



ANNUAL REPORT 2022



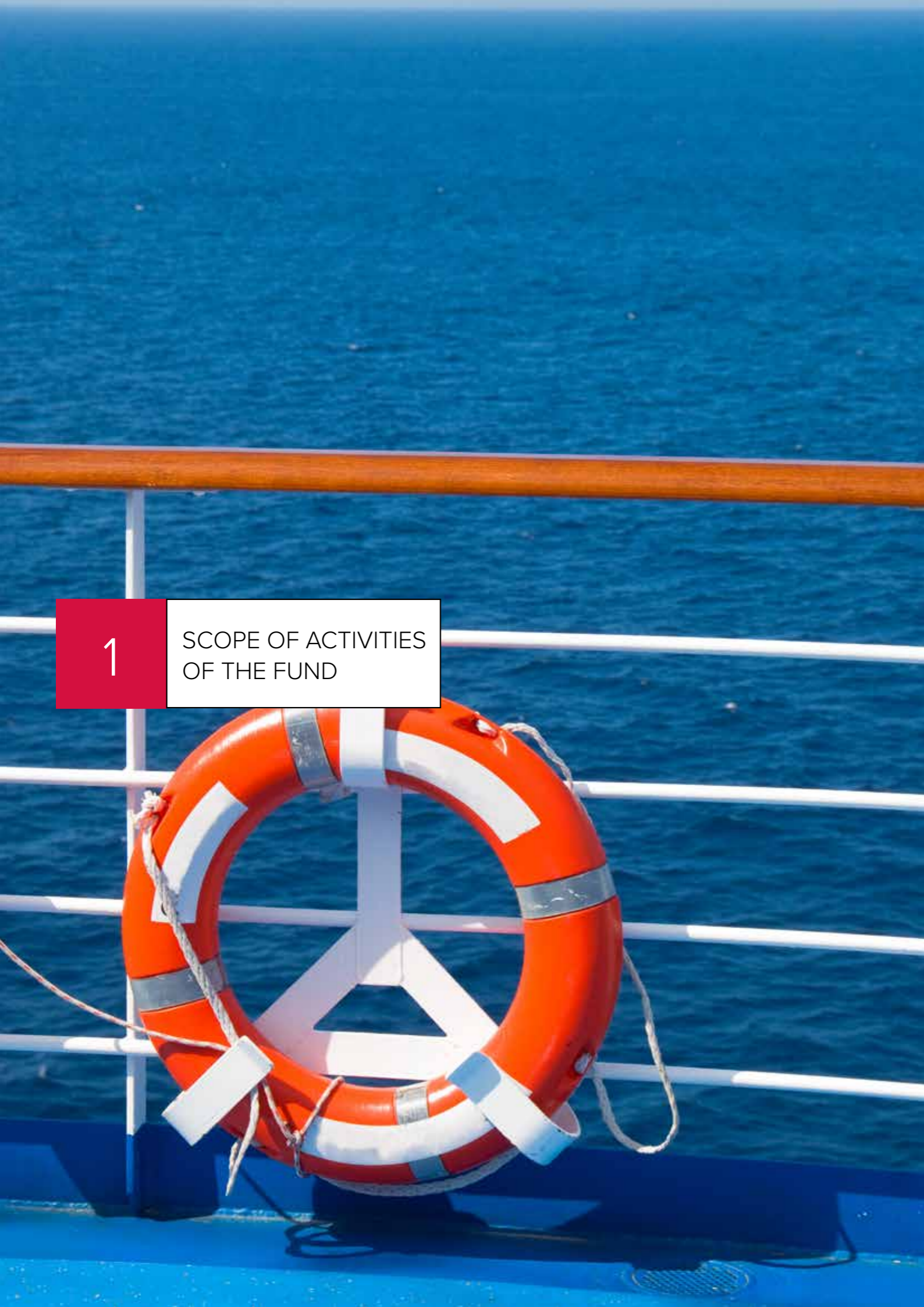
**National Deposit
Insurance Fund
of Hungary**

SAFE DEPOSIT ASSURED REFUND.



CONTENTS

1.	SCOPE OF ACTIVITIES OF THE FUND	4
2.	GOVERNING BODY AND CONTROL OF THE FUND	6
	The Board of Directors	7
	Number of the member institutions	7
3.	DEVELOPMENT OF THE DEPOSITS SECURED BY THE OBA AND THE OF THE POTENTIAL INDEMNITY OBLIGATION	8
4.	OBA'S PREMIUM INCOME AND COVERAGE RATIO	10
	Premium revenues of the Fund	15
	Financial balance sheet	17
	Intangible assets	17
	Fixed assets	17
	Fixed financial assets	18
	Stocks	19
	Receivables, impairment and recovery of receivables	19
	Evolution of the payment of deposits protected by State guarantees by the OBA in the period 1993-2022	23
	Securities (current assets)	23
	Funds	24
	Active accruals	25
	Equity	26
	Provisions	27
	Long-term liabilities	27
	Rights and liabilities over 5 years	27
	Short-term liabilities	27
	Deposits awaiting for payment	29
	Passive accruals	30
5.	EVOLUTION OF PROPERTY, FINANCIAL AND INCOME SITUATION	32
	Detail of income arising from deposit insurance	33
	Other revenues among operating income	33
	Deposit insurance and other expenses, operating expenses	34
	Result of financial operations	36
	Staff and wage management	37
	Presentation of the securities portfolio and evaluation of the work of the trustees	38
	Summary assessment of the evolution of the result	41
6.	EXPLANATIONS FOR MORE SUBSTANTIAL DIFFERENCES BETWEEN THE 2022 BUDGET PLAN AND FACT FIGURES	44
7.	BALANCE SHEET AND PROFIT AND LOSS ACCOUNT, CASH FLOW	48
8.	EVENTS RELATED TO ONGOING LIQUIDATIONS AND WINDING UP IN 2022	52
9.	THE EDUCATIONAL ROLE OF THE OBA	54
10.	INTERNATIONAL ACTIVITY	56
11.	INSTITUTIONAL OBJECTIVES	58
12.	ECONOMIC EFFECTS OF THE RUSSIAN-UKRAINIAN SITUATION	62
13.	SUBSTANTIAL EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE	64



1

SCOPE OF ACTIVITIES OF THE FUND

The main tasks of the OBA are, that in case of a decision taken by MNB, acting in its supervisory capacity, pursuant to Section (1) § 33 of the Hpt. or Section (2) point c) of § 33 of the Hpt. or in the event of the initiation of winding-up proceedings, on the day following the date of announcement of the court's order for winding-up (hereinafter referred to as the 'starting date of the compensation') shall commence and make the compensation available to depositors within ten (from 2024 seven) working days, except for the amount of blocked deposits, deposits subject to probate proceedings, deposits requiring further action by the guardianship authorities and deposits for which the beneficiary of the compensation cannot be notified or cannot be clearly identified.

Pursuant to Section 132 (7) of Act XXXVII of 2014 on the Further Development of Institutions Strengthening the Security of Certain Actors of the Financial Intermediation System, the operational tasks of the Resolution Fund are also performed by the work organization of the OBA, under the direction of the Executive Director of the OBA.



THE BOARD OF DIRECTORS

The governing body of the Fund is the Board of Directors, whose members are

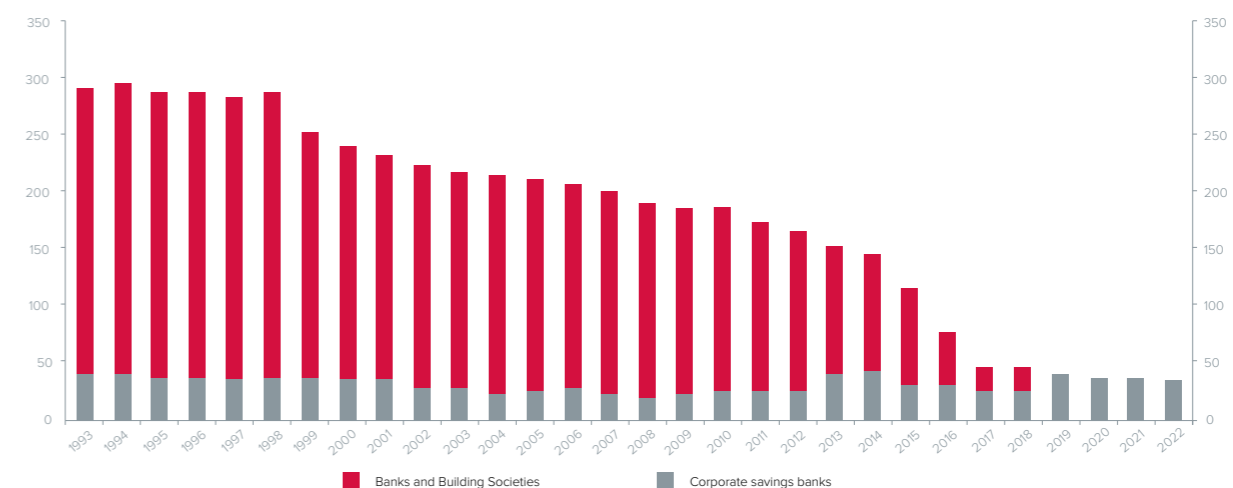
- o the Minister of State for Finance of the Ministry of Finance (from 1 June 2022, Minister of State for Financial and Economic Legislation, State Property and Postal Affairs of the Prime Minister's Office),
- o the Vice-President of the MNB responsible for the supervision of financial institutions and consumer protection,
- o Director of the Resolution Directorate of the MNB,
- o the Secretary general of the Hungarian Banking Association (hereinafter: **MBSZ**,
- o the Director of the legal, mortgage and retail banking specialisation of MBSZ (Deputy Secretary-General of the MBSZ since 1 September 2022),
- o a person appointed by the Chairman of the Board of Directors of the Central Organisation of Integrated Credit Institutions, and
- o the Executive Director of the Fund.

Each year, the Administrative Board shall elect a Chairman and a Vice-Chairman from among its members. In 2022, Dr. Csaba Kandrács, Vice President of the MNB, acted as President, while Dr. Levente Kovács, Secretary General of the MBSZ, acted as Vice President.

NUMBER OF THE MEMBER INSTITUTIONS

At the end of 2022, the Fund had 24 credit institutions, all banks or specialised credit institutions (including 3 housing savings banks). During 2022, the number of member institutions decreased by three: the activity license of Sberbank Magyarország Zrt. was revoked by the MNB on 2nd March 2022, Budapest Bank Zrt. as of 1st April 2022, MKB Bank Plc. merged into MKB Bank Plc. and Commerzbank Zrt. (which went into liquidation in 2022) transferred its deposits to Erste Bank Hungary Zrt., on 1st December 2022.

DEVELOPMENT OF THE NUMBER OF OBA MEMBER INSTITUTIONS IN 1993-2022



Source: OBA

FIGURE 1



3

DEVELOPMENT OF THE DEPOSITS SECURED BY THE OBA AND THE OF THE POTENTIAL INDEMNITY OBLIGATION¹



The² stock of deposits insured by OBA at the beginning of 2022 amounted to 27,736 891 628 th HUF, which represents an increase of 3,502 476 715 th HUF (14.5%) compared to the stock of the year earlier. The amount of claims arising from deposits with a State guarantee is gradually declining, falling to 16,786 664 th HUF at the beginning of 2023, by 16.2% compared to the stock one year earlier (Table 1).

CHANGE IN OBA-GUARANTEED AND STATE-GUARANTEED STOCK 2021-2022
(BEGINNING OF THE YEAR)

TABLE 1

Deposit portfolio	2021	2022	Variation (year/year)
Portfolio insured by OBA	24 234 414 913	27 736 891 628	14.5%
Portfolio guaranteed by the state*	20 041 279	16 786 664	-16.2%

* Without the Hungarian Export-Import Bank Private Limited Company
Source: OBA

Deposits will continue to account for 99.9% of the OBA stock at the beginning of 2022. With the exception of the amount not yet matured or redeemed, the securities are no longer insured by the OBA after 3 July 2015, and their holdings and share have therefore been steadily decreasing. As in the previous year, the accrued interest rate remained at 0.02% (Table 2).

CHANGE IN OBA-GUARANTEED AND STATE-GUARANTEED STOCK 2021-2022
(BEGINNING OF THE YEAR)

TABLE 2

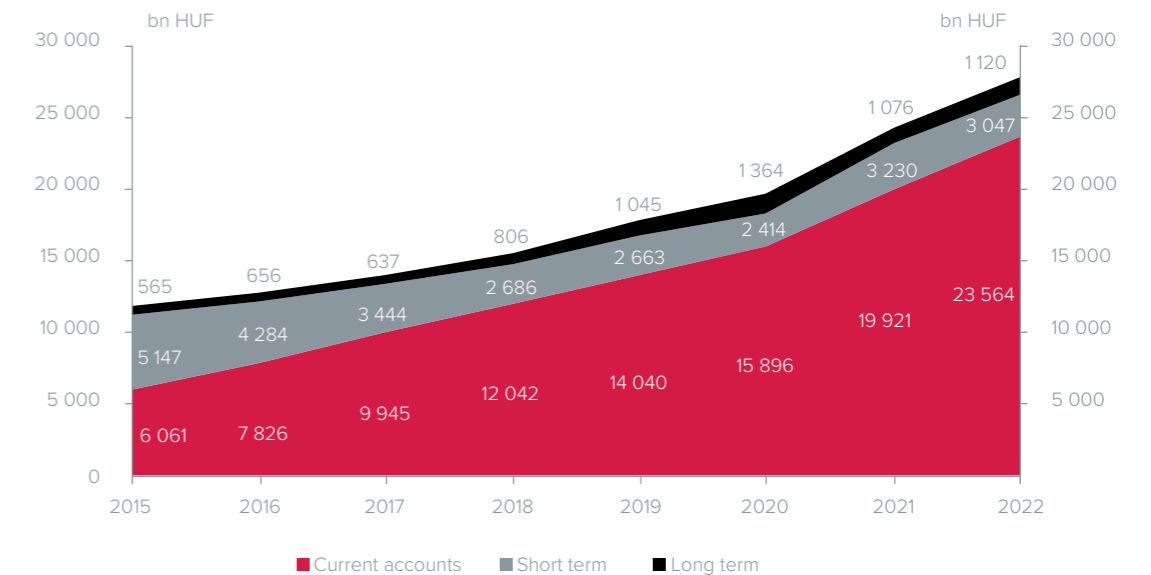
Start of the year	Insured deposit	Insured securities	Insured interest	TOTAL
2015	11 773 432 040	530 303 751	55 083 409	12 358 819 200
2016	12 766 926 011	374 864 176	33 453 775	13 175 243 962
2017	14 025 825 023	168 956 355	20 861 410	14 215 642 788
2018	15 534 763 697	69 008 736	12 858 396	15 616 630 829
2019	17 746 955 911	29 758 198	11 467 489	17 788 181 597
2020	19 673 807 672	18 337 349	8 274 193	19 700 419 214
2021	24 226 824 694	3 834 909	3 755 310	24 234 414 913
2022	27 730 082 119	861 229	5 948 280	27 736 891 628

Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA

It is also due to the decreasing interest rate environment that the proportion of deposits on demand within secured deposits continued to increase, partly to the detriment of the proportion of short-term deposits (within the year) maturity, while the volume and proportion of long-term deposits have decreased over the past 2 years (Figure 2).

MATURITY BREAKDOWN OF INSURED DEPOSITS 2015-2022 (BEGINNING OF THE YEAR)

FIGURE 2



Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA

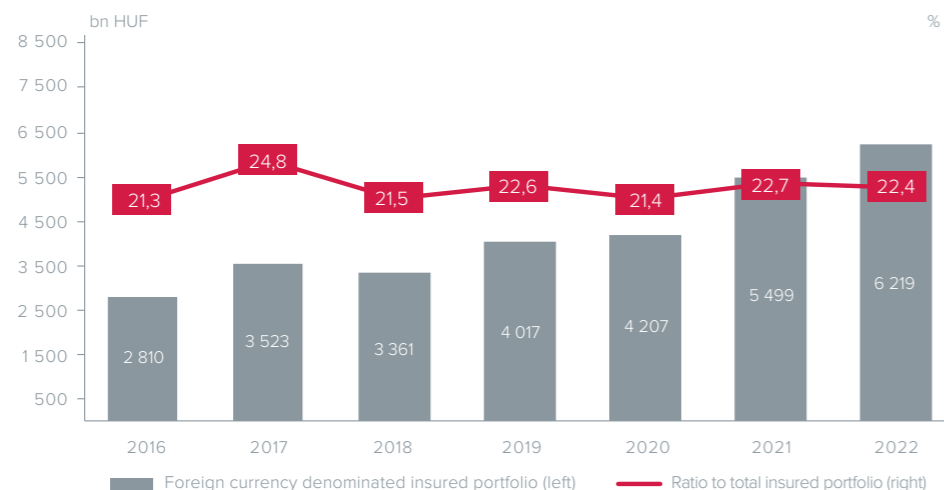
¹ Based on the annual reporting of the member institutions to the OBA.

² In addition to deposits, certificates of deposit and bonds issued by the credit institution between 1st January 2003 and 3rd July 2015 until maturity or redemption are considered as deposits for the purpose of OBA coverage.

The stock insured by OBA in foreign currency has been around 22% on average over the past years (Figure 3) of the total insured stock.

INSURED STOCK DEPOSITED IN FOREIGN CURRENCY AND ITS RATIO WITHIN THE TOTAL INSURED STOCK 2016-2022 (BEGINNING OF THE YEAR)

FIGURE 3

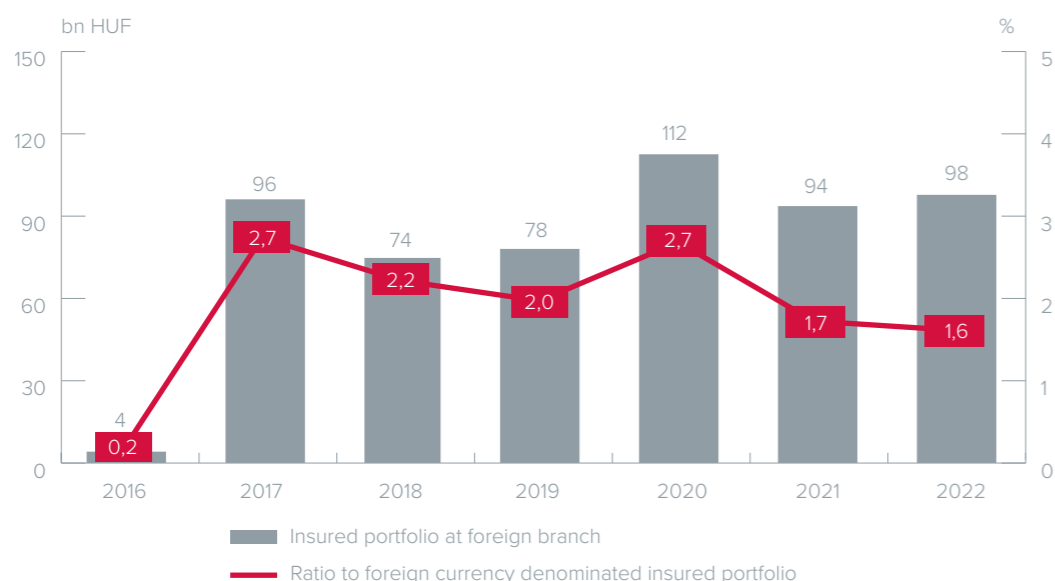


Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports. Source: OBA

Currently, two member institutions have foreign branches. Compared to the stock at the beginning of 2021, the stock of deposits placed at foreign branches and secured by OBA shows a decrease (97,695 087 th HUF at the beginning of 2022). Their stocks remain only a fraction of both total and insured deposits in foreign currency (Figure 4).

