47190

Homepage: www.allampapir.hu

THE MOST LIQUID GOVERNMENT SECURITIES ON THE SECONDARY MARKET IN MAY

Name of the bond	Redemption date	Turnover (HUF billion)
2013/D	12. 02. 2013	221.904
2006/F	12. 04. 2006	221.689
2008/C	12. 06. 2008	199.850
2013/C	20. 12. 2013	124.907
2007/D	12. 06. 2007	78.166
2005/I	12. 10. 2005	72.745
2017/A	24. 11. 2017	70.380
D030806	06. 08. 2003	65.978
D040512	12. 05. 2004	64.981
D031029	29. 10. 2003	63.917

STOCK OUTSTANDING OF GOVERNMENT BONDS WHICH WERE OFFERED FOR SALE DURING MAY

Serial number of government bond	HUF billion 30 April 2003	30 May 2003
2006/F	315.05	395.22
2008/C	177.66	227.71
2013/D	394.71	434.71
2017/A	132.34	152.37

July

	Monday	Tuesday	Wednesday	Thursday	Friday	Sa	Su
		1	2	3	4	5	6
Discount T-bill Auction Announcement			3-month Discount T-bill				
Discount T-bill Auction		D031008	D031223	D040707			
Discount T-bill Settlement			D031001				
Discount T-bill Redemption			D030702				
Interest Bearing T-bill Subscription			2004/14				
Interest Bearing T-bill Redemption			2003/13				
Government Bond Public Offer				5 and 10 year bonds			
Government Bond Redemption	2016/A quarterly	2003/A, 2003/B and 2004/A annual					
Government Bond Interest Payment			2016/B semi-annual				
	7	8	9	10	11	12	13
Discount T-bill Auction Announcement			3, 6 and 12-month Discount T-bills				
Discount T-bill Auction		D031015					
Discount T-bill Settlement			D031008/D031223/D040707				
Discount T-bill Redemption			D030709				
Interest Bearing T-bill Public Offer			2004/15				
Interest Bearing T-bill Subscription			2004/14				
Government Bond Auction				5 and 10 year bonds			
	14	15	16	17	18	19	20
Discount T-bill Auction Announcement			3-month Discount T-bill				
Discount T-bill Auction		D031022	D031223	D040707			
Discount T-bill Settlement			D031015				
Discount T-bill Redemption			D030716				
Interest Bearing T-bill Subscription			2004/15				
Interest Bearing T-bill Redemption			2003/14				
Government Bond Public Offer				3 year bonds			
	21	22	23	24	25	26	27
Discount T-bill Auction Announcement			3, 6 and 12-month Discount T-bills				
Discount T-bill Auction		D031029					
Discount T-bill Settlement			D031022/D031223/D040707				
Discount T-bill Redemption			D030723				
Interest Bearing T-bill Public Offer			2004/16				
Interest Bearing T-bill Subscription			2004/15				
Government Bond Auction				3 year bonds			
Government Bond Redemption				2003/I semi-annual			
Government Bond Interest Payment				2006/C annual			
	28	29	30	31			
Discount T-bill Auction Announcement			3-month Discount T-bill				
Discount T-bill Auction		D031105	D040218	D040707			
Discount T-bill Settlement			D031029				
Discount T-bill Redemption			D030730				
Interest Bearing T-bill Subscription		2004/16					
Interest Bearing T-bill Redemption			2003/16				
Government Bond Public Offer				5 and 10 year bonds			

Discount T-bill	D + the last two digits of the year of redemption and month, day (two digits) of redemption
Interest Bearing T-bill	KK + the serial number denotes the year of redemption
Government Bonds	the four digit number denotes the year of redemption

RESULTS OF GOVERNMENT BOND REVERSE AUCTIONS

Name of Government Security	2003/K	2003/M	2003/K	2003/M
ISIN code of Government Security	HU-0000401906	HU-0000402011	HU-0000401906	HU-0000402011
Coupon (%)	9.25	8.5	9.25	8.5
Date of reverse auction	29.04.03	29.04.03	14.05.03	14.05.03
Redemption date	24.09.03	24.11.03	24.09.03	24.11.03
Payment date	07.05.03	07.05.03	21.05.03	21.05.03
Minimum annual yield(%)	6.43	6.41	6.43	6.38
Average annual yield(%) - ISMA	6.44	6.42	6.43	6.38
Amount of bids submitted (HUF million)	16,809.11	21,865.87	36,842.67	24,179.35
Amount of bids accepted (HUF million)	1,453.97	6,900.61	7,521.43	6,587.70
Bids submitted (no.s)	37	28	33	24
Bids accepted (no.s)	6	9	5	8

MACROECONOMIC INDICATORS

	1998	1999	2000	2001	2002	March 2003	Apr 2003	May 2003
GDP growth (previous year = 100 per cent)****	4.9	4.2	5.2	3.8	3.3*			
Industrial production (previous year = 100 per cent)**	12.5	10.4	18.6	4.1	3.1	7.3	6.6	
Unemployment rate (per cent)#	7.8	7.0	6.4	5.7	5.9	6.4	6.2	
Consumer price index (same period of the previous year = 100 per cent)**	10.3	11.2	10.1	9.2	5.3	4.7	3.9	3.6
Consumer price index (previous month = 100 per cent)						0.9	0.1	0.3
Producer price index (same period of the previous year = 100 per cent)**	7.1	8.2	11.6	5.2	-1.3	1.2		
Producer price index (previous month = 100 per cent)						0.6		
Net lending position of households (HUF Bn)	794.2	637.0	678.9	721.4	392.9			
Current account of BoP (EUR Mn)	-2020.0	-1975.0	-1434.0	-1248.0	-2770.8	-313.0	-592.0	
Direct investment net (EUR Mn)###	1387.0	1612.0	1179.0	2348.0	632.8	-526.0	61.0	
Balance of the central gov. budget (HUF Bn)***	-333.9	-337.2	-369.3	-413.2	-962.7****	-83.3	-51.5	22.7
Central government gross debt (HUF Bn)	6165.79	6886.40	7226.20	7719.50	9224.20	9925.46	10,007.33	10,134.28
Central government gross debt (per cent of GDP)	61.13%	59.89%	55.29%	51.90%*	54.32%*			
Central government gross foreign exchange denominated debt (HUF Bn)	2431.87	2536.21	2508.75	2322.10	2267.29	2433.70	2422.37	2461.16
Central government gross HUF denominated debt (HUF Bn)	3733.92	4350.19	4717.46	5397.40	6956.90	7491.77	7584.96	7673.12
The country's net foreign debt (EUR Mn)##	8.966.0	8.650.2	9.062.1	6995.9	11.834.4			
The country's net foreign debt (per cent of GDP)	22.14%	19.18%	18.65%	11.53%*	16.44%*			
The official exch. rate of the NBH (end of period USD/HUF)####	219.03	252.52	284.73	279.03	225.16	227.02	220.74	210.79
The official exch. rate of the NBH (end of period ECU/HUF)####	255.70	254.92	264.94	246.33	235.90	246.84	245.82	249.38

Source: NBH, Central Statistical Office, MoF

* Provisional

** In the case of annual data December/previous December, of quarterly data March/previous March ratio is indicated.

*** Excluding privatisation proceeds.

**** The provisional data on GDP growth in IV. quarter of 2002 were 3.7 per cent, in I. quarter of 2.7 per cent.

***** The December deficit with debt assumptions and aquiring shares amounts HUF 512.1 billion.

\# Central Statistical Office

\## Without intercompany loans

\### With intercompany loans

\#### From January of 1999 the exchange rate of the ECU has been replaced by the Euro