

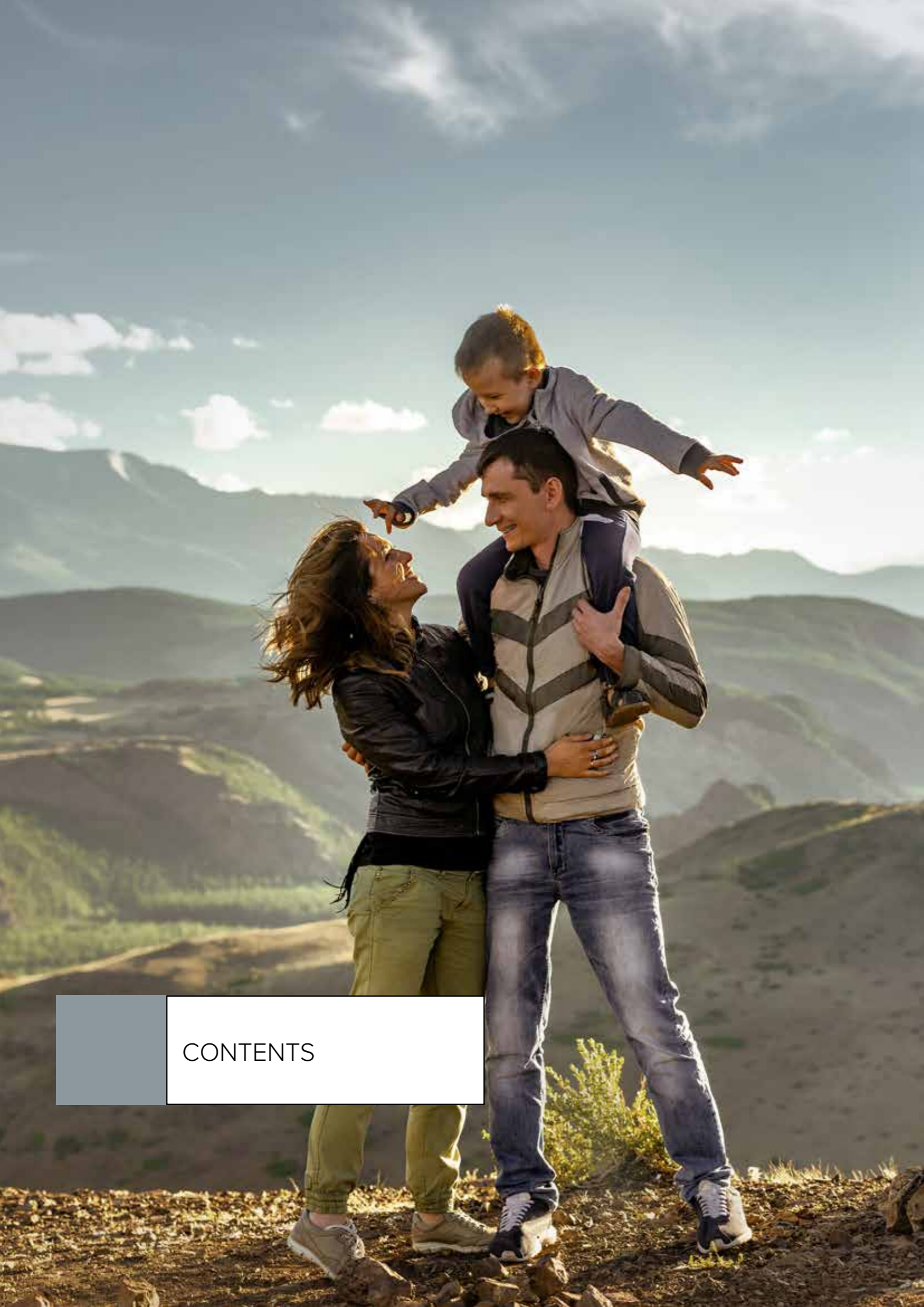


ANNUAL REPORT 2023

199
2023



National Deposit
Insurance Fund
of Hungary



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1

SCOPE OF ACTIVITIES OF THE FUND

The main task of the OBA is to start implementing the decision of the MNB, acting in its supervisory capacity, on the basis of § 33, paragraph 1 of the Credit and Finance Act or § 33, paragraph 2, point c) of the Credit and Finance Act, on the day following the date of its communication, or in case of initiation of liquidation proceedings, on the day following the date of publication of the court order ordering liquidation (hereinafter: **starting date of the compensation**), and make the compensation available to the depositors within ten (seven from 2024) working days, unless the depositor's entitlement is uncertain or the deposit is the subject of a legal dispute; payment of the deposit has been restricted by governments or international organizations; the deposit is subject to a higher compensation limit based on Section 214/A of the Credit and Finance Act; the owner of the deposit is the local government or the compensation is paid by the deposit insurance system of the country where the branch is established based on § 209, paragraphs 9-10 of the Credit and Finance Act.