INSURED STOCKS HELD AT FOREIGN BRANCHES OF THE HUNGARIAN CREDIT INSTITUTIONS AND THEIR RATIO WITHIN THE INSURED STOCK IN FOREIGN CURRENCY 2016-2022 (BEGINNING OF THE YEAR)

FIGURE 4

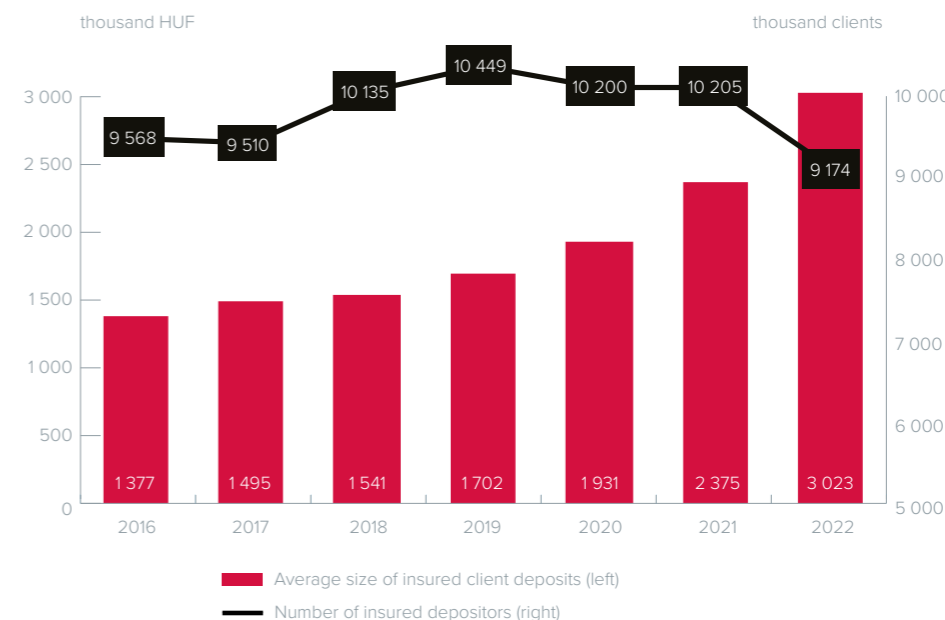


Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports. Source: OBA

The average deposit size per insured client (per credit institution) was 3,023 th HUF at the beginning of 2022, which has been steadily increasing since 2016. At the beginning of 2022, the number of insured depositors shows a decrease of around 10% compared to the previous year, driven by the OBA insurance condition linked to Pmt identification (Figure 5).³

NUMBER OF INSURED DEPOSITORS AND AVERAGE SIZE OF INSURED CLIENT DEPOSIT 2016-2022 (BEGINNING OF THE YEAR)

FIGURE 5

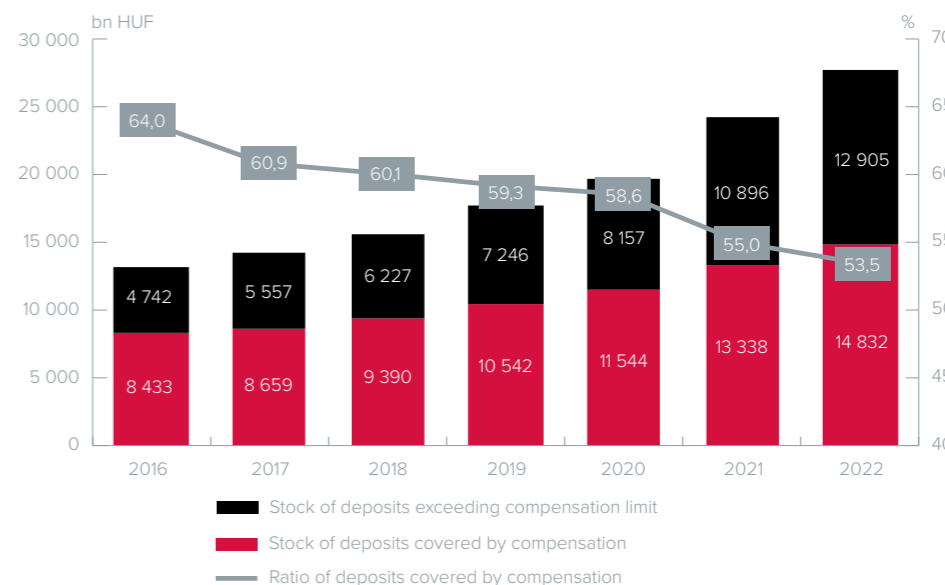


Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports. Source: OBA

In addition to the insured stock, the potential indemnification obligation of the OBA also increased, i.e. the aggregate amount of secured deposits (per client and credit institution) not exceeding the indemnity limit. The potential indemnity obligation at the beginning of 2022 was 14,831,505,960 th HUF, which is 1,493,033,416 th HUF (11.2%) above the stock one year earlier by 1,493,093,416 th HUF (11.2%). The share of indemnification deposits in the insured stock was steadily decreasing, it was 53,5% at the beginning of 2022. (Figure 6).

STOCK OF DEPOSITS SUBJECT TO COMPENSATION AND PART EXCEEDING THE INDEMNITY LIMIT 2016-2022 (BEGINNING OF THE YEAR)

FIGURE 6

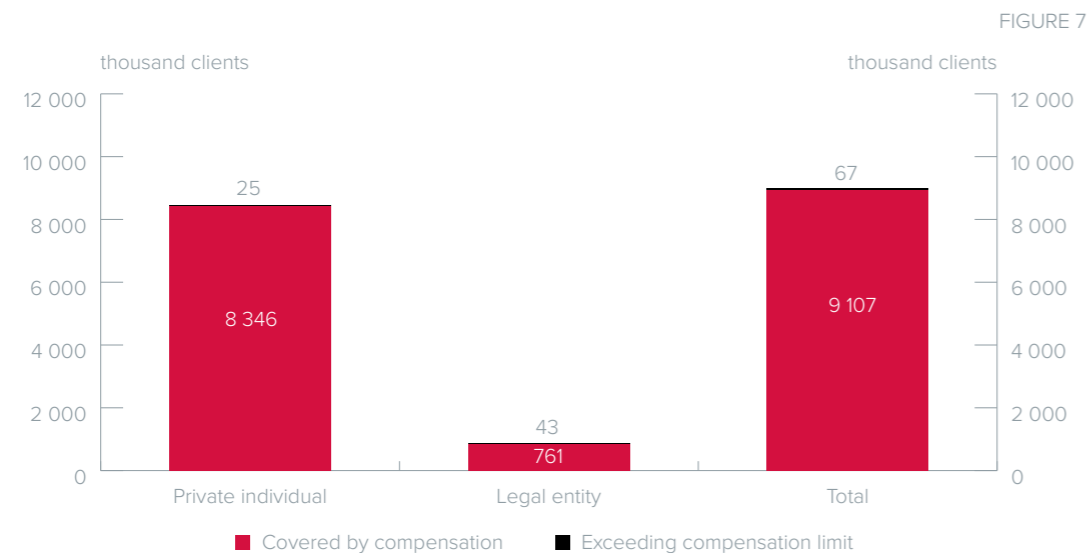


Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports. Source: OBA

³ 53rd Act of 2017 on Preventing and Combating Money Laundering and Terrorist Financing

At the beginning of 2022, out of 9 174 067 insured depositors, 9 106 999 clients (99,3%) had a deposit amount not exceeding the indemnity limit, i.e. in their case, their total deposits would have been the indemnification obligation of the OBA (Figure 7).

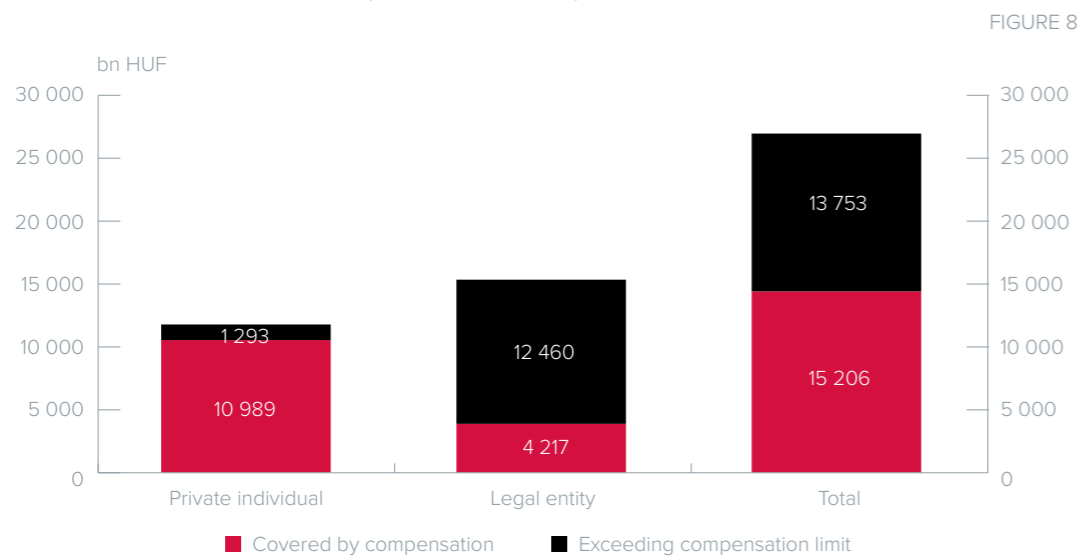
DISTRIBUTION OF INSURED DEPOSITORS TO CLIENTS WITH DEPOSITS NOT EXCEEDING AND EXCEEDING THE INDEMNITY LIMIT (BEGINNING OF 2022)



Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA

A significant proportion of insured depositors (8,370,085 clients, 91.2% of all insured depositors) are natural persons. With regard to deposit amounts, 53,5% of the insured deposits were covered by the indemnity limit, meaning that depositors with a deposit amount exceeding the indemnity limit of 0,7% of all insured customers had a significant deposit amount above the compensation amount (46,5% of the total insured stock). In addition, 90,4% of the insured deposit amounts deposited by natural persons were subject to the OBA's indemnity obligation (Figure 8).

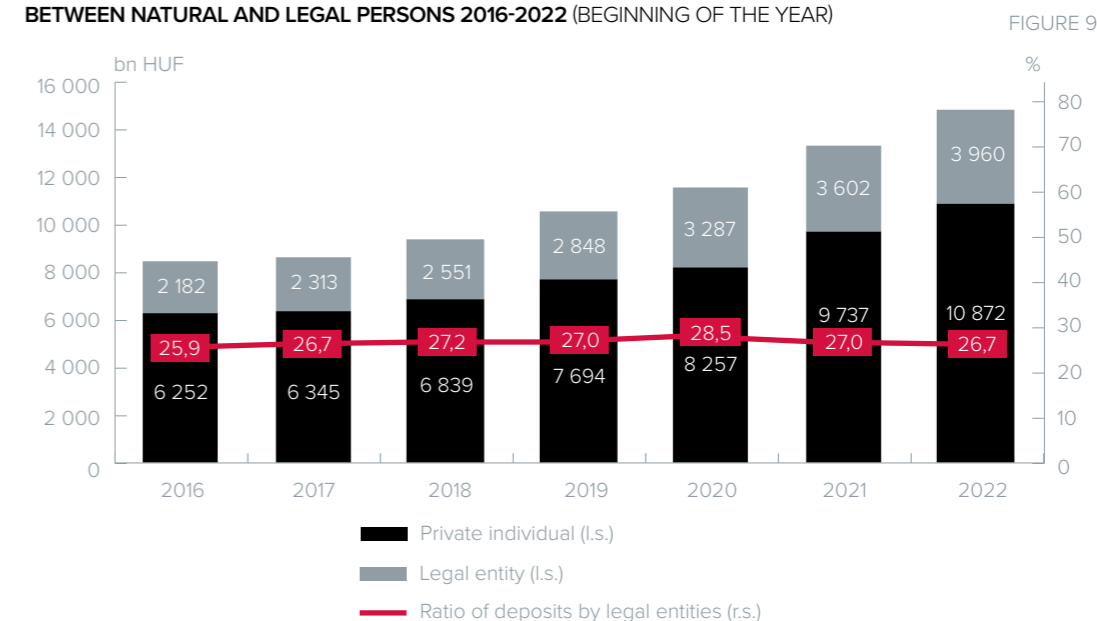
DISTRIBUTION OF INSURED DEPOSITS FOR DEPOSIT AMOUNTS NOT EXCEEDING AND ABOVE THE INDEMNITY LIMIT (BEGINNING OF 2022)



Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA

Both natural persons and legal entities play a role in the increase in the potential OBA indemnity obligation since 2016, the proportion of legal entities within the potential OBA indemnity obligation has steadily increased until 2020, but returned to 2017 levels in 2022 (Figure 9).

DISTRIBUTION OF DEPOSITS SUBJECT TO POTENTIAL INDEMNITY OBLIGATION BETWEEN NATURAL AND LEGAL PERSONS 2016-2022 (BEGINNING OF THE YEAR)



Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA



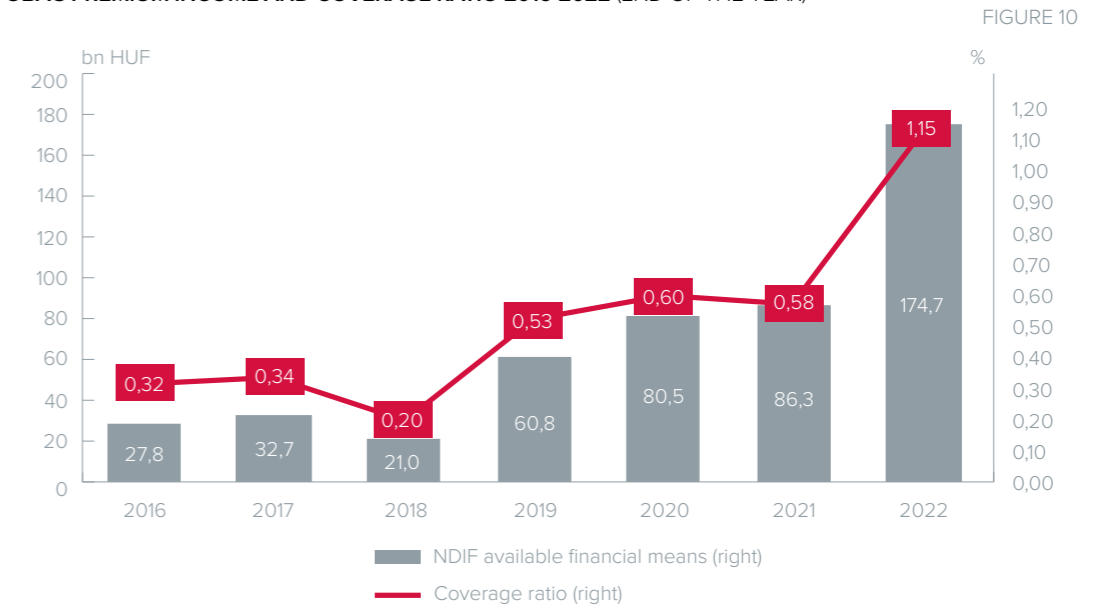


4 OBA'S PREMIUM INCOME AND COVERAGE RATIO

An internationally accepted indicator of the solvency of deposit-guarantee institutions is the funded ratio, which is the ratio of assets available for indemnification to the aggregate potential indemnification liability. The target level of the OBA has been set at a minimum coverage ratio of 0.8 per cent in line with the uniform regulation in the European Union (Article 234/A (1) of the Act), which must be achieved by 3 July 2024.

In the numerator of the indicator, the government securities available to the OBA, which can be liquidated if necessary, are included at gross market value, and the balance of the OBA's account with the MNB is also taken into account. The nominator of the indicator is the aggregate potential indemnity obligation of the OBA. Following the early repayment (partial redemption of bonds) of the bond issued to compensate the DRB Group's depositors in 2017 and 2018, in June 2019, OBA paid off its debt arising from the bond and OBA's assets and replenishment ratio showed an increase enabling the target level to be reached. At the end of 2021, the replenishment indicator was 0.58%, while at the end of 2022 the indicator was 1.15% (Figure 10). The increase in the coverage ratio was mainly due to a 1% increase in the stock of potential indemnifiable deposits compared to the end of 2021, which was more than offset by a 15.4% annualised increase in assets. At the same time, the 15.4% increase in assets includes 72,5 billion HUF held in the MNB bank account, which was spent by OBA in January 2023 to repay the previously issued bond.

OBA'S PREMIUM INCOME AND COVERAGE RATIO 2016-2022 (END OF THE YEAR)



Note: several member institutions submitted amendments to their reporting for the previous year, which may cause data from previous years to differ from the data reported in previous years' reports.
Source: OBA

PREMIUM REVENUES OF THE FUND

The OBA's own sources of income are the onetime membership fee, the regular and extraordinary payments made by the member institutions (Hpt. points (a) and (b) of section (1) of § 232 of Hpt.).

Entry fee

Credit institutions which have been authorised to collect deposits shall pay a onetime membership fee to the Fund upon becoming a member institution. The membership fee shall be equal to 0,5 per cent of the subscribed capital of the member institution. No new members joined the OBA in 2022.

Regular fee

One of the most important revenues of the Fund comes from regular fees, which should be determined to ensure that the target asset level set in the 0,8% replenishment ratio is reached by 3 July 2024. The regular fee payable by member institutions is based on the potential compensation obligation for the respective member institution, with a ceiling of 0,3 per cent of the fee base. The annual fee is paid by the member institutions to the OBA in quarterly instalments. The regular fee consists of a basic fee and a risk-based variable fee. The method of calculation of the risk-based variable fee is set out in MNB Regulation 19/2016 (25 May 2016) on the detailed rules for the determination of the risk-based variable fee payable by the members of the National Deposit Insurance Fund and the OBA Fee Rules, which are in line with Article 13(2) of Directive 2014/49/EU of the

European Parliament and of the Council on Deposit Guarantee Schemes and the EBA/GL/2015/10 Guidelines of the European Banking Authority on the calculation methods for payments to deposit guarantee schemes.

