

## Annex 1

*Letter head of Hungarian authorities*

**By fax followed by registered mail:**

**European Commission  
Directorate General Economic and Financial Affairs  
Unit L3 "Lending and IFI Programme Management"  
L-2920 Luxembourg  
Fax: +352 4301 36599**

Copy to the European Central Bank  
[Insert address]  
Fax: [•]

Copy to the Central Bank of Hungary  
[Insert address]  
Fax: [•]

Copy to the Government Debt Management Agency  
Private Company Limited by Shares  
[Insert address]  
Fax: [•]

**Subject: European Community balance of payments assistance  
Request for Funds for [Tranche number [•] of] the [•] Instalment**

Dear Sirs,

We refer to the Loan Agreement made between the European Community as Lender and the Republic of Hungary as Borrower of a maximum amount of EUR 6 500 000 000 signed on [•] November 2008 ("the Loan Agreement") and entered into force following the submission to the Lender of the Legal Opinion of the Borrower dated [•] November 2008. Terms defined in the Loan Agreement shall have the same meaning herein.

1. We hereby irrevocably request that a Finance Contract be concluded for [the [•] Tranche of] the [•] Instalment under and in accordance with the Loan Agreement upon the following terms:
  - a) Nominal amount of the Tranche[/Instalment] to be EUR [•].
  - b) The minimum Net Disbursement Amount of the Tranche[/Instalment] to be EUR [•].

c) The capital reimbursement of the Tranche[/Instalment] to be:

Date (years)	Capital reimbursement (€)
0	Disbursement

d) Consequently, the Average Maturity of this Tranche[/Instalment] is fixed at [•] years, and the Average Maturity of the Loan is of [•] years, in accordance with Article 2 of the Loan Agreement.

2. As an interest rate we request a [fixed interest rate / variable interest rate].
3. [Fixed nominal interest rate shall not be higher than [•] % per annum.] / [Variable interest rate shall not be higher than the [•] months EURIBOR plus [•] % per annum.]

Interest payments shall take place every [•] months after the Disbursement Date, with the last one at the same date as the last capital reimbursement. In case of variable interest rate, the frequency of payments shall match the term of the chosen EURIBOR.

4. Day count basis shall be determined in the Borrowing Contract.
5. [We hereby irrevocably authorise the Lender to consider the option of using interest rate swaps in order to obtain the economically most favourable financial terms for this Tranche[/Instalment], should market circumstances so require.]
6. We acknowledge and agree that the disbursement of the funds shall be in accordance with and subject to
  - a) The issue by the Lender of an Acceptance Notice; and
  - b) The Lender being satisfied at all times that the corresponding funds are available to it from a counterparty in the international capital markets on terms and conditions that are acceptable to it and that are consistent with the terms set out in this Request for Funds and in the Acceptance Notice.
7. We further acknowledge and agree that
  - a) Upon service by the Lender of the Acceptance Notice in respect of this Request for Funds, a Finance Contract under the Loan Agreement shall automatically be concluded between ourselves and the Lender in respect of the Tranche[/Instalment] requested. In due course thereafter, we will receive a copy of the relevant Borrowing Contract(s) containing the detailed terms and conditions of the Finance Contract.
  - b) If we, the Borrower, have not explicitly requested in this Request for Funds an early prepayment option, this choice is definite for this Tranche[/Instalment].

- c) The list of authorised signatures validly committing the Borrower in the Finance Contracts sent by the Minister of Finance on [•] remains valid and applicable.
- d) No event has occurred that would render incorrect any statement made in the legal opinion sent to the Lender on [•].

Yours faithfully,