Based on the provisions of § 132, paragraph 7 of Act XXXVII of 2014 on the further development of the institutional system strengthening the security of certain actors of the financial intermediary system, the operational tasks of the Resolution Fund are also performed by the OBA's work organization, under the guidance of the OBA's executive director.





2 THE GOVERNING BODY AND CONTROL OF THE FUND

THE BOARD OF DIRECTORS

- The governing body of the Fund is the Board of Directors, whose members are
- o State Secretary for Public Administration of the Ministry of Economic Development (hereinafter: **GFM**),
 - o the vice president of the MNB responsible for the supervision of financial or-ganizations and consumer protection,
 - o the director of the Resolution Directorate of the MNB,
 - o Secretary General of the Hungarian Bank Association (hereinafter: **MBSZ**),
 - o deputy general secretary of the MBSZ,
 - o a person appointed by the chairman of the board of the Central Organization of Integrated Credit Institutions, and
 - o the managing director of the Fund.

The Board of Directors elects a president and vice-presidents from among its members every year. In 2023, Csaba Kandrács, vice-president of the MNB, performed the duties of the president, Dr. Anikó Túri, state secretary of the GFM, and Dr. Levente Kovács, general secretary of the MBSZ, performed the vice-presidential duties.

NUMBER OF MEMBER INSTITUTIONS

At the end of 2023, the Fund had 23 credit institutions as members, all of them banks or specialized credit institutions (including 3 housing savings banks). During 2023, the number of member institutions decreased by one, on May 1, 2023, Takarékbank Zrt. merged with MKB Bank Nyrt., whose legal successor became MBH Bank Nyrt.

DEVELOPMENT OF THE NUMBER OF OBA MEMBER INSTITUTIONS BETWEEN 1993-2023



Source: OBA

FIGURE 1



¹From January 1, 2024, the Ministry of National Economy



3 DEVELOPMENT OF DEPOSITS PROVIDED BY OBA AND THE POTENTIAL LIABILITY FOR COMPENSATION²

At the beginning of 2023, the stock of deposits provided by the OBA³ amounted to HUF 28,959,139,148, which represents an increase of HUF 1,222,247,520 (4.4%) compared to the stock a year earlier. The stock of claims resulting from deposits with a state guarantee (replacement) is gradually decreasing, to HUF 16,079,804 at the beginning of 2023, a decrease of 4.2% compared to the stock a year earlier (Table 1).

CHANGES IN THE STOCK PROVIDED BY THE OBA AND THE STATE GUARANTEE IN 2022-2023 (BEGINNING OF THE YEAR)

TABLE 1

Deposit portfolio	2022	2023	Variation (year/year)	Variation ratio (year/year)
Portfolio insured by OBA	27 736 891 628	28 959 139 148	1 222 247 520	4,4
Portfolio guaranteed by the state*	16 786 664	16 079 804	-706 860	-4,2

(data: in thousand HUF, as a percentage)

* Without Eximbank Zrt.
Source: OBA

Deposits still account for 99.9% of the stock provided by OBA at the beginning of 2023. The securities - with the exception of the amount that has not yet expired or been redeemed - are no longer insured by the OBA after July 3, 2015, therefore their stock and share are constantly decreasing. The rate of accumulated interest remained at 0.01% (Table 2).

BREAKDOWN OF THE STOCK PROVIDED BY THE OBA 2016-2023 (BEGINNING OF THE YEAR)

TABLE 2

Start of the year	Insured deposit	Insured securities	Insured interest	TOTAL
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
2023	28 926 033 533	723 976	32 381 640	28 959 139 149