In 2019, the OBA introduced a new fee payment period in its fee regulations, which is different from the calendar year, but still includes a one-year fee period, from 1st October to 30th September of the following year. Therefore, for the first three quarters of the calendar year 2022, the Fee Payment Policy applicable to the fee period from 1 October 2021 to 30 September 2022 applies, while for the last calendar quarter the Fee Payment Policy for the fee period from 1 October 2022 to 30 September 2023 apply.

OBA FEE CALCULATION PARAMETERS AND AGREED ANNUAL FEE

TABLE 3

	2021Q4-2022Q3 fee payment period	2022Q4-2023Q3 fee payment period
Fee liability (D)	0,175%	0,255%
Base fee percentage	17,5%	17,5%
Correction coefficient (μ)	106%	80%
Yearly fee (ThHUF)	22 804 388	37 647 836

data: in th HUF, in percentage

* Taking into account stock transfers and changes in the fee base data during the period, full annual fee for new members and new members leaving the OBA, with a countercyclical index of 0%.
Source: OBA

For the calendar year 2022, the OBA Board of Directors kept the countercyclical indicator (AI) value at 0%, so the contribution rate (CR) for the full year was 0.255%. In the calendar year 2022, the member institutions paid a regular fee of 26,393 125 th HUF to OBA.

Increased fee, extraordinary payment obligation

The OBA did not provide for an increased fee during 2022, but an extraordinary fee payment obligation was necessary for the first time in the history of the OBA in order to partially finance the compensation of the depositors of Sberbank "v.a. (under liquidation)". On 27/04.2022, the OBA imposed an extraordinary fee to the member institutions, amounting to a total of 73 550 033 th HUF, which the member institutions fulfilled without exception by the specified deadlines. OBA repaid 44,053,174 th HUF from the above obligation to the member institutions by the end of the year 2022 (59.9% of the total liability to each institution). In connection with the Sberbank compensation, the payment of 116 573 328 th HUD received from Sberbank Magyarországi Zrt. "v.a." provided cover for this⁴.

FINANCIAL BALANCE SHEET

Intangible assets

The cost of intangible assets shall be accounted for, according to their expected useful life, by dividing them into the years defined below:

- the amortisation of the cost of property rights was determined in 6 years,
- that of the intellectual products in 3 years

Unlike the above, in the case of the Compensation Payment System (PPS) capitalised in 2014, the Fund determined the expected useful life at the time of acquisition to be 10 years, and therefore it is amortised over 10 years from the date of acquisition or capitalisation.

A significant part of intangible assets consists of software purchased by the Fund. The cost of these assets in books is the acquisition value.

Individual assessment was used for all assets. In the case of software, the Fund does not enforce any residual value, their depreciation was calculated from the gross value in a linear manner from the date of activation, proportional to the day.

Intangible assets of small value (less than 100 th HUF) were immediately recognised as depreciation by the Fund as a lump sum, and for intellectual goods the depreciation was written off at a rate of 33%.

The acquisition value of intangible assets increased by 79,501 th HUF in 2022 due to major acquisitions and developments during the period, within which the indemnification system, document management system and securities management system developments were significant. The value of the investments related to intangible assets is 52 567 th HUF, which is planned to be used in 2023. The investment is linked to the compensation scheme.

CHANGE IN THE STOCK OF INTANGIBLE ASSETS IN THE CURRENT YEAR

TABLE 4

Definition	Gross value	Depreciation	Book value
01.01.2022 Opening	352 311	227 373	124 938
Increases in the current year (capitalisation)	79 501	0	79 501
Sales in the current year	0	0	0
Scrapping in the current year	0	0	0
Depreciation in the current year	0	46 089	-46 089
Construction in progress	52 567	0	0
31.12.2022 closing	484 379	273 462	210 917

data: in th FT)

Source: OBA

Fixed assets

The Fund presents among the tangible assets the equipment necessary for the performance of the operation, the renovations carried out on the rented building, the computer and administrative technical equipment and office equipment. As with intangible assets, the individual valuation is used for each asset. The depreciation of assets was accounted for in a linear manner per gross value, proportional to the date of activation. Low-value fixed assets (less than 100 th HUF) are depreciated in one lump sum when they are put into use. The write-off rates recorded in the accounting policies by asset group are as follows:

1. Real estates	
a) From a long-life structure	2,0%
b) From medium life structure	3,0%
c) From a short-life structure	6,0%
2. Constructions (other structures)	2,0%
3. Investment on foreign (rented) real estate	6,0%
4. Investment on foreign (rented) real estate for 10 years	10,0%
5. Equipment, facilities, vehicles	
a) Computers and administrative technical tools	33,0%
b) Furniture and technical equipment	14,5%

At the Fund, tangible assets can be classified into groups according to the table, their net value less depreciation was 208 153 th HUF at the end of the year.

⁴ The OBA fully repaid the extraordinary payment obligation imposed on the member institutions in March 2023 from the additional 22,868,452, th HUF Sberbank reimbursement (and from the assets) received on 27.02.2023, amounting to 29,496,859 th HUF.

COMPOSITION OF FIXED ASSETS

TABLE 5

Definition	31.12.2021	31.12.2022	Variation	
	HUF thousand	HUF thousand	HUF thousand	%
Real estate and related rights and titles	48 339	39 842	-8 497	-17,6
- building, part of a building	48 339	39 842	-8 497	-17,6
Equipment, fittings and vehicles	88 845	168 311	79 466	89,4
- technical administration equipment	2 458	4 839	2 381	96,9
- technical equipment	29 989	24 536	-5 453	-18,2
- IT equipment	30 946	114 122	83 176	268,8
- furniture	25 452	24 815	-637	-2,5
- other	0	0	0	0,0
Capital investments	1 016	0	-1 016	-100,0
Total:	138 200	208 153	69 953	50,6

Source: OBA

(data: net value, in the HUF and%)

Among the acquisitions of assets, the volume of IT equipment was significant (109 109th HUF).

Depreciations of assets include depreciation according to plan. The Fund shall continuously dispose of unused, unnecessary tangible assets. The total derecognised asset value as a result of the disposal is 1 566 th HUF. There was no unfinished investment in tangible assets at the end of 2022.

PRESENTATION OF PRIORITY STOCK CHANGES

TABLE 6

Item / th HUF	Opening	Increase	Decrease	Restatements +/-	Closing
GROSS VALUE	246 454	120 556	2 582	0	364 428
Real estate and related rights and titles	54 975	0	0	0	54 975
Equipment, fittings and vehicles	190 463	120 556	1 566	0	309 453
Assets in construction	1 016	0	1 016	0	0
DEPRECIATION	108 254	49 539	1 518	0	156 275
Real estate and related rights and titles	6 636	8 497	0	0	15 133
Equipment, fittings and vehicles	101 618	41 042	1 518	0	141 141
NET VALUE	138 200	71 016	1 064	0	208 153
Real estate and related rights and titles	48 339	-8 497	0	0	39 842
Equipment, fittings and vehicles	88 845	79 514	48	0	168 311
Assets in construction	1 016	0	1 016	0	0

Source: OBA

(data: in th HUF)

The share of fixed assets declined in 2022, but the degree of wear and tear has improved due to new acquisitions.

FIXED ASSETS — INDICATORS

TABLE 7

Definition	31.12.2021 (%)	31.12.2022 (%)	Variation (%)
Ratio of tangible assets within financial investments:	0,32	0,30	-0,02
Ratio of tangible assets within total assets	0,14	0,10	-0,04
Degree of wear and tear:	43,92	42,88	-1,04

Source: OBA

(data: in %)

Fixed financial assets

In 2022, the Fund also invested its assets in Hungarian government securities and discount treasury bills, of which it formed two sub-portfolios. Some of the government securities were held in the CMAX Portfolio, following the composition of the CMAX index, to which it used the assistance of ÁKK as portfolio manager and KELER as custodian. Following the amendment of its Investment Regulations on 19 February 2019, the Fund also purchases Hungarian government bonds and discount treasury bonds for keeping until maturity, which are recorded in a securities account held with the Hungarian State Treasury (MÁK) (so-called. Customized Portfolio). Securities existing in the Customized Portfolio at the end of the year with maturity over the year are shown as invested financial assets, and papers maturing within the year are shown among current assets. The portfolio management agreement with ÁKK was terminated by mutual consent as of 30 November 2022, and as of 03 November 2022 the amount deposited in the CMAX portfolio was transferred to the Customized Portfolio of the Hungarian State Treasury in accordance with the composition of the CMAX index as of 28 October 2022.

Invested financial assets at the end of the year amounted to HUF 87 566 369 th HUF, which includes the book value of government securities included in the Customized Portfolio (87 549 957 th HUF) and the security deposit paid for the office lease with an agreed maturity of over one year (16 412 th HUF). Within the securities, an impairment loss of 257 581 th HUF was recognised in the year on government bonds in the Customized portfolio with a maturity of more than one year at the year-end and a negative valuation difference, due to the fact that the loss difference between their net market value without interest and their carrying amount (negative valuation difference) at the balance sheet date exceeded the significant level (10%) set in the Fund's accounting policy, and that the bonds were considered to be of a long-term nature. There was no reversal of impairments recognised in previous years. The Fund records government securities in the books at the purchase price less interest in the purchase price, adjusted for impairment. At the end of the year, the portfolio stock was not rebound. There was no investment in foreign government securities in the current year. The Fund does not apply fair valuation.

Stocks

The Fund had no stocks as of 31.12.2022.

Receivables, impairment and recovery of receivables

Receivables include receivables from member institutions, receivables transferred to the Fund, receivables from credit institutions and other receivables. The Fund evaluates the receivables individually and the impairment was recognised on the basis of the individual assessment. While the ratio of claims decreased in 2021, it increased significantly in 2022 due to the unpaid compensation to OBA (22 868 331 th HUF) arising from the compensation of the depositors of Sberbank "v.a.". However, the decrease was due to a reduction in the outstanding claim against NHB Bank "f.a." (103 095 th HUF) and the decrease in the claim against Jógazda Tak. Szöv. "f.a." (605 069 th HUF).

ACCOUNTS RECEIVABLE — INDICATORS

TABLE 8

Definition	31.12.2021	31.12.2022	Variation (%)
Share of Receivables (Receivables/Balance Sheet Total)	4,43	10,71	6,28
Ratio of Receivables (Receivables/Current assets)	8,19	20,50	12,31

Source: OBA

(data: in %)

As at 31.12.2022, a significant part of the receivables continued to be represented by deposit insurance expenses (indemnities less impairment and ancillary costs) recognised as a creditor claim (26 494 384 th HUF).

In 2019, OBA sold its own claims in the liquidation proceedings of 11 domestic credit institutions, as a result of which the amount of receivables resulting from compensation (reduced by impairment) decreased significantly by 55 187 672 th HUF in 2019. The purchase price was paid by the buyer in 2019 and partly in 2020. At the same time, in 2019, the amount of receivables was increased by an indemnity claim filed against NHB Bank "f.a.", and in 2022 by a claim based on Sberbank compensation, the amount of which was significant as of 31.12.2022. Sberbank "v.a." depositors (indemnity paid) will be 100% recovered in 2023, and according to the information received from the liquidator at the time of preparation of the report, the NHB claim is also expected to be 100% recovered, so no impairment has been recognised for these claims.

Among other claims, other significant items are NHB Bank "f.a." claim arising from compensation not yet paid to its depositors (172 481 th HUF).



COMPOSITION OF RECEIVABLES

TABLE 9T

Definition	2021	2022	Variation	
	HUF thousand	HUF thousand	HUF thousand	%
Receivables from member institutions	3 835 391	26 494 384	22 658 993	590,8
= fee receivables from member institutions	263	225	-38	-14,5
= impairment on fee receivables from member institutions	-225	-225	0	-0,1
Receivables assigned in relation to the payment of deposits	3 835 353	26 494 384	22 659 031	590,8
= receivables assigned in relation to the payment of deposits	9 928 886	32 207 454	22 278 568	224,4
= impairment on receivables assigned in relation to the payment of deposits	-6 093 582	-6 090 015	3 567	-0,1
= auxiliary expenses incurred in relation to the payment of deposit	70 718	447 656	376 938	533,0
= impairment on auxiliary expenses incurred in relation to the payment of deposits	-70 669	-70 711	-42	0,1
Other receivables from credit institutions	1 884	1 925	41	2,2
= receivables from credit institutions (Takarékbank)	1 884	1 925	41	2,2
Other receivables:	440 452	199 701	-240 751	-54,7
= Receivables from the supply of goods and services	4	0	-4	-100,0
= Advances paid	822	266	-556	-67,7
= restated tax liability	0	0	0	N/A
= other receivables	439 626	199 435	-240 191	-54,6
- receivable from the liquidator in relation to compensation not yet paid	301 728	198 633	-103 095	-34,2
- receivables from domestic customers, employees	881	802	-79	-9,0
- securities sold (purchase price)	137 017	0	-137 017	-100,0
- receivables under litigation	89 791	89 791	0	0,0
- impairment of receivables under litigation	-89 791	-89 791	0	0,0
Total:	4 277 727	26 696 010	22 418 283	524,1

(data: in th HUF and in %)

Source: OBA

The claim against the member institutions increased by 22,658 993 th HUF compared to the base period. In particular, payments transferred as a result of deposit payments increased by 22,659 031 th HUF due to the following.

- The claims transferred as a result of the deposit payment were increased by the indemnity payments made in 2022 on the claims transferred to OBA (within this, a significant increase was the Sberbank "v.a." 139 441 659 th HUF was paid to compensate the depositors of Sberbank, but 116 573 328 th HUF was reimbursed in 2022, so the remaining 22 868 331 th HUF is shown under receivables.
- A further increase of 376,938 th HUF was caused by payments of additional costs related to the indemnification, mainly Sberbank payments (376,895 th HUF), which have not yet been reimbursed, but for which, according to the information of the liquidator, no impairment has been recognised, as it is expected to be reimbursed.
- Additional costs were also incurred in connection with claims arising from NHB Bank and the previously sold indemnification, in a smaller amount, totalling 42 th HUF. The OBA also reports and recognises as a claim against the credit institution in liquidation the incremental costs incurred for indemnity payments made after the sale for credit institutions with sold claims. Based on the liquidation balance sheets and the statements of the liquidators, a 100% impairment was recorded for the additional costs, but the Tisza Savings Cooperative "f.a." due to the expected recovery of 48 th HUF of additional costs as stated in the final balance sheet of Tisza Savings Bank, an impairment was reversed in 2021 for the same amount, which increased the receivables and which was recovered in 2022.
- The fee claims against the member institutions decreased by 38 th HUF, which is the premium difference established for 2021 against an OBA member in 2022. A claim against credit institutions (1 925 th HUF) is a claim arising from settlements against the Savings Bank as a paying agent bank.
- Among the other claims, we present the litigated claim against the former liquidator of the Heves és Vidéke Savings Cooperative, based on the amount of unpaid remuneration to OBA after the completion of the liquidation. The claim received 981 th HUF from execution in 2021. For the value of the claim less this reimbursement, an impairment of 100% was recognised in the amount of the remaining claim not recovered from execution declared in the enforcement proceedings (89 791 th HUF).

AMOUNT OF OBA CLAIMS ARISING FROM THE INDEMNITY PAYMENT PER MEMBER INSTITUTION ON 31 DECEMBER 2022

TABLE 11O

Credit institution	Amount of compensation paid on deposits not protected by state guarantee	Amount of costs relating to the compensation paid on deposits not protected by state guarantee	Recourse obligation	Accumulated return	Closing receivable received by NDF return without impairment	Accumulated impairment opening	Accumulated impairment closing	Closing book value of compensation paid on deposits not protected by state guarantee
Jógazda" Szövetkezeti Takarékpénztár "f. a."	9 010 177		0	2 946 313	6 063 864	6 091 021	6 090 015	-26 152
Jógazda" Szövetkezeti Takarékpénztár "f.a." related costs		33 015	0	0	33 015	33 015	33 015	0
NHB Növekedési és Hitelbank "f.a."	3 275 308		0	0	3 275 308	0	0	3 275 308
NHB Növekedési és Hitelbank "f.a." related costs		24 052	0	0	24 052	27 479	24 052	0
Sberbank Zrt "v.a."	139 441 659		0	116 573 328	22 868 331	0	0	22 868 331
Sberbank Zrt "v.a." related costs		376 895	0	0	376 895	0	0	376 895
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a." related costs		1	0	0	1	0	1	0
Körmend és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Körmend és Vidéke Takarékszövetkezet "f.a." related costs		14	0	0	14	0	14	0
Orgovány és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Orgovány és Vidéke Takarékszövetkezet "f.a." related costs		182	0	0	182	114	182	0
Alba Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Alba Takarékszövetkezet "f.a." related costs		159	0	0	159	156	159	0
Széchenyi Hitelszövetkezet "f.a."	0		0	0	0	0	0	0
Széchenyi Hitelszövetkezet "f.a." related costs		39	0	0	39	38	39	0
Széchenyi Kereskedelmi Bank "f.a."	0		0	0	0	0	0	0
Széchenyi Kereskedelmi Bank "f.a." related costs		152	0	0	152	150	152	0
Tisza Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Tisza Takarékszövetkezet "f.a." related costs		48	0	48	0	48	0	0
BRB Buda Regionális Bank "f.a."	0		0	0	0	0	0	0
BRB Buda Regionális Bank "f.a." related costs		358	0	0	358	291	358	0
DDB Dél-Dunántúli Takaréék Bank "f.a."	14		0	4	0	10	0	10
DDB Dél-Dunántúli Takaréék Bank "f.a." related costs		170	0	0	170	169	170	0
DRB Dél-Dunántúli Regionális Bank "f.a."	3 103		0	552	2 551	2 551	0	2 551
DRB Dél-Dunántúli Regionális Bank "f.a." related costs		207	0	0	207	202	207	0
ÉRB Észak-Mo-i Regionális Bank "f.a."	0		0	0	0	0	0	0
ÉRB Észak-Mo-i Regionális Bank "f.a." related costs		243	0	0	243	235	243	0
Total	151 730 261	435 535	0	119 520 245	32 645 541	6 155 480	6 148 607	26 496 944

(data: in th HUF)

Source: OBA

The expected recovery of the OBAs deposit insurance expenses, which are recognised as a creditors' claim, is declared by the liquidators and administrators, on the basis of which the impairment loss is calculated. For items of a receivables nature (liquidation, winding-up proceedings), an individual impairment rate is applied based on the declarations of the liquidators and winding-up liquidators. A claim arising from an indemnity payment (excluding outstanding payments and ancillary costs) is a claim arising from the payment of 3 275 308 th HUF against NHB Bank (f.a.) as well as 22,868 331 th HUF capital and incidental costs of 376 895 th HUF against Sberbank "v.a.". The liquidation of the Jogazda Savings Bank (f.a.) was completed in 2022, with a recovery of 605,069 th HUF instead of the projected 604 063 th HUF. The difference of 26 152 th HUF shown in the table was charged to the receivable reported on the basis of payments still to be made, less the amount of the receivable which was impaired. (The table does not include claims declared on the basis of outstanding payment obligations, only the amounts of claims based on compensation paid and ancillary costs.) In the case of the Jógazda, an impairment has already been recognised in 2019 for the receivables reported or registered in excess of the reimbursement.

We do not expect to recover the incremental costs of the other receivables, which are included in the liquidation ranking as subordinated claims, and therefore we have recognised an impairment of 100%. Among other claims, the Fund shows claims arising from costs related to the payment of indemnities. As this relates to the payment of compensation for the amount of costs passed on to the member institution in liquidation, the reimbursement of the costs referred to in Section 219 of the 49th Act on Bankruptcy and Winding-up Proceedings of 1991(Cstv.), Section 57 § (1) point (f) are not typical, the Fund recognises a 100% impairment loss on these claims, which reduces the receivables portfolio.

The Fund shall pay and account for the certified costs incurred in connection with the compensation, on the basis of accounting documents in its name, as a claim against the credit institution in liquidation/winding-up. These items, as the amount of impairment for receivables, appear as an expense in the profit and loss statement of the OBA. In the event of payment to the agent banks involved in the compensation, the Post Office and OTP Rentar, the compensation amounts transferred to OTP are counted as a claim against the Fund

member institution in the same amount as the bank statement on the same day as the transfer, regardless of whether the claimant has received the transferred amount or not. In the period between the transfer and the receipt, the OBA does not make any claims against credit institutions, given that the amounts transferred are already held by the compensated depositors. Compensation amounts not received or not received by depositors (due to death, change of address, incorrect address, etc.) will be returned to the OBA account subject to itemized settlement. In the case of the assistance of an Agent Bank, depositors may withdraw the amounts transferred as compensation until the date agreed with the Agent Banks. After the deadline stipulated in the agreements, the OBA and the Agent Bank shall carry out clearing and the untaken deposits will be transferred back to the OBA. According to the agreement concluded with Takarékbank Zrt., for deposit payments incurred in the course of compensation "f.a." of Alba Savings Cooperative "f.a." and Orgovány és Vidéke Savings Cooperative "f.a.": "If the Client does not withdraw the compensation amount within one year from the month following the start date of the indemnification procedure, the Agent shall transfer the funds back to the Client's bank account."

Furthermore, the OBA shall subsequently split the payments it has made to the clients on the basis of the so-called liquid fraction fixed in the agreement and shall determine the amount of its claim or liability to the paying agent bank on the basis of the breakdown. The amount of the claim against Takarékbank Zrt. on 31 December 2022, shown against credit institutions, was 1 925 th HUF related to Alba Takarékbank Cooperative "f.a." as a result of the payments in 2022.

The Fund recognises outstanding payments among liabilities, their year-end amount is equal to the year-end amount of the analytical statements kept in the Paying System (EMS) for recording indemnification liabilities and payments, but may differ from the amounts recognised among receivables if the claim has ceased to exist or its value is not 100% due to impairment. The amount declared as a claim to the liquidators in on-going liquidations of the indemnity liabilities not yet paid but expected to be paid is 172 481 th HUF as of 31.12.2022, among other claims, which is a claim against NHB Bank. The resulting amount of receivables decreased by 103 095 th HUF for NHB compared to 2021 due to payments made during the compensation in 2022 and changes in stocks (reduction in liabilities). In the case of the Jógazda, 26,152 th HUF was paid. In the case of Sberbank "v.a.", the outstanding payment obligations are no longer recorded in our books, as according to the legal requirements, the liabilities were transferred to the liquidator in 2022, so their registered amount (5 694 071 th HUF) was deducted from the liabilities and claims against the liquidator.

The liquidation of the Heves és Vidéke Savings Cooperative was completed in 2019, but the liquidator only partially fulfilled its obligation to pay the OBA in respect of the return approved in the forensic order in the deadline, therefore the Fund initiated enforcement actions and filed a complaint in 2019 to recover the additional amount still due to it. After the ineffectiveness of the enforcement, the OBA also filed a compensation action against the former liquidator in January 2023. The lawsuit is currently ongoing. Given that the liquidation has been completed and the OBA is attempting to recover the total amount receivable in litigation, the amount of the declared claim based on indemnification payments, the related ancillary cost and the impairments recognised for them were already transferred to other short-term claims against credit institutions in 2020.

AMOUNT OF CLAIMS DECLARED ON THE BASIS OF STILL EXPECTED PAYMENTS PER MEMBER INSTITUTION ON 31 DECEMBER 2022

TABLE 11

Credit institution	Receivable 31.12.2022	Impairment 31.12.2022	Return 31.12.2022	Book value of the Receivable 31.12.2022
„Jógazda” Szövetkezeti Takarékpénztár „f.a.”	80 720	54 568	26 152	0
NHB Bank "f.a."	172 481	0	0	172 481
Sberbank Zrt. "v.a."*	0	0	0	0
Total	253 201	54 568	26 152	172 481

(data: in th HUF)

Source: OBA

Other receivables include an impairment loss of HUF 802 th HUF arising from the unauthorised collection of compensation and an impairment loss (net book value of zero) of 89 791 th HUF in respect of a litigation claim against the liquidator of Heves and Vidéke Savings Cooperative.

Evolution of the payment of deposits protected by State guarantees by the OBA in the period 1993-2022

The compensation payment for deposits protected by the State guarantee until 31.12.2022 amounted to 503 102 th HUF, including the additional costs, of which the State transferred 492 858 th HUF to the OBA until 31.12.2022. The state guarantee compensation of HUF 224 052 th HUF paid by the liquidators of the member institutions to the OBA by 31.12.2022, but due to the Hungarian State, has been transferred to the Hungarian State, except for Orgovány "f.a." 6 215 th HUF received in December 2022, which is recorded as a liability to the Hungarian State.

DEPOSITS PROTECTED BY THE STATE GUARANTEE

TABLE 12

Definition HUF th	Paid out compensation amounts of deposits secured by a state guarantee without expected receivable	Paying agent bank portion	Amount reimbursed by the state	Paid out compensation amounts of deposits secured by a state guarantee expected receivable	Paid out compensation amounts of deposits secured by a state guarantee with expected receivable	Recovery of the compensation amounts of deposits secured by a state guarantee	Paid out compensation amounts of deposits secured by a state guarantee closing receivable amount towards liquidator	Still not settled amount with State
Általános Közlekedési Hitelszövetkezet "f.a."	51 074	0	51 074	0	51 074	11 526	39 548	0
Általános Közlekedési Hitelszövetkezet "f.a." related costs	87	0	87		87		87	0
„Jógazda” Szövetkezeti Takarékpénztár "f.a."	44 042	0	44 042	325	44 367	14 230	30 137	0
„Jógazda” Szövetkezeti Takarékpénztár "f.a." related costs	88	0	88	0	88	0	88	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	15 229	0	15 229	205	15 434	3 004	12 430	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a." related costs	202	0	202	0	202	0	202	0
Körmend és Vidéke Takarékszövetkezet „f.a.”	19 984	0	19 984	2 323	22 307	11 388	10 919	0
Körmend és Vidéke Takarékszövetkezet "f.a." related costs	56	0	56	0	56	0	56	0
Orgovány és Vidéke Takarékszövetkezet „f.a.”	34 498	5 330	29 168	1 624	30 792	23 649	7 143	0
Orgovány és Vidéke Takarékszövetkezet "f.a." related costs	458	0	458	0	458	0	458	0
Alba Takarékszövetkezet „f.a.”	12 211	4 913	7 298	399	7 697	6 414	1 283	0
Alba Takarékszövetkezet „f.a.” related costs	525	0	525	0	525	0	525	0
Széchenyi Hitelszövetkezet „f.a.”	0	0	0	0	0	0	0	0
Széchenyi Hitelszövetkezet "f.a." related costs	0	0	0	0	0	0	0	0
Széchenyi Kereskedelmi Bank „f.a.”	0	0	0	0	0	0	0	0
Széchenyi Kereskedelmi Bank „f.a.” related costs	0	0	0	0	0	0	0	0
Tisza Takarékszövetkezet „f.a.”	28 060	0	28 060	209	28 269	28 460	-191	0
Tisza Takarékszövetkezet „f.a.” related costs	191	0	191	0	191	0	191	0
BRB Buda Regionális Bank "f.a."	158 327	0	158 327	813	159 140	59 157	99 983	0
BRB Buda Regionális Bank "f.a." related costs	719	0	719	0	719	0	719	0
DDB Dél-Dunántúli Takarékbank "f.a."	48 650	0	48 650	4 909	53 559	21 854	31 705	0
DDB Dél-Dunántúli Takarékbank "f.a." related costs	424	0	423	0	424	0	424	1
DRB Dél-Dunántúli Regionális Bank "f.a."	14 525	0	14 525	8 172	22 697	11 422	11 275	0
DRB Dél-Dunántúli Regionális Bank "f.a." related costs	124	0	124	0	124	0	124	0
ÉRB Észak-Mo.-i Regionális Bank "f.a."	73 250	0	73 250	7 307	80 557	32 948	47 609	0
ÉRB Észak-Mo.-i Regionális Bank "f.a." related costs	378	0	378	0	378	0	378	0
Total	503 102	10 243	492 858	26 286	519 145	224 052	295 093	1

(data: in th HUF)

Source: OBA

Securities (current assets)

Based on the statutory requirements, the Fund keeps the fees collected from member institutions in Hungarian government securities, including Hungarian government bonds and discount treasury bills. The basis of the register is the acquisition value, the Fund did not use the possibility of a fair valuation in 2021 or during the current year (2022).

COMPOSITION OF SECURITIES AMONG CURRENT ASSETS

TABLE 13

Value date	Fixed interest bond CMAX	Discount Treasury bill CMAX	Fixed interest bond Unique Portfolio	Discount Treasury bill Unique Portfolio	Securities Total
Opening (01.01.2022)	29 823 382	461 834	14 529 487	2 539 310	47 354 013
<i>Breakdown</i>	62,98%	0,98%	30,58%	5,36%	100,00%
Closing (31.12.2022)	0	0	7 133 814	20 603 110	27 736 924
<i>Breakdown</i>	0,00%	0,00%	25,72%	74,28%	100,00%

(data: in th HUF, book value and in %)

Source: OBA

The securities recorded under current assets at the end of 2022 include the portfolio of government securities included in the Customized Portfolio with a maturity of less than one year at the end of the year and therefore reclassified to current assets, net of impairment, and the portfolio of discount Treasury bills.

The closing book value of the securities at the end of the year is 27,736 924 th HUF, which is 19 617 089 th HUF lower than the opening stock. The increase in the stocks of invested financial assets and securities classified as current assets is due to the membership fees received and the returns gained.

In the year under review, no impairment losses or reversals of impairment losses recognised in previous years were implemented on securities with a maturity of less than one year recorded under current assets, while an impairment loss of 84 101 th HUF was reversed on the receivable side of exchange losses on current assets sold (CMAX government bonds sold). The share of securities between both current assets and total assets decreased compared to the previous year.

SECURITIES — INDICATORS

TABLE 14

Definition	31.12.2021.	31.12.2022	Variation %
Share of securities in the current assets:	90,68%	21,30%	-69,38%
Share of securities within the total assets	49,00%	11,12%	-37,88%

(data in %)

Source: OBA

Funds

The Fund includes in its cash and cash equivalents the amounts held in the current account of the MNB and in the accounts reserved for operating expenses and for compensation in the aftercare process, as necessary, the amounts held in securities settlement accounts and the cash held in the petty cash account, as follows.

The settlement deposit account at the end of the year was temporarily significantly higher than in the previous year due to the fact that the fourth quarter refunds and fourth quarter membership fees received from Sberbank "v.a." were not fixed, as the amounts were used to redeem the OBA 2027/A bond in January 2023 and the yields on the shortest maturity government bonds (non-fixing) were well compensated by the high interest rate paid by the MNB.

FUNDS ON 31.12.2022

TABLE 15

Cash and cash equivalents	Value on 31.12.2021	Value on 31.12.2022	Variation (2021=100) %
HUF cash register	100	262	262,00
Foreign currency cash register EUR	1	1	100,00
Settlement account (MNB)	514 780	75 736 290	14712,36
CIB Compensation account	-	-	N/A
OTP Compensation account	76	6	7,54
UniCredit operational accounts	74 123	75 751	102,20
Transfer accounts	-	-	N/A
KELER cash account	11	-	0,00
State Treasury cash account	-	-	N/A
Cash and cash equivalents total	589 091	75 812 310	12869,37

(data in th HUF)

Source: OBA

Active accruals

The Fund recognises in accrued income and prepaid expenses accrued interest on securities of E HUF 1 546 425, costs to be transferred to the Resolution Fund for the 4th quarter of 2022 (which the Fund recognises as income) of E HUF 7 872, a dues adjustment for 2022 realised in 2023, the late payment interest receivable for late payment of the 2022 membership fee paid in 2023, the operating costs for the year following the year in question, amounting to 40 713 th HUF, and the approved amount of the extraordinary contribution received from members in 2022 but not repaid until 2023 (29 496 859 th HUF).

DETAILS OF ACTIVE ACCRUALS

TABLE 16

Description	31.12.2021	31.12.2022
Deferred revenues	857 243	1 556 606
Pro rata deferred interest and return on government securities	848 478	1 546 425
Amount to be re-invoiced to the Resolution Fund (2022. Q4)	8 765	7 872
Membership fee adjustment for 2022	0	1 536
Interest for late payments for 2022 (after membership fee)	0	774
Deferred expenses	31 136	40 713
Céginformáció online	1 469	2 580
Membership fees	2 433	2 697
Liability insurance	3 719	3 531
Virtual software support	6 620	31 339
Rent	12 002	0
Digital signature encryption	684	422
Property insurance	55	83
Periodicals	87	44
Use of a postal franking machine	4 066	0
Tuition fee charged for next year	0	16
Accrual of expenses	0	29 496 859
Approved refund of extraordinary payments received from members	0	29 496 859
Grand total	39 901	31 094 179

(data: in th HUF)

Source: OBA

The impairment of Assets by balance sheet category for 2022 was as follows.

IMPAIRMENT MOVEMENT TABLE

TABLE 17

Definition	Amount				
	Financial investments	Fee receivables	Receivables in relation to the payment of deposits	Securities (liquid assets)	Other receivables
Opening balance	3 898 356	225	6 218 819	1 313 425	89 959
+ Accounted new impairment	257 581	-	-42	-	-
- Reclassifications (+/-)	485 388	-	-	-485 388	-
- Impairment written off	-	-	-	-84 101	-
- Impairment written back	-	-	1 006	-	-
Impairment change in current year	742 970	-	964	-569 490	-
Closing balance	4 641 326	225	6 219 783	743 936	89 959

(data: in th HUF)

Source: OBA

In the case of securities, a new impairment loss was recognised for Hungarian government bonds classified as non-current financial assets (257 581 th HUF), and the existing impairment of the securities was reclassified by maturity (485,388 th HUF). The previously recognised impairment loss on securities sold has been reversed (84 101 th HUF). Among the claims arising from the deposit payment, a new impairment of 42 th HUF was recognised for additional costs, 1 006 th HUF previously recognised impairment was reversed due to the additional compensation received from Jógazda Tak.Szöv. "f.a."

Equity

The subscribed capital consists of the entry fees paid by the member institutions. No institution joined the Fund in 2022. The result for the previous year has been transferred to the reserve at book value. The Fund does not apply fair valuation, has not accounted for value adjustments, and has not established a valuation reserve. In the current year, the change in equity was caused by the following items:

- transfer of the previous year's profit of 10,229 370 th HUF to the Reserve, and
- the result for the current year, which is 51,763 057 th HUF.

The Fund will transfer the profit generated in the current year to the Reserve in 2023.

COMPOSITION OF EQUITY

TABLE 18

Definition	31.12.2021	31.12.2022	Variation
Subscribed capital	948 582	948 582	0
Reserve	83 628 996	93 858 366	10 229 370
Valuation reserve	0	0	0
Profit/loss in the current year	10 229 370	51 763 057	41 533 687
Total	94 806 948	146 570 005	51 763 057

(data: in th HUF)

Source: OBA

EQUITY — RESERVE CALCULATION

TABLE 19

Legal titles	31.12.2021	31.12.2022
Reserve opening	72 398 268	83 628 996
Variating during the current year	11 230 728	10 229 370
Reserve closing	83 628 996	93 858 366

(data: in th HUF)

Source: OBA

PRESENTATION OF CHANGES IN EQUITY

TABLE 20

Capital item	Opening	Growth	Decrease	Transfers	Closing
Subscribed capital	948 582	-	-	-	948 582
Registered but unpaid capital*	-	-	-	-	-
Reserve	83 628 996	-	-	10 229 370	93 858 366
Profit reserve	-	-	-	-	-
Allocated reserve	-	-	-	-	-
Valuation reserve	-	-	-	-	-
Profit/loss in the current year	10 229 370	51 763 057	-	-10 229 370	51 763 057
Equity	94 806 948	51 763 057	-	-	146 570 005

(data: in th HUF)

Source: OBA

EQUITY INDICATORS

21. SZ. TÁBLÁZAT

Definition	2021	2022	Variation
	%	%	%
Capital ratio: (Equity/Balance sheet total)	98,10%	58,79%	-39,31%
Coverage of invested assets: (Equity/Invested assets)	217,70%	166,58%	-51,12%

(data: in %)

Source: OBA

The equity ratio to the balance sheet total decreased, the coverage of invested assets decreased compared to the previous year, but the OBA holds part of its liquid assets in securities among current assets.

Provisions

Certain costs invoiced by the lessor to OBA for the 2017 operation in relation to the rented office serving as the seat of OBA until June 2020 were disputed by OBA. In the course of the negotiations between the Fund and the lessor, no agreement was reached on the disputed cost, therefore, as a possible future expenditure, the Fund created a provision of 6,713 th HUF under expenses in 2018. The derecognition of the provision was not justified in 2022 either. The Fund issued a guarantee statement (Nightingale Transfer Agreement) in relation to the receivables sold in 2019, as the contract has been performed, the arrears have been paid by the buyer from the recoveries received from the liquidators on the receivables sold, the Fund does not recognise any quantifiable guarantee obligation for the value of the receivables sold, no provision has been made for it and it does not consider it justified in 2022. Due to the litigated claim against the (ceased) liquidator of the Heves és Vidéke Savings Cooperative, a total of 125,218 th HUF of provisions was formed against the annual result of the subject matter.

Long-term liabilities

The OBA does not show a maturity liability in 2022, similarly to 2021.

LONG-TERM LIABILITIES AT THE END OF THE YEAR

TABLE 22

Definition	Amount							Variation (base: 03.06.2015)		
Long-term liabilities	03.06.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	thousand HUF	%
Issued bonds – OBA2022/A	107 700 000	84 621 432	56 989 291	17 250 003	0	0	0	0	-107 700 000	-100,0

Source: OBA

(data: in the HUF and in %)

OBA issued bond (OBA Bond 2027/A) for the Sberbank "v.a." indemnification financial obligations in 2022, the liability of 69 375 000 th HUF as at 31.12.2022 arising from the bond was classified in its entirety as a current liability, as the decision to redeem the entire bond portfolio was already taken in 2022, the cover for the redemption was available at the end of 2022 and the redemption of the entire bond portfolio was completed in January 2023. The outstanding amount of the extraordinary payment received from the members (29 496 859 th HUF) to cover the financial liabilities related to the compensation of the depositors of Sberbank "v.a." has also been included in current liabilities, given that its full repayment had been decided by the OBA Board of Directors by the date of the balance sheet and was made in March 2023.

Rights and liabilities over 5 years

The OBA had no such obligation as of December 31, 2022.

Short-term liabilities

The Fund records the following items among current liabilities at the end of the year.

DETAILS OF SHORT-TERM LIABILITIES OF THE FUND

TABLE 23

Definition	31.12.2021	31.12.2022	Variation
Portion of bond issuance to be repaid within a year	0	69 375 000	69 375 000
Liability arising from extraordinary payments made by members	0	29 496 859	29 496 859
Debt to member institutions (membership fee)	211 130	25 519	-185 611
Compensation obligation towards depositors, not yet paid	1 366 434	1 222 445	-143 989
Debt to other credit institutions (Takarékbank)	598	480	-118
Domestic suppliers	36 340	106 908	70 568
Foreign suppliers	922	1 111	189
Amounts of state-guaranteed recoveries received but not yet transferred	0	6 215	6 215
Taxes, contributions	32 612	40 561	7 949
December benefits to employees	39 539	48 081	8 542
Debt to employees	104	0	-104
State bonds prices payable	137 015	0	-137 015
Total	1 824 590	100 323 179	98 498 588

Source: OBA

(data: in th HUF)

Among the current liabilities, the liability to members is 25 519 th HUF, resulting from an overpayment of 406 th HUF and 22 969 th HUF against NHB Bank "f.a." and Sberbank "v.a.", settled in 2023, based on a fee adjustment of 2 144 th HUF to another operating member institution.

Current liabilities include the liability of 69 375 000 th HUF arising from the OBA 2027/A bond outstanding at 31.12.2022 and the outstanding amount of the extraordinary contribution received from members (29 496 859 th HUF).

In previous years, the compensations not yet paid included only the amounts already received in financial terms, settled on the basis of creditor claims submitted to the liquidators and bank statements certifying the transfer (Reálbank "f.a.", Rákóczi Hitelszövetkezet "f.a."). From 2014, as proposed in the ÁSZ report, OBAs indemnity liabilities also include outstanding indemnity liabilities at the balance sheet date, irrespective of whether they have not yet been settled. Among the short-term liabilities we present 1 222 445 th HUF under this title, even if the liquidation procedure has already been completed (Reálbank "f.a.", Rákóczi Hitelszövetkezet "f.a.", Heves és Vidéke Takarékszövetkezet "f.a.", Általános Közlekedési Hitelszövetkezet "f.a.", Jógazda Tak. Szöv.)

The Fund has taken a short-term loan of 71 279 424 th HUF from the MNB to make compensation payments to the "Sberbank" depositors and has also entered into a collateral repo transaction, whereby the MNB has provided the Fund with a security cover of 80 720 576 th HUF.

The Fund fulfilled its repayment and interest payment obligations for both sources on deadline, during the year, using extraordinary payments and membership fees made by members and with the help of 75,000,000 th HUF realised by the issuance of the OBA 2027/A bond in June 2022. In addition, the Fund was able to meet its bond repayment obligations due from July 2022.

UNPAID DEPOSITS PER MEMBER INSTITUTION (OBA, EXCLUDING STATE GUARANTEE AMOUNTS)

TABLE 24

Definition HUF th	Compensation not yet paid 31.12.2021	Compensation not yet paid 31.12.2022	Variation
Rákóczi Hitelszövetkezet "f.a."	1 395	1 395	0
Reálbank "f.a."	76 659	76 659	0
Általános Közlekedési Hitelszövetkezet "f.a."	548	548	0
"Jógazda" Szövetkezeti Takarékpénztár "f.a."	80 720	80 720	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	11 634	11 634	0
Körmend és Vidéke Takarékszövetkezet "f.a."	45 673	45 672	-1
Orgovány és Vidéke Takarékszövetkezet "f.a."	128 820	128 175	-645
Alba Takarékszövetkezet "f.a."	16 771	16 712	-60
Széchenyi Hitelszövetkezet "f.a."	9 702	9 702	0
Széchenyi Kereskedelmi Bank "f.a."	26 364	26 364	0
Tisza Takarékszövetkezet "f.a."	10 242	10 242	0
BRB Buda Regionális Bank "f.a."	78 664	76 465	-2 199
DDB Dél-Dunántúli Takarékszövetkezet "f.a."	124 897	87 065	-37 832
DRB Dél-Dunántúli Regionális Bank "f.a."	121 563	121 387	-176
ÉRB Észak-Mo.-i Regionális Bank "f.a."	357 206	357 224	18
NHB Bank "f.a."	275 576	172 481	-103 095
Total	1 366 434	1 222 445	-143 988

Source: OBA

The OBA, through no fault of its own, cannot pay all items to customers in the initial phase of the indemnification events. In this way, the stock remaining with the OBA, i.e. the aftercare stock, constitutes an additional expected compensation obligation, which will be paid in the aftercare phase. In accordance with the legal requirements, the OBA declares such items as creditors' claims in each liquidation or liquidation procedure, thus forming part of the creditors' claim. The aftercare also affects depositors of credit institutions where liquidation proceedings have already been closed. In addition, the liquidation receivables sold also include the expected indemnity liability not yet paid, as it was part of the creditor claim, but the payment of the indemnity, regardless of the sale, remains the responsibility of the OBA, as soon as it becomes possible, and continues to be recognised as a liability. At the end of 2022, the expected indemnity obligation not yet paid by the OBA amounted to 1,222 445 th HUF, which is 143 988 th HUF below the amount one year earlier. The continued reduction of the aftercare stock is the all-time goal of OBA, so it has made significant efforts to do so in 2022 as well.

Deposits awaiting for payment

OBA PAYMENTS MADE FROM FROZEN DEPOSITS PER MEMBER INSTITUTION (EXCLUDING SGM PAYMENTS)

TABLE 25

Definition	Total frozen deposits	Payments made in the current year total
Heves és Vidéke Takarékszövetkezet "f.a." ceased	262 127	-
Iparbankház Zrt. Ceased **	25 040	-
Realbank Zrt. Ceased **	5 154 398	-
Rákóczi Hitelszövetkezet ceased **	292 184	-
Általános Közlekedési Hitelszövetkezet "f.a." ceased	3 185 249	-
Jógazda Szövetkezeti Takarékszövetkezet "f.a."	9 849 564	-
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	35 845 276	-
Körmend és Vidéke Takarékszövetkezet "f.a."	26 272 476	-
Tisza Takarékszövetkezet "f.a."	9 022 540	-
Széchenyi István Hitelszövetkezet "f.a."	8 951 695	-
Széchenyi Kereskedelmi Bank Zrt. "f.a."	19 867 233	-
ALBA Takarékszövetkezet "f.a." *	7 109 412	60
Orgovány és Vidéke Takarékszövetkezet "f.a." *	49 658 488	645
BRB Bank Zrt. "f.a."	23 794 714	2 217
DDB Bank Zrt. "f.a."	27 768 802	-
ÉRB Bank Zrt. "f.a."	45 584 237	-
DRB Bank Zrt. "f.a."	24 952 123	176
NHB Bank Zrt. "f.a."	12 400 216	18 612
Sberbank Zrt. "v.a."	332 615 794	139 441 659
Total	642 611 567	139 463 369

Note: The frozen stock also includes uninsured deposits, the reason for the change being: in the case of a decrease in the stock, the offsetting of deposits against loan repayments at the request of the liquidator, and in the case of an increase in the stock, the recording of deposits on the basis of a court judgment.
Source: OBA

In all cases, the amounts paid in the table reduce liabilities to depositors.

Compensation payments made between the balance sheet date and the date of preparation of the balance sheet are shown in the table below.

PAYMENTS BY MEMBER INSTITUTIONS BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARING THE BALANCE SHEET (PART COVERED BY OBA)

TABLE 26

"Name of the credit institution data in thousand HUF"	Compensation paid by OBA 01.01.2023-15.03.2023	Compensation paid by state guarantee 01.01.2023-15.03.2023
Sberbank Zrt. "v.a."	145	0
Total	145	0

Source: OBA

The ratio of liabilities to the balance sheet total increased compared to 2021. Liabilities at the end of the year are exclusively short-term, the liquidity ratio of the OBA has not changed.

LIABILITIES — INDICATORS

TABLE 27

Definition	31.12.2021 %	31.12.2022 %	Variation %
Liabilities ratio (Liabilities/Balance sheet total)	1,9%	40,2%	38,3%
Liquidity ratio (Current liabilities/Liabilities)	100,0%	100,0%	0,0%

(data: in %)

Forrás: OBA

Passive accruals

The Fund identifies among the passive accruals the expenditure which concerns the current period but has only been financially settled after the current period. Among the passive accruals, the Fund presents the membership fee charged for the year 2022, but financially settled only in the following year (1 536 th HUF), the interest payable on the OBA 2027/A bond (2 290 492 th HUF, the amount of the service invoiced in 2023 but charged in 2022 (4 820 th HUF) and the fee for the audit not yet settled (2 898 th HUF).

PASSIVE ACCRUAL ITEMS

TABLE 28

Definition	31.12.2021	31.12.2022
Membership fee corrections in 2022, related to year 2021	0	1 536
Proportional interest payable for the year 2022 on the OBA 2027/A bond	0	2 290 492
Year 2021 bonus paid in 2022, and its social contribution	8 588	0
Service fee from 2022 invoiced in 2023.	0	4 820
Accrued audit fees of 2022	2 667	2 898
Sum Total	11 255	2 299 746

(data in th HUF)

Source: OBA



5

EVOLUTION OF
PROPERTY, FINANCIAL
AND INCOME SITUATION

PROFIT ACCOUNTING BY ACTIVITY

Definition	Deposit insurance		Asset management		Operations		Total		Variation thousand HUF
	2021	2022	2021	2022	2021	2022	2021	2022	
1 Fee revenues from member institutions	13 535 617	99 943 159	0	0	0	0	13 535 617	99 943 159	86 407 542
2 Fee revenues from claims collected on behalf of the depositors	0	0	0	0	0	0	0	0	0
3 Fee revenue from pay-out of state guaranteed deposits	0	0	0	0	0	0	0	0	0
4 Other revenues from deposit insurance	575 796	5 732 908	0	0	0	0	575 796	5 732 908	5 157 112
I. Grand total of revenues from deposit insurance (01+02+03+04)	14 111 413	105 676 067	0	0	0	0	14 111 413	105 676 067	91 564 654
II. Other revenues	0	0	0	0	48 541	37 310	48 541	37 310	-11 231
III Revenues not from deposit insurance	0	0	0	0	0	0	0	0	0
IV Revenues from financial transactions	0	0	2 388 019	5 668 537	0	0	2 388 019	5 668 537	3 280 518
5 Expenditures related to payouts of frozen deposits	0	0	0	0	0	0	0	0	0
6 Expenditures related to claims collected on behalf of depositors	0	0	0	0	0	0	0	0	0
7 Expenditures related to payouts on state guaranteed deposits	0	0	0	0	0	0	0	0	0
8 Other expenditures related to deposit insurance	2 094	49 747 323	0	0	0	0	2 094	49 747 323	49 745 229
8.1 Amount of extraordinary payments received from member institutions and refunded in the current year	0	44 053 174	0	0	0	0	0	44 053 174	44 053 174
8.2 Other expenditures related to deposit insurance	2 094	5 694 149	0	0	0	0	2 094	5 694 149	5 692 055
V Expenditures related to deposit insurance (05+06+07+08)	2 094	49 747 323	0	0	0	0	2 094	49 747 323	49 745 229
VI Other expenses	0	0	0	0	11 535	125 992	11 535	125 992	114 457
VII Expenditures not related to deposit insurance	0	0	0	0	0	0	0	0	0
VIII Expenditures of financial transactions	0	0	5 548 386	8 592 315	0	0	5 548 386	8 592 315	3 043 929
9 Material expenses	0	0	0	0	245 975	508 938	245 975	508 938	262 963
10 Personal expenses	0	0	0	0	444 892	548 661	444 892	548 661	103 769
11 Depreciation	0	0	0	0	65 721	95 628	65 721	95 628	29 907
IX Operational expenses (09+10-11)	0	0	0	0	756 588	1 153 227	756 588	1 153 227	396 639
A Profit/loss of the current year (I+II+III+IV+V+VI+VII+VIII-IX)	14 109 319	55 928 744	-3 160 367	-2 923 778	-719 582	-1 241 909	10 229 370	51 763 057	41 533 687

Source: OBA

TABLE 29

(data: in th HUF)

DETAIL OF INCOME ARISING FROM DEPOSIT INSURANCE

In the income statement of the Fund, the fee income received from the member institutions is presented among the fee revenues accounted for by the member institutions. 100% of the fee revenue is payable and paid in HUF from Hungary. The amount of financially settled fees received is shown in Annex 1. In the current year, there was no increased fee income in addition to the above regular fees, however, an extraordinary payment of 73 550 033 th HUF was made, which is shown among the fee revenues accounted for against member institutions according to the Government Decree. Other deposit insurance revenues were 575,796 th HUF in the previous year and 5,732 908 th HUF in 2022, of which the derecognition income of the receivables due to the transfer of outstanding payments to the depositors of Sberbank "v.a." is 5,694 071 th HUF, reversal of impairment due to the additional recovery of Jógazda Tak. Szöv. "f.a." (ceased) is 1 006 th HUF, in the case of sold receivables, after their derecognition, an amount equal to the decrease in non-cash flows (decrease still expected payment obligation) in the range of still expected payment liabilities of 37 8321 th HUF. (In the case of sold receivables, the amount corresponding to the amount still to be paid has been removed from receivables but not from payables, so the change in the stock only changes the payables.)

OTHER REVENUES AMONG OPERATING INCOME

Other revenues (37 310 th HUF) show:

- the invoiced fee for the agreed tasks incurred by the OBA due to the performance of the operational tasks of the Resolution Fund, calculated excluding VAT, amounting to 35,419 th HUF for the 1st - 4th quarters,
- late interest received from credit institutions due to late transfer of quarterly fees (828 th HUF),
- tuition fees reimbursed by an outgoing worker (514 th HUF)
- proportional cafeteria reimbursement of the leaving employee (545 th.HUF)
- as well as 4 th HUF rounding revenue.

DEPOSIT INSURANCE AND OTHER EXPENSES, OPERATING EXPENSES

EVOLUTION OF EXPENSES AND OPERATING COSTS

Definition	2021	2022	Variation	
			thousand HUF	%
Expenditures related to deposit insurance	2 094	49 747 323	49 745 229	2375607,88%
- expenses related to other deposit insurance	2 094	49 747 323	49 745 229	2375607,88%
Expenditures not related to deposit insurance	0	0	0	0,00%
Other expenditure	11 535	125 992	114 457	992,26%
Expenses by expense type	756 588	1 153 226	396 638	52,42%
- material type	245 975	508 937	262 962	106,91%
= material expenses	5 591	9 710	4 119	73,67%
= used material type services	233 034	300 211	67 177	28,83%
= other services	7 350	199 017	191 667	2607,71%
- personnel-type	444 892	548 661	103 769	23,32%
- depreciation	65 721	95 628	29 907	45,51%
Total	770 217	51 026 541	50 256 324	6524,96%

Source: OBA

TABLE 30

(data: in th HUF and in %)

Among the deposit insurance expenses, the Fund accounted for:

- impairment of claims (payments and ancillary costs) arising from compensation (42 th HUF),
- the amounts financially paid to the members for the repayment of the extraordinary payment (44 053 174 th HUF),
- an increase in the amount of still expected payment liabilities (36 th HUF, if no payment is included, no new debt is filed),
- the amount of derecognition of the liability due to the transfer of still expected amounts of payments transferred to the liquidator in the winding up of Sberbank 'v.a.' (5 694 071 th HUF)

The operating cost in 2022 (**1 523 227 th HUF**) is higher by 396 638 th HUF, than in the previous year, due to bond issuance costs, consultancy costs related to system development and legal procedures, as well as the increase in the price of services and the depreciation of new investments in 2021 and 2022.

The evolution of the operating costs and the justification of the main figures of the execution are presented in the description of the OBA's budget for 2022.

DETAILS OF SERVICES USED

Definition	2021	2022	Variation		2022 breakdown
			thousand HUF	%	%
Total other services	106 700	115 048	8 348	7,8%	38,3%
= transportation, loading and warehousing	16	264	248	1524,7%	0,1%
= lease fees, operational fees	65 422	76 002	10 580	16,2%	25,3%
= maintenance expenses	3 151	5 382	2 232	70,8%	1,8%
= postal, telecommunications services	5 000	5 859	860	17,2%	2,0%
= education and further training	3 273	1 366	-1907	-58,3%	0,5%
= news monitoring, communication expenses, hosting	10 628	2 064	-8 564	-80,6%	0,7%
= expenses of business trips and delegation	360	4 231	3 870	1074,8%	1,4%
= membership fee	18 850	19 880	1 029	5,5%	6,6%
Total specialist services	126 334	185 163	58 829	46,6%	61,7%
= translation	191	177	-14	-7,1%	0,1%
= other advisory fees	31 939	54 539	22 601	70,8%	18,2%
= program expert fee, program update fees	20 564	19 390	-1175	-5,7%	6,5%
= information technology security control	16 842	27 304	10 462	62,1%	9,1%
= fee of operation of the payment system	14 859	14 859	0	0,0%	4,9%
= legal service fee	26 579	41 172	14 593	54,9%	13,7%
= audit fee	3 810	4 140	330	8,7%	1,4%
= bookkeeping fee, other administration services	8 903	11 935	3 031	34,0%	4,0%
= document storage	1 233	541	-693	-56,2%	0,2%
= photocopying	77	128	51	66,4%	0,0%
= job advertisement, recruitment	432	1 953	1 522	352,4%	0,7%
= supply services of personnel	696	8 757	8 061	1158,1%	2,9%
= other not listed services used	209	268	59	28,3%	0,1%
Total	233 034	300 211	67 177	29%	100,0%

Source: OBA

TABLE 31

(data: in th HUF and in %)

PRESENTATION OF OTHER SERVICES

Definition	2021	2022	Variation		2022 breakdown %
			thousand HUF	%	
Costs of issue of OBA 2027/A bonds	0	189 320	189 320	N/A	95,1
Bond issuance-Underwriting fee	0	150 000	150 000	N/A	75,4
Bond issuance-Distribution fee	0	30 000	30 000	N/A	15,1
Bond issuance-Legal fees	0	8 740	8 740	N/A	4,4
Fees related to bond redemption	0	581	581	N/A	0,3
Insurance premium	5 742	7 098	1 356	23,6	3,6
Bank expenses	1 588	2 573	986	62,1	1,3
Regulatory fees	20	25	5	25,1	0,0
Total	7 350	199 017	2 345	-31,9	100,0

Source: OBA

TABLE 32

(data: in th HUF and in %)



The OBA accounts for and records the costs related to the indemnification payments, which are specified in the law, as a claim against the member institutions and then enforces it against the credit institution in liquidation or winding-up when the creditor claims it.

These expenses incurred are not recognised as expenses and are not included in the profit and loss statement of the OBA as expenses arising from deposit insurance, but reduce the current year's profit as an expense when the impairment is recognised, provided that they are not re-invoiced costs.

DETAILS OF OTHER EXPENSES

Definition	2021	2022	Variation		2022 breakdown
			thousand HUF	%	
Other expenditure					
Support given	250	550	300	120,0	0,4
Late payment interest, compensation, self-assessment penalty, and liquidated damages	16	211	195	1 221,4	0,2
Fixed assets written off	156	0	-156	-100,0	-
Rounding differences	3	1	-2	-82,9	0,0
Depreciation on irredeemable Receivables	11 096	0	-11 096	-100,0	-
Provisions	-	125 218	125 218	N/A	99,4
Other expense	14	12	-2	-14,2	0,0
Total	11 535	125 992	114 457	992,3	100,0

Source: OBA

TABLE 33

(data: in th HUF and in %)

Among other expenses, the Fund accounted for:

- the amount of 550 th HUF final support granted on the basis of decisions of the Board of Directors,
- the amount of the compensation paid to the employee (175 th HUF for calling due to compensation,
- 37 th HUF late interest and self-control supplement,
- a provision of 125 218 th HUF due to litigation, a rounding difference of 1 th HUF and other expenses of 12 th HUF.

RESULT OF FINANCIAL OPERATIONS

Includes:

- financial revenues,
- financial expenses.

Assessment — accounting principles and methods:

- basis of the record: the book value
- fair value measurement has not been applied.

Structure of stocks supported by analytical accounts According to Table 34.

PRESENTATION OF THE FINANCIAL RESULT

Definition	31.12.2021.	31.12.2022.	Variation	
			thousand HUF	%
Financial revenues				
Interest received	7 664	2 357 339	2 349 675	30658,6
Revenues from financial transactions	2 380 355	3 311 198	930 843	39,1
- exchange rate gain on FX stocks	71	824	753	1060,8
- gain on Hungarian government securities	2 380 284	3 310 374	930 090	39,1
= gain on Hungarian government bonds	22 556	31	-22 525	-99,9
= interest gain on Hungarian government bonds	2 332 106	2 634 893	302 787	13,0
= gain on discount treasury bills	25 622	675 450	649 828	2536,2
Total:	2 388 019	5 668 537	3 280 518	137,4

Definition	31.12.2021.	31.12.2022.	Variation	
			thousand HUF	%
Financial expenses				
Interest paid, interest-type expenses - loans	0	1 572 100	1 572 100	N/A
Interest paid, interest-type expenses (OBA2027/A bond)	0	5 527 433	5 527 433	N/A
Expenditures of financial transactions	5 536 408	1 482 754	-4 053 654	-73,2
Exchange rate loss on FX stock	259	1 968	1 709	660,0
Loss on Hungarian government securities	5 536 149	1 480 786	-4 055 363	-73,3
= loss on Hungarian government bond	324 184	1 222 788	898 604	277,2
= loss on discount treasury bills	184	417	233	126,9
= loss on Hungarian government bond CMAX portfolio	1 313 425	0	-1 313 425	-100,0
= loss on Hungarian government bonds Individual Portfolio	3 898 356	257 581	-3 640 774	-93,4
Other financial expenses	11 978	10 028	-1 950	-16,3
Total:	5 548 386	8 592 315	3 043 929	54,9
Balance (financial result)	-3 160 367	-2 923 778	236 589	-7,5

Source: OBA

TABLE 34

(data: in th HUF and in %)

The interest received on bank account money and Sberbank "v.a." interest received on the amounts of MNB loans (credit and repo loans) held in the margin account to cover the indemnification of depositors." Foreign exchange rate differences are the differences between the suppliers' registration price in foreign currency (MNB exchange rate) and the bank exchange rate at the time of payment.

The gains and losses on government securities are realised, and interest includes interest paid at the time of purchase (reducing), interest received and accrued interest not yet realised but accruing (increasing).

Within the financial expenses, the largest item is the interest paid on MNB loans, repo loans and bonds issued to cover the indemnities (7 099,533 th HUF). Other financial expenses include portfolio and custodian fees and KELER fees. **The result of financial income and expenses less impairment is a loss of 2,923,778 th HUF.**

STAFF AND WAGE MANAGEMENT

The average number of OBA staff in 2022 exceeded the level of 2021 (21.6 people).

EVOLUTION OF THE AVERAGE STATISTICAL HEADCOUNT

Persons	2021	2022
Physical workers	0	0
Non-physical workers	18,4	21,6

Source: OBA

TABLE 35

(data: in person)

DEVELOPMENT OF AVERAGE MONTHLY GROSS INCOME

Definition	2021	2022
Average wages of non-physical workers	1 104 234	1 106 764
Average bonus of non-physical workers	216 345	339 506
Total average income	1 320 579	1 446 270

Source: OBA

TABLE 36

(data: HUF/person/month)

The OBA granted cafeteria benefits to employees based on its internal regulations. The number of employees of the working organization decreased by about 25% in 2020, and the social contribution tax rate also decreased and the amount of cafeteria was partly incorporated into the basic wage, so staff benefits, including incentive benefits, were greatly reduced. In 2021, average income declined due to the combined effects of fluctuation and individual wage settlement, and then slightly increased in 2022.

PERSONNEL EXPENSES (EXCLUDING WAGES)

Definition	2021	2022	Variation
- incentive	14 753	11 357	-3 396
- social	0	1 700	1 700
- refund of expenses	773	1 265	492
- honorary fees	76 091	90 971	14 879
- sick leave	1 436	2 780	1 345
- assignment fee	0	44	44
- entertainment costs	437	3 305	2 868
Work protection	343	245	-98
Total personnel-type payments	93 833	111 667	17 834
Social contribution tax	57 510	62 293	4 783
- corporate, PIT, health contribution	1 727	1 961	234
Total tax and contributions	59 237	64 254	5 017
Grand total	153 070	175 921	22 852

Source: OBA

TABLE 37

(data: in th HUF)

Among the staff expenses, the increase in the honorary fee of the board of directors followed an increase in the minimum wage. Among other social benefits, 1700 th HUF overhead support was paid in a differentiated manner (wage-type allowance). Expenditure on occupational health and safety includes the value of the allowance for safety glasses. (The maximum amount of the eyeglass allowance can be granted is specified in the OBA's respective Benefit Policy, the allowance can be given every 2 years, therefore its volume may vary annually depending on the date of previous applications, the number of employees and the new needs.) Representation spending increased due to the more favourable development of the pandemic situation.

PRESENTATION OF THE SECURITIES PORTFOLIO AND EVALUATION OF THE WORK OF THE TRUSTEES

The Fund invested its assets in Hungarian government securities and discount treasury bills, of which it formed two sub-portfolios. Some of the government securities were held in the CMAX Portfolio following the composition of the CMAX index, to which it used the assistance of ÁKK as a portfolio manager and KELER as custodian. Following the amendment of its Investment Regulations on 19 February 2019, the Fund purchases the other part of the government securities for holding until maturity, which are recorded in a securities account held with the Hungarian State Treasury (Customized Portfolio). The contract with ÁKK was terminated by mutual agreement on 30 November 2022, and on 3 November 2022 the amount deposited in the CMAX index-following portfolio was transferred to the Customized Portfolio of the Hungarian State Treasury, in accordance with the composition of the CMAX index as of 28 October 2022.

The Fund records government securities in the books at the purchase price less interest in the purchase price, adjusted for impairment. At the end of the year, the portfolio stock was not rebound. There was no investment in foreign government securities in the current year. The Fund does not apply fair valuation, it records government securities in the books at the purchase price less impairment.

CHANGE IN BOOK VALUE OF SECURITIES HOLDINGS

Date	Portfolio	Securities	Total	Breakdown
Opening (01.01.2022)	CMAX Portfolio	Fix interest bond	29 823 382	98,5%
		Discount Treasury bill	461 834	1,5%
		Total	30 285 216	100,0%
	Unique Portfolio	Fix interest bond	57 792 634	95,8%
		Discount Treasury bill	2 539 310	4,2%
		Total	60 331 944	100,0%
Total Portfolio	Fix interest bond	87 616 017	96,7%	
	Discount Treasury bill	3 001 144	3,3%	
	Total	90 617 160	100,0%	
Closing (31.12.2022)	CMAX Portfolio	Fix interest bond	0	N/A
		Discount Treasury bill	0	N/A
		Total	0	N/A
	Unique Portfolio	Fix interest bond	94 683 771	82,1%
		Discount Treasury bill	20 603 110	17,9%
		Total	115 286 882	100,0%
Total Portfolio	Fix interest bond	94 683 771	82,1%	
	Discount Treasury bill	20 603 110	17,9%	
	Total	115 286 882	100,0%	

Source: ÁKK, OBA

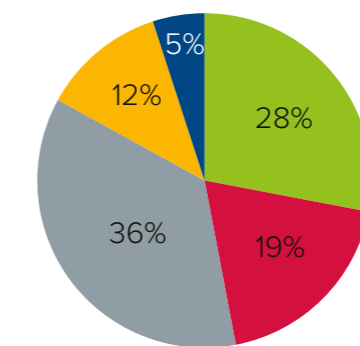
TABLE 38

(data: in th HUF, in %)

The gross market value of OBA's total government securities portfolio was⁵ 98,940 097 th HUF as of 31 December 2022, the entirety of which was held in the Customized Portfolio. The maturity distribution of the total portfolio is shown in the following figure (based on gross market value). Papers with residual maturity between 2 and 5 years accounted for the largest share in the Customized Portfolio. The share of government securities with residual maturity over 10 years was 5%. Among the securities within the year, discount treasury bills predominated.

MATURITY BREAKDOWN OF THE CUSTOMIZED PORTFOLIO BY GROSS MARKET VALUE AS AT 31 DECEMBER 2022

Unique Portfolio 31.12.2022.



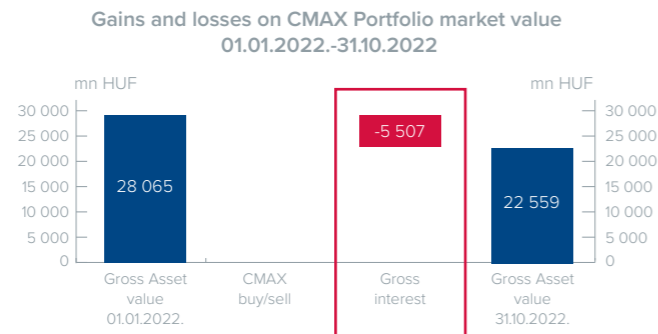
■ Under 1 year ■ 1-2 years ■ 2-5 years ■ 5-10 years ■ Over 10 years

Source: ÁKK, OBA

FIGURE 11

⁵ In case of CMAX Portfolio, BAMOSZ valuation, in case of Customized Portfolio based on the gross purchase price published by MÁK.

PERFORMANCE OF THE CMAX PORTFOLIO UNTIL 31 OCTOBER 2022



Note: gross asset value based on BAMOSZ valuation
Source: ÁKK, OBA

FIGURE 12

In 2022, the market value of the **CMAX Portfolio** declined in line with the CMAX Index reaching a historic negative peak in early September 2022. The CMAX Portfolio generated a loss of 5,507 th HUF from 1st January to the end of October, but this is not a realised exchange loss. The CMAX Portfolio incurred fees of 5 316 th HUF for portfolio management and 4 712 th HUF for custody until November 2022.

COSTS RELATED TO CMAX PORTFOLIO 2022

Fee and commission	Cost	Ratio to average gross Asset value
ÁKK portfolio management fee	5 316	0,02%
KELER depository fee	383	0,00%
KELER other fees and commissions	4 329	0,02%
Total	10 028	0,04%

Source: OBA

TABLE 39

The **Customized Portfolio**, comprising the existing securities assets at the balance sheet date, also includes the **CMAX portfolio** transferred on 03.11.2022. Its gross market return in relation to the gross cost of the portfolio and calculated with the exchange rates as of 31.12.2022 is negative, (-) 22,603 M HUF. The amount is the exchange loss of the Customized Portfolio, including the securities of the CMAX portfolio, calculated on the basis of year-end rates, but which is not realised loss. This is partly due to the loss-like difference between the cost and year-end rates, and partly from the type and life cycle of the securities, as the gross return on the paper becomes positive as close to maturity. Losses arising from changes in the price of government bonds are recognised by the Fund on an ongoing basis (annually) by way of impairment if they exceed 10% of the book value of the security, up to the nominal value of the security (which is recovered at maturity). Returns and interest received and due (earned) pro rata temporis are shown by the Fund among the revenues. The earned (due), accrued interest and yield of government securities at the end of the year was 1,546 M HUF.

There are no fees associated with the Customized Portfolio, except for the transfer to the investment (deposit) and the withdrawal (bank charges and the MÁK transaction costs), and there is no fee for maintaining the MÁK securities account.

SUMMARY ASSESSMENT OF THE EVOLUTION OF THE RESULT

The main components of the change in the result are presented in the following table.

COMPONENTS OF THE RESULT

Definition	31.12.2021	31.12.2022	Variation thousand HUF	Variation %
Revenues from deposit insurance	14 111 413	105 676 067	91 564 654	748,9%
Normal fee income	13 535 617	26 393 125	12 857 508	195,0%
Extraordinary payment	0	73 550 033	73 550 033	N/A
Expected payment of transferred (written off) liability	0	5 694 071	5 694 071	N/A
Reversal of impairment on claims arising from deposit insurance	5 442	1 006	-4 436	18,5%
Revenue from expected changes in remaining balances.	570 354	37 832	-532 522	6,6%
Revenues not from deposit insurance	0	0	0	N/A
Other revenues	48 541	37 310	-11 231	76,9%
Revenues from financial transactions	2 388 019	5 668 537	3 280 518	237,4%
Total revenues	16 547 973	111 381 914	186 398 595	673,1%
Expenditures related to deposit insurance	2 094	49 747 323	49 745 229	2375707,9%
Expenditures not related to deposit insurance	0	0	0	N/A
Other expenses	11 535	125 992	114 457	1092,3%
Expenditures of financial transactions	5 548 386	8 592 315	3 043 929	154,9%
Total expenditure	5 562 015	58 465 630	52 903 615	1051,2%
Operating expenses	756 588	1 153 227	396 639	152,4%
Total expenses and operational costs	6 318 603	59 618 857	53 300 254	943,5%
Profit/loss of the current year	10 229 370	51 763 057	133 098 341	506,0%

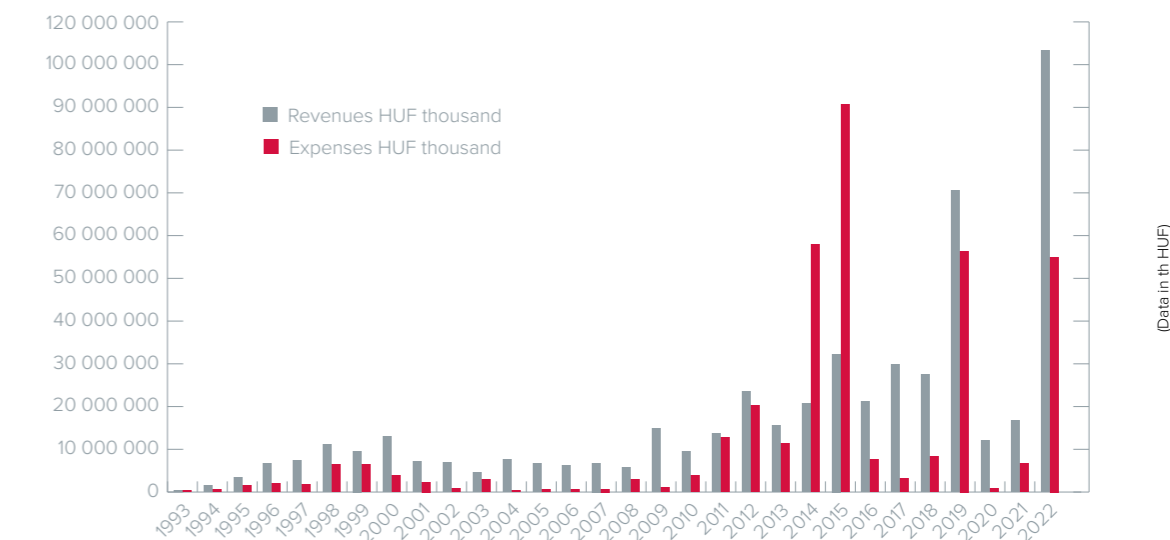
Source: OBA

TABLE 40

The result for the current year is **51,763 057 th HUF**. In 2022, membership fee revenues were higher compared to the previous year (195%). Deposit guarantee receipts include extraordinary payments and transfers of stocks (derecognised liabilities) which did not occur in previous years. Income from deposit insurance and operating costs have also increased. The result of financial operations improved, despite the payment of interest on bonds and loans. Impairment losses on securities were recognised in previous years close to their nominal value, so the new impairment losses were lower.

The following graphs show the evolution of income and expenses, as well as equity and profit, from the formation of the OBA in 1993 until 2022.

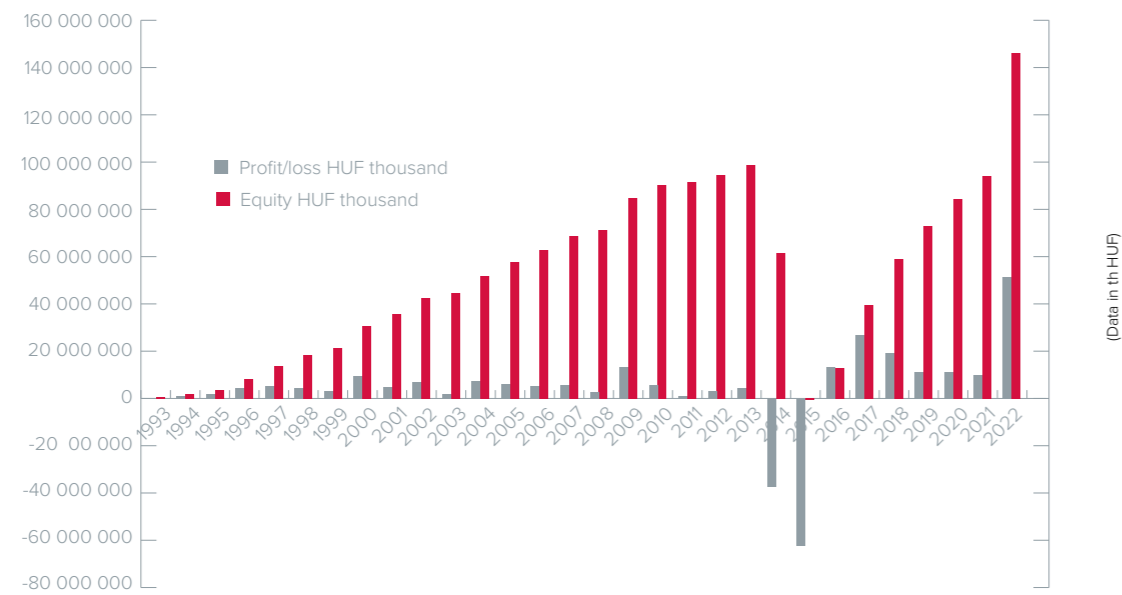
EVOLUTION OF INCOME AND EXPENSES OF THE OBA IN 1993-2022



Source: OBA

FIGURE 14

EVOLUTION OF EQUITY AND PROFIT (S) BETWEEN 1993 AND 2022



Note: the 2015 profit is adjusted, the self-revision item and the adjustment items are also reflected in equity for 2016.
Source: OBA

FIGURE 15

Equity cumulatively includes the results of previous years and include the earnings for the current year.

The positive and negative deviations (fluctuations) of earnings from 1998 until 2004 are justified by the evolution of the prospects for the recovery of the claim against the 'f.a.' (discontinued) of Realbank Rt. from liquidation and, in subsequent years, mainly by changes in government securities market yields

In 2010, the decline occurred because of the payments for compensation due to the depositors of the General Transport Credit Union "f.a." (terminated), in 2011, the result was affected by the indemnities paid due to the withdrawal of the licence of the "Jógazda" Cooperative Savings Bank, and in 2012, the result was reduced by the indemnities paid due to the liquidation of the Soltvadkert and Vidéke Savings Bank. There were no withdrawal of licence in 2013, but the yield on government securities was significantly lower than in 2012.

In 2014, more significant indemnification payments were made following the revocation of the licences of 6 credit institutions by the Supervisory Authority and the impairment accounted for reduced equity by more than 57 billion HUF and revenues increased it by HUF 20 billion HUF. In 2015, the series of events of the previous year continued, the depositors of another 4 member institutions were compensated in the amount of nearly 106 billion HUF, which was covered by the OBA through the issuance of bonds. On the basis of the liquidators' estimates, some 88 billion HUF, plus the HUF 3.7 billion adjustment item for impairment, was recognised as an expense.

During the aftercare of the depositors of credit institutions, payments were made in the order of one hundred million forints between 2016 and 2020 for 11 former member institutions, and several tens of billions of forints in return were received from the liquidation proceedings. In 2017 and 2018, based on the liquidator estimates, a significant impairment correction was made, which increased the accounting profit by about 16.5 billion HUF.

A new event in 2019 was the sale of 11 liquidation claims, the result of which increased the profit for the current year, as well as the compensation of depositors of NHB Bank. In 2019, the result of income and expenditure increased equity by 14,181 178 th HUF. The years 2020-2021 were a period of balanced management and property growth, while in 2022 payments were made in connection with the compensation of depositors of Sberbank "v.a.", which was financed by the OBA not by the resolution of securities with high losses, managed not by liquidating the securities with high losses, but by taking a short-term (3-month) MNB loan, entering into a 3-month MNB repo, then making a special payment and issuing a bond. At the same time, the high volume of earnings and capital of the subject matter is contributed by the fact that according to the Government Decree, the unrepaid amount (about HUF 23 billion) due to the members of the extraordinary payment (about HUF 23 billion) will only be recorded as an expense in 2023.





6

EXPLANATIONS FOR MORE SUBSTANTIAL DIFFERENCES BETWEEN THE 2022 BUDGET PLAN AND FACT FIGURES

However, the high volume of profit and capital for the year under review is also due to the fact that, under the Government Decree, the amount of the extraordinary payment due to members and not yet reimbursed (about 23 billion HUF) will be recognised as an expense by the Fund only in 2023.

In the period January-December 2022, as the difference between income and expenses, the profit for the current year was 51,763,057 th HUF, substantially exceeding the planned figure. The main reasons for this are the following.

- In the plan, the payment of the extraordinary payment obligation of 77 550 033 th HUF and its repayment in part or in full are not included in the income and expenses.
- At the time of the approval of the revised budget, the agreement with Sberbank "v.a." was still in force, on the basis of which we counted on the waiver of 23,223 957 th HUF between expenses.
- In the actual data, both on the income and expenditure side, a surplus of 5 694 071 th HUF was realised, which was attributable to Sberbank "v.a." in the liquidation of Sberbank, the amount of the still expected payment stock legally transferred to the liquidator, and was removed from both receivables and payables.

Regular membership fees for 2022 were paid pro rata temporis. The dues for 2022 have been fully collected, with corrections (due to Sberbank's reduction and the change in deposits of 3 member institutions in Q4), the planned amount is 26 353 706 th HUF, the actual amount is 26 393 125 th HUF (100.1%).

Expenditures (expenses and costs) were about 81.0% above plan in 2022. This is mainly due to the changes on the profit and loss side in the accounting for the payment and repayment of the extraordinary liability and the transfer of the expected stock: on the revenue side, the extraordinary liability is shown at the time of imposition in the amount of 73 550 033 th HUF, on the expense side, the amount of the extraordinary liability actually repaid in 2022 in the amount of 44 053 174 th HUF, and the value of the expected stock on both sides in the same amount. (The approximately 29 billion HUF remaining from the extraordinary payment was repaid in March 2023, which will reduce the result for 2023.)

In the period Q1-Q4 in 2022, revenues were met at 353.1% compared to the plan, including impairment and expenses at 181.0%, and operating expenses at 99.8%.

The revenue from financial operations (5 668 537 th HUF) is met at 110.2% of the forecast. Interest income and exchange gains were attained pro rata temporis above planned.

The total actual expenditure on impairment is 59 618 857 th HUF, which is 181.0 % of the planned, budgeted pro rata temporis. Within this, financial expenses amounted to 8,592,315 th HUF (100.3%), other expenses amounted to 125,993 th HUF, and total operating expenses amounted to 1 153 226 th HUF (99.8%). Among other expenses, we have created a new provision of 125,218 th HUF for litigation claims.

The approved operating budget for 2022 is 1,154,994 th HUF and includes:

- annual material expenses in the amount of 517 651 th HUF
- annual personal expenses in the amount of 549 165 th HUF
- annual depreciation in the amount of 88,178 th HUF.

The evolution of factual costs for operating expenses is 99,8% of the planned pro rata temporis

Generally speaking, operating costs have evolved as planned or below. At the time of the amendment of the budget for 2022, the facts were largely known in terms of operating costs, therefore the fulfilment is around 100%, only in the case of depreciation there is an increase above the plan of 8,4% (7,4 M HUF).

Within the other revenue category, costs passed on to the Resolution Fund were at 84.4% pro rata temporis due to fewer hours worked. In total, other expenses amounted to 125,993 th HUF, of which the most significant item is the 124 M HUF provision in the Heves/Concordat case. Financial revenues were 10.2% above the projected amount pro rata temporis (due to higher account interest rates and government bond interest rates). Total financial expenses were as planned (100.3%). Financial result — 2,923 778 th HUF.

FULFILMENT OF INVESTMENTS IN 2022

Definition	Amount HUF th		Complete %
	2022 Budget	2022 Actual	
Payout system investments	246 000	71 703	29,1%
New office investments	6 200	163	2,6%
Office furniture	4 000	4 387	109,7%
IT and other investments	294 710	171 422	58,2%
Small value asset procurements	4 250	3 865	90,9%
Total investments and fixed asset procurements	555 160	251 560	45,3%

Source: OBA

TABLE 41

(data: in th HUF, in %)

The most significant KIR3+ project of the Indemnity Scheme (EMS) investments will be completed in the first half of 2023. New office investments and furniture purchases were delivered in October 2022. The new ERP purchase (Navision version change / search for a successor program) was rescheduled to 2023, therefore no expenditure was incurred on this line in 2022, the ERA development on the OBA side required only 9,3% of the planned amount, and in the case of the server purchase only 87,1% of the planned amount was used (a significant saving of nearly 4.5 million HUF was achieved in the tender), and the general development reserve (5 million HUF) was not used.



EVOLUTION OF THE OPERATING AND FINANCIAL INCOME AND EXPENSES OF THE NATIONAL DEPOSIT INSURANCE FUND FOR 2022

(1st January, 2022 — 31st December 2022)

Definition	2022. BUDGET	2022. ACTUAL
Fee revenues from member institutions	26 353 706	26 393 125
Other revenues from deposit insurance	0	79 282 942
Income from deposit insurance total	26 353 706	105 676 067
Expenditure transferred to Resolution Fund	41 945	35 418
Other income	1 884	1 891
Other income	43 829	37 309
Financial income	5 143 873	5 668 537
TOTAL INCOME	31 541 408	111 381 913
Expenditure from deposit insurance total	0	49 747 323
Other expenses total	23 224 725	125 993
Financial expenditures total	8 564 528	8 592 315
TOTAL EXPENDITURES	31 789 253	58 465 631
Material costs total	10 550	9 710
Services rendered total	309 034	300 211
Other services total costs	198 067	199 017
Service costs	507 101	499 228
Material-type expenditures total	517 651	508 938
Payroll costs	373 648	374 439
Total personal-type payments	110 879	109 967
Social contribution tax - NDIF	62 525	62 293
Corporate PIT - NDIF	2 113	1 961
Total tax and contributions	64 638	64 254
Personnel expenses total	549 165	548 660
Planned depreciation	84 186	91 774
Depreciation at use in one amount	3 992	3 854
Total depreciation	88 178	95 628
OPERATIONAL COSTS TOTAL	1 154 994	1 153 226
COSTS AND EXPENDITURES TOTAL	32 944 247	59 618 857
PROFIT/LOSS OF CURRENT YEAR	-1 402 839	51 763 056

Source: OBA

TABLE 42

(data: in th HUF and in %)



7

BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT,
CASH FLOW

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

National Deposit Insurance Fund				
BALANCE SHEET Version 'A' ASSETS				
number		Denomination / thousand Ft	Base year 31.12.2021	Current year 31.12.2022
1	A	FIXED ASSETS	43 540 296	87 985 438
2	I.	INTANGIBLE ASSETS	124 938	158 349
3	I.1	Capitalised value of foundation-restructuring	0	0
4	I.2	Rights and titles	25 819	76 351
5	I.3	Intellectual property	99 119	81 998
6	I.4	Advances on intangible assets	0	0
7	I.5	Value adjustment of intangible assets	0	0
8	II.	TANGIBLE FIXED ASSETS	138 200	260 720
9	II.1	Real estate and related rights and titles	48 339	39 842
10	II.2	Equipment, fittings and vehicles	88 845	168 311
11	II.3	Capital investments	1 016	52 567
12	II.4	Advances for assets in construction	0	0
13	II.5	Adjustment in tangible fixed assets	0	0
14	III.	FINANCIAL INVESTMENTS	43 277 158	87 566 369
15	B	CURRENT ASSETS	52 220 831	130 245 244
16	I	INVENTORIES	0	0
17	I.1	Materials	0	0
18	I.2	Commercial goods	0	0
19	I.3	Mediated services	0	0
20	I.4	Advances on inventories	0	0
21	II.	RECEIVABLES	4 277 727	26 696 010
22	II.1	Receivables from member institutions	3 835 391	26 494 384
23	II.1.a	Fee receivables	38	0
24	II.1.b	Receivables assigned to the Fund	3 835 353	26 494 384
25	II.1.c	Fees on recourse commitments	0	0
26	II.1.d	Other receivables from member institutions	0	0
27	II.2	Other receivables from credit institutions	1 884	1 925
28	II.3	Receivables from depositors	0	0
29	II.4	Receivables from the state	0	0
30	II.5	Other receivables	440 452	199 701
31	III.	SECURITIES	47 354 013	27 736 924
32	III.1	Government securities	47 354 013	27 736 924
33	III.2	Other securities	0	0
34	IV.	CASH AND EQUIVALENTS	589 091	75 812 310
35	IV.1	Cash and cheques	101	263
36	IV.2	Bank deposits	588 990	75 812 047
37	C	PREPAYMENTS AND DEFERRED EXPENDITURES	88 837	31 094 179
38		TOTAL ASSETS	96 649 506	249 324 861

(date: in th HUF)

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

National Deposit Insurance Fund				
BALANCE SHEET Version 'A' LIABILITIES				
number	Denomination / thousand Ft	Base year 31.12.2021	Current year 31.12.2022	
39	D. EQUITY	94 806 948	146 570 005	
40	I. SUBSCRIBED CAPITAL	948 582	948 582	
41	II. RESERVES	83 628 996	93 858 366	
42	III. VALUATION RESERVE	0	0	
43	IV. PROFIT/LOSS OF THE CURRENT YEAR	10 229 370	51 763 057	
44	E. PROVISIONS	6 713	131 931	
45	F. LIABILITIES	1 824 590	100 323 179	
46	I. LONG-TERM LIABILITIES	0	0	
47	II. SHORT-TERM LIABILITIES	1 824 590	100 323 179	
48	II.1 Liabilities to member institutions	211 130	29 522 378	
49	II.2 Short-term credits	0	0	
50	II.3 Liabilities to member institutions	0	0	
51	II.4 Liabilities to the state	0	6 215	
52	II.5 Other short-term liabilities	1 613 460	70 794 586	
53	G. ACCRUALS AND DEFERRED INCOME	11 255	2 299 746	
54	TOTAL LIABILITIES	96 649 506	249 324 861	

(data: in th HUF)

National Deposit Insurance Fund				
INCOME STATEMENT TOTAL COST 'A'				
number	Denomination / thousand Ft	Base year 2021	Current year 2022	
1	1 Fee income recognized against member institutions	13 535 617	99 943 159	
2	2 Fee and commission income from receivables collected on behalf of depositors	0	0	
3	3 Commission income after payment of state guaranteed deposits	0	0	
4	4 Other deposit insurance income	575 796	5 732 908	
5	I. Income from deposit insurance (0+1+2+3+4)	14 111 413	105 676 067	
6	II. Other incomes	48 541	37 310	
7	III. Non - deposit insurance income	0	0	
8	IV. Revenue from financial operations	2 388 019	5 668 537	
9	5 Expenditure on the payment of frozen deposits	0	0	
10	6 Expenditure on receivables collected on behalf of depositors	0	0	
11	7 Expenditure incurred in connection with the payment of state - guaranteed deposits	0	0	
12	8 Other deposit insurance expenses	2 094	49 747 323	
13	8.1 Extraordinary payments received from the member institutions that were refunded in the current year	0	44 053 174	
14	8.2 Other deposit insurance expenses	2 094	5 694 149	
15	V. Expenditure on deposit insurance (05+06+07+08)	2 094	49 747 323	
16	VI. Other expenses	11 535	125 992	
17	VII. Expenditure not arising from deposit insurance	0	0	
18	VIII. Expenditure on financial operations	5 548 386	8 592 315	
19	9 Material expenses	245 975	508 938	
20	10 Personnel expenses	444 892	548 661	
21	11 Depreciation	65 721	95 628	
22	IX. Operating expenses (09+10-11)	756 588	1 153 227	
23	A. RESULT FOR THE CURRENT YEAR (I+II+III+IV-V-VI-VII-VIII-IX)	10 229 370	51 763 057	

(data: in th HUF)

National Deposit Insurance Fund						
Cash - Flow statement						
Denomination / thousand Ft	Base year		Change		Current year composition	
	2021	2022	Thousand HUF	%		
1	Profit for the year	± 10 229 370	51 763 057	41 533 687	-406,0%	68,8%
1b	Profit & Lost corrections	± 15	-	-15	100,0%	0,0%
2	Depreciation accounted for	+ 65 721	95 628	29 907	-45,5%	0,1%
3	Impairment and reversal are accounted for	± 5 197 266	256 618	-4 940 648	95,1%	0,3%
4	Difference between provisioning and utilization	± -	125 218	125 218	N/A	0,2%
5	Result from the sale of fixed assets	± 156	-	-156	100,0%	0,0%
6	Changes in trade payables	± 11 516	70 760	59 244	-514,4%	0,1%
7	Changes in other current liabilities	± -925 976	-264 635	661 341	71,4%	-0,4%
8	Passive accruals	± -147 741	2 288 491	2 436 232	1649,0%	3,0%
9	Change in claims on member institutions	± -5 408	-22 658 029	-22 652 621	-41885,7%	-30,1%
9a	Change in liabilities to member institutions	± 209 443	29 311 248	29 101 805	-13894,9%	39,0%
10	Change in current assets (excluding accounts receivable and cash)	± -449 421	25 580 347	26 029 768	5791,8%	34,0%
11	Changes in accruals	± -74 902	-30 205 800	-30 130 898	-40227,1%	-40,2%
I.	OPERATING CASH FLOW TOTAL	14 110 039	56 362 903	42 252 864	-299,5%	74,9%
12	Acquisition of fixed assets	- -14 135 788	-50 514 684	-36 378 896	-257,4%	-67,2%
13	Sale of fixed assets	+ -	-	-	N/A	0,0%
14	Cancellation and redemption of long-term loans and bank deposits	+ -	-	-	N/A	N/A
15	Long - term loans, bank deposits	- -	-	-	N/A	0,0%
II.	TOTAL INVESTMENT CASH FLOW	-14 135 788	-50 514 684	-36 378 896	-257,4%	-67,2%
16	Connection fee income (other capital income)	+ -	-	-	N/A	0,0%
17	Share issue income (other capital income)	+ -	-	-	N/A	0,0%
18	Proceeds from the issue of bonds and debt securities	+ -	150 000 000	150 000 000	N/A	199,4%
19	Borrowing and borrowing	+ -	71 279 424	71 279 424	N/A	94,8%
20	Funds finally received	- -	-	-	N/A	0,0%
21	Raising of shares (other capital transfers)	- -	-	-	N/A	0,0%
22	Repayment of bonds and debt securities	- -	-80 625 000	-80 625 000	N/A	-107,2%
23	Repayment and repayment of credit and loan	- -	-71 279 424	-71 279 424	N/A	-94,8%
24	Funds permanently transferred	- -	-	-	N/A	0,0%
III.	FINANCING CASH FLOW TOTAL	-	69 375 000	69 375 000	N/A	92,2%
25	Revaluation of foreign currency funds	± -15	-	15	100,0%	0,0%
IV.	CHANGES IN FUNDS	-25 764	75 223 219	75 248 982	292075,1%	100,0%

(data: in th HUF)

TISZA SAVINGS COOPERATIVE “F.A.”

The liquidator submitted the final balance sheet of the liquidation procedure of the Credit Union dated 1 July 2021 to the Metropolitan Court, which was approved and thus the liquidation was completed on 20th January, 2022. In November 2022, OBA received a recovery of HUF 48 th HUF from the liquidation, totalling to 6,006 281 HUF during the proceedings. The recovery covered by the state guarantee in November 2022 was 191 th HUF , compared to 28 460 th HUF in the full procedure, while the recovery to HREF amounted to 39 901 th HUF.

“JÓGAZDA” COOPERATIVE SAVINGS BANK “F.A.” (CEASED)

The liquidator submitted the closing balance sheet of the liquidation procedure of the Credit Union dated 13th February, 2020 to the Metropolitan Court, which was approved and thus the liquidation was completed on 21st May, 2022. In September 2022, OBA received a further 605 069 th HUF from the liquidation.

SOLTVADKERT AND COUNTRYSIDE SAVINGS COOPERATIVE “F.A.”

The liquidator submitted the Interim Balance Sheet V of the liquidation procedure of the Credit Cooperative dated 9 October 2020 to the Metropolitan Court, which was approved. Under this approval, the return under the State guarantee was HUF 368 th HUF in June 2022. The liquidator also sent us interim balance sheet VI dated 12 January 2023, on the basis of which an additional 614 th HUF is expected to be paid in the case of the reimbursement under the state guarantee.

ORGOVÁNY AND COUNTRYSIDE SAVINGS COOPERATIVE “F.A.”

The liquidator submitted the Interim Balance Sheet V of the liquidation procedure of the Credit Union dated 10 August 2022 to the Metropolitan Court, which was approved. Pursuant to this approval, a return covered by a state guarantee of 6,215 th HUF was received in December 2022. Subsequently, the liquidator sent information that, following the above division of assets, he would continue to record a creditor claim of 7,594 HUF.

NHB GROWTH CREDIT BANK LTD. “F.A.”

The court approved consolidated interim liquidation balance sheet I-II and a proposal for partial division of assets, dated 15 August 2022, drawn up with the dates of 2 December 2020 and 2 December 2021, submitted by the liquidator. Accordingly, the court authorised the liquidator to pay 3,735483 th HUF to the OBA within 30 days in full satisfaction of its creditors' claim.

KÖRMEND AND COUNTRYSIDE SAVINGS COOPERATIVE “F.A.”

The court approved its interim balance sheet VIII-X submitted by the liquidator on 3 January 2023. Accordingly, the court ordered the liquidator to pay the amount covered by the State guarantee of 1 235 th HUF to the OBA within 15 days after the order issued on 26 April 2023 became final.

SBERBANK ZRT. “V.A.”

On 2 March 2022, the National Bank of Hungary revoked the activity license of Sberbank Zrt. and initiated the liquidation of the credit institution, on the basis of which the OBA's indemnification obligation was established.

The amount payable to clients was 143 553 635 th HUF. Pursuant to Government Decree 151/2022 (14th April), to be applied for winding up, if according to the data of the corrected opening balance sheet of the liquidation, the liquidation can be conducted, then the liquidator of Sberbank "v.a." will pay the claims arising from the deposits, taking into account the amount of compensation already paid by the OBA, in the order laid down in the Decree.

On 17 October 2022, the liquidator indicated to OBA that it had prepared its adjusted liquidation balance sheet, so that, pursuant to the agreement concluded between OBA and Sberbank "v.a.", the OBA recalled the indemnification items at the paying agent bank (Savings Bank), prepared the data files necessary for payment and delivered them to Sberbank "v.a." on 20 October 2022. The OBA has already transferred the stocks which it was unable to pay due to the lack of insurance (identification according to the Pmt.) to Sberbank "v.a." in order to allow the bank more time to prepare for the payments. The payment cover (1 419,351 th HUF) was returned to OBA on 21.10.2022 from the paying agent bank.

Sberbank "v.a." started making payments to the clients of the bank in liquidation, and on 14 November 2022, 116 573 328 th HUF of Sberbank "v.a." creditor claim recovery was also paid to the OBA.



9 THE EDUCATIONAL ROLE OF THE OBA

In 2022, OBA continued to participate and take an active role as a player in financial education initiatives. Within this framework, OBA employees gave professional lectures at university trainings and professional events at several universities in the country (Pázmány Péter Catholic University, Corvinus University of Budapest) and participated in the preparation of educational materials.

Raising financial awareness is a social objective considered important by both OBA and OBA employees, so OBA participated in the Pénz7 national professional event series in 2022 as well.





10

INTERNATIONAL ACTIVITY

In 2022, OBA continued to cooperate within the framework of international deposit insurance organisations with its European and global affiliates. OBA employees participated in several working groups of the European Deposit Insurance Forum (EDFI) in 2022. At EDFI's 2022 Annual General Meeting, the Managing Director and Senior Advisors responsible for risk management and coordinating international affairs represented the Hungarian deposit insurer. At the beginning of October 2022, EDFI held a two-day meeting of its most important committee, the EDFI European Union Committee, in Budapest, organised by OBA, where the most important topic was the financing of deposit insurers.

In addition to cooperation within international organisations, bilateral deposit insurer relations are also an important part of the OBA's international activities. In addition to the multilateral cooperation agreement concluded under the auspices of EDFI at the end of 2016, OBA concluded a bilateral cooperation agreement with the Lithuanian deposit insurer in 2022, in a host position, for cooperation on cross-border compensation, based on the branches in Hungary of credit institutions established in other EU Member States. In addition, the OBA had previously initiated negotiations in a host position with the French and Luxembourg deposit insurers with the preparation and exchange of draft relevant bilateral cooperation agreements. However, these negotiations are still ongoing.

Further cooperation agreements have been concluded with certain deposit insurance undertakings outside the European Union, such as the Serbian, Montenegrin and Albanian deposit insurers, and a similar cooperation agreement with the Croatian deposit insurance institution is under way.

MISSION, VISION, KEY VALUES FOR 2020-2022

In 2020, OBA revised its mission and vision and redefined its key values, building on the Code of Ethics adopted in 2019.

MISSION

The mission of the National Deposit Insurance Fund is to contribute to the stability of the domestic financial system, to strengthen confidence in the banking system, and to ensure the prompt and effective compensation of the clients involved in the event of an indemnification event.

VISION

The National Deposit Insurance Fund is a respected member of the domestic financial system, which ensures that customers can obtain compensation for their deposits smoothly and in the shortest possible time by using modern, efficient and customer-friendly indemnification procedures.

VALUES

The National Deposit Insurance Fund is an organization based on ethical values. Our key values are explained in detail in the Code of Ethics published on the OBA website. The OBA operates an Ethics Committee, which is responsible for investigating ethical complaints.

THE 3-YEAR STRATEGY (2020-2022)

OBA has adopted a new 3-year strategy (2020-2022), which has also been published on its website in the spirit of transparency⁶.

The 3-year strategy includes 4 themes (focus areas), including a total of 15 strategic objectives.

Focus area	Strategic objective
A) Indemnification	1. Redesign the compensation process taking into account international good practices, so that customer-friendly compensation of up to 7 working days can be realized by 2024
	2. Making the compensation cashless at the level of the OBA in the framework of the renewal and rationalisation of payment channels
	3. The conclusion of operational bilateral cooperation agreements with all relevant deposit insurers in the framework of international indemnity cooperation and preparedness to operate such agreements
	4. Renewing the OBA inspection process and achieving the greatest possible degree of automation so that OBA can inspect the entire sector as efficiently as possible, over a year and even at a reference date
B) Operational excellence	1. Improving the control environment in line with international standards
	2. Developing an integrated risk management system in line with international standards
	3. Enhancing IT support for processes, exploiting the opportunities offered by digitalisation and further coordination of OBA's IT systems
	4. Continuous enhancement of IT and information security as a national vital constituent and reaching security level 3 in 2021
	5. Continuous development of staff skills, competences and knowledge in the context of operational excellence and the introduction of a performance measurement and evaluation framework
C) Crisis Resistance	1. Asset management with the utmost security, aiming to maximize returns, achieving the minimum target level of liquid assets for security, and proposing a minimum target level after 2024,
	2. Exploring additional external funding options for compensation and the development of alternative financing channels
	3. Regular stress testing of the organization's critical processes taking into account international best practices
D) Cooperation	1. Active cooperation with domestic partners in indemnification, regulatory, communication, education and other topics
	2. Deepening international relations with a special focus on exploring and integrating best practices
	3. Proactive institutional communication to member institutions, depositors and society in order to improve operational transparency, predictability and increase the social awareness of deposit insurance and the OBA

Forrás: OBA

The OBA work organization monitors the fulfilment of the strategic objectives and reports annually to the Board of Directors on its progress status. The results of the second year (2022) benchmarking of the strategy show that significant progress has been made in the strategic objectives under the themes of Compensation and Crisis Resilience. As regards Operational Excellence, there is a lag in relation to the objectives set, and there is much work to be done here by the work organisation (increased digitalisation and strengthening of the control environment), while in the field of Cooperation it is necessary to develop proactive institutional communication and to increase the social awareness of OBA and deposit insurance.

⁶ https://www.oba.hu/wp-content/uploads/2021/02/OBA_STRATEGIA_2020-2022.pdf

NEW 3-YEAR STRATEGY (2023-2025)

For the period 2023-2025, the OBA Board of Directors adopted a new 3-year strategy, in the framework of which it designated **3 main areas of strategic importance** for the work organisation.

- 1) High level of protection of savings, striving for the highest possible level of customer experience.
- 2) Improving processes and control environments, enhancing process quality assurance, and digitalization.
- 3) Enforce sustainability and develop an environmental, social and governance framework in the operation of the OBA.

REVISED MISSION AND VISION OF THE NEW STRATEGY, WITH UNCHANGED VALUES

OBA's mission and vision also had to be tailored to the new strategic objectives, since, in addition to the sole possibility of compensation, the new strategy defines the expectations of OBA in terms of savings protection in a broader sense and presents sustainability as a new strategic dimension that has not previously been reflected in OBA's mission and vision.

a) new mission

The mission of the National Deposit Insurance Fund is to contribute to the stability of the domestic financial system, the strengthening of confidence in the banking system and sustainability through the high level of protection of savings.

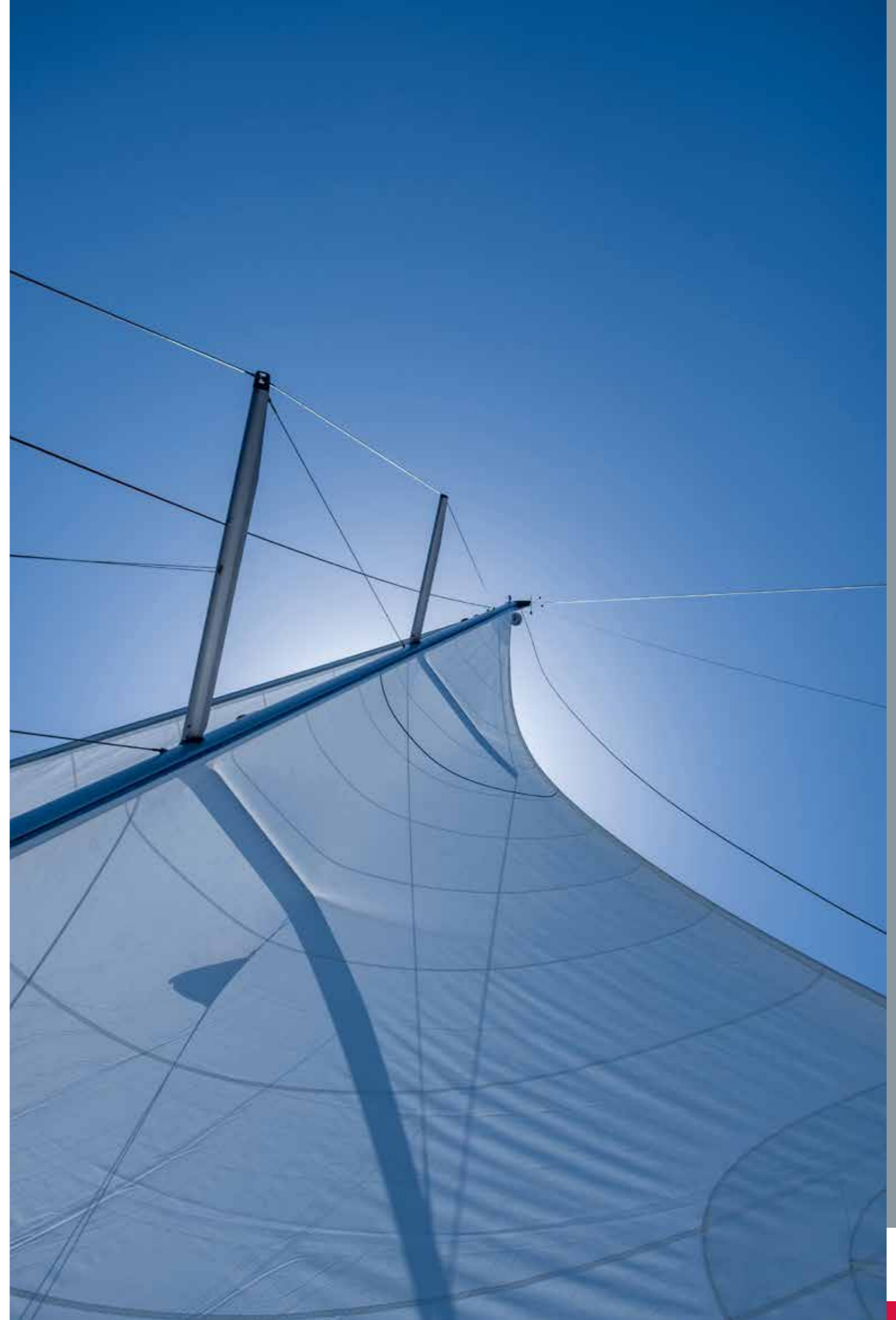
b) new vision

The National Deposit Insurance Fund is a valued member of the Hungarian financial system, which ensures a high level of protection of savings through the use of modern, efficient and customer-friendly procedures, and promotes the implementation of sustainability considerations during its operation.

The new strategy did not require the amendment of the Code of Ethics containing the **values** of the OBA, as sustainability as a value was already included in the previous amendment.

OBA also published its new mission, vision and 3-year strategy for 2023-2025 on its website⁸.

⁷ ESG: Environmental (environmental), Social (social) és Governance (governance)
⁸ <https://www.oba.hu/wp-content/uploads/2023/05/OBA-strategia-2023-2025.pdf>





On February 24, 2022, the Russian-Ukrainian war broke out, which, in addition to the geopolitical consequences, had a significant economic impact not only on the world economy, but also on the domestic economy and the forint exchange rate. The war, although to varying degrees depending on the exposure, resulted in lower economic growth and higher inflation than previously expected in all major economic regions, including Central and Eastern Europe.

The coronavirus epidemic in recent years has receded by 2022, with the war being the dominant macroeconomic factor in the recent period. The outbreak led to a sharp rise in yield expectations and risk premia, as well as a fall in stock market indices and a weakening of the forint, in line with regional currencies. The initial shock was followed by a rapid but partial correction, with investors and market participants turning their attention to longer-term effects (economic slowdown, accelerating inflation).

Raw material and energy prices were at higher levels than in previous years, but have moderated significantly since the end of August as recession fears have intensified and gas prices have fallen significantly due to high levels of European gas storage and milder weather conditions.

Inflation around the world has been on an accelerating trend, with the loose monetary and fiscal conditions of previous years being replaced by tighter monetary and fiscal decisions.

According to the Central Statistical Office, industrial production increased by 2% in December 2022, while taking into account the full year of 2022, an increase of 5.8% was measured on an annual basis.

The unemployment rate in December 2022 was 3.9%, with an annual average of 3.6%. Wage dynamics showed an upward trend in 2022, with net average earnings 19.1% higher, while gross average earnings were 18.4% higher than a year earlier.

In the third quarter of 2022, the current account deficit of the Hungarian economy rose, and the extent of the shift corresponded to the processes typical in the countries of the region. The significantly deteriorating energy balance increased the current account deficit to 7.3% of GDP, while external financing needs accounted for 4% of GDP, mainly financed by net direct capital investments. The country's net external debt had fallen to a near historic low of 5.6% of GDP by the end of September 2022.

Based on our current information and plans, events, apart from the information detailed in paragraph 14, do not have a significant or considerable negative impact on the Fund and thus do not render the Fund's ability to conduct the business uncertain.

⁹ focused impact analysis, not covering all effects

SUBSTANTIAL EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE

We consider the following events that occurred after the balance sheet date to be relevant.

- With the winners of the market trust and custodian tender announced by OBA in autumn 2022 (3 trustees and one custodian), the substantive work on the reconciliation of the contracts began in early 2023, and the transfer of securities into market asset management was completed in May 2023.
- In January and March 2023, the OBA fully repaid its debts arising from the issuance of the 2027/A bond and the extraordinary payments made by members in 2022.
- The waiver agreement concluded between OBA and Sberbank Zrt. "v.a." in 2022 expired, therefore Sberbank "v.a." paid to OBA the remaining amount of the indemnification payments made by OBA, 22 868 452 th HUF and the additional 354 M HUF for additional costs.
- Based on the forecasts of the liquidator of NHB Bank "f.a.", it is expected that NHB Bank's debt of 3 275 million HUF will be paid to NHB Bank in the first half of 2023.
- A member institution contested the methodology of the OBA for calculating the risk indicator for the fee period starting from 1 October 2022, as set out in the applicable Fee Payment Regulations, and requested a revision. Based on the comments of the member institute, the MNB, which assisted in the review, recommended a review of the methodology to the OBA, which was done. During the review, OBA recalculated individual indicator values for member institutions, recalibrated the ranges of values for individual risk points, and determined the individual risk scores (IRS) of member institutions by indicators. Subsequently, the OBA recalibrated the band limits of the aggregate risk score range used to determine the aggregate risk weight (ARW) and assigned each institution to a risk category. As a result of the amendment, the amount of the membership fee that can be collected for the period under review will also change from the total annual fee of 37 647 358 th HUF to 37 409 395 th HUF, and the total amount of the annual fee that cannot be collected will be 237 963 th HUF. About a quarter of this amount is adjusted for the period 1 October - 31 December 2022.
- Due to the unfavourable global economic situation, the forint rose to a historically high level of around 430 HUF/euro in October 2022, at the same time a more serious strengthening took place from this level, which lasted until March 2023 and pushed the exchange rate back to the level of 373 HUF/euro.
- Inflation continues to develop at historically high levels in the world's economies, but global trends predict a decrease in price indices with increased uncertainty. More and more countries are experiencing a slow but clear decline in inflation.
- Among recent events, risks to the banking system of the United States and Switzerland have had a strong impact on investor sentiment, which also negatively affected the risk perception of emerging market assets.
- However, based on our current information and plans, the emerging macroeconomic events do not have a significant or significantly negative direct impact on the Fund and thus do not render the Fund's ability to conduct business uncertain.



**National Deposit
Insurance Fund
of Hungary**

SAFE DEPOSIT ASSURED REFUND.

H-1092 Budapest, Köztelek str. 6.
H-1476 Budapest, Pf. 270

www.oba.hu
info@oba.hu
www.facebook.com/betetvedelem
[@Betetbiztositas](https://www.facebook.com/Betetbiztositas)