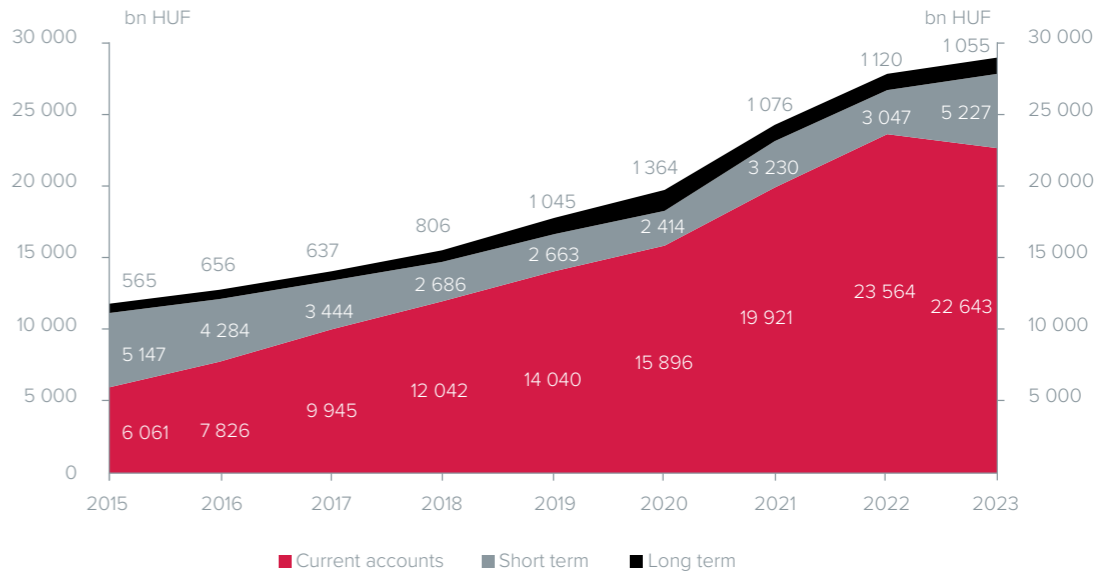
(data: in thousand HUF)

Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

Within insured deposits, the proportion of demand deposits is still high, but it decreased by 6.7% compared to the previous year. The proportion of short-term deposits increased the most (7.1%) compared to the previous year, basically at the expense of the proportion of demand deposits (Figure 2).

MATURITY BREAKDOWN OF INSURED DEPOSITS 2015-2023 (BEGINNING OF THE YEAR)

FIGURE 2

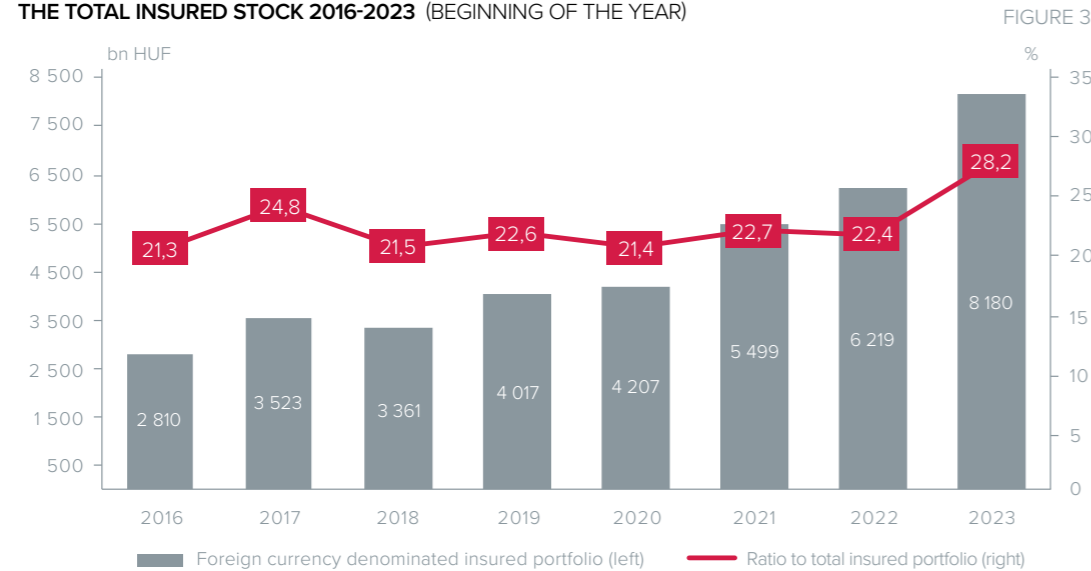


Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

² Based on the annual data provided by the member institutions to the OBA.
³ In addition to deposits, from the point of view of OBA insurance, it is considered a deposit until the deposit certificate and bond issued by the credit institution between January 1, 2003 and July 3, 2015 expire or are redeemed.

The stock insured by OBA placed in foreign currency increased within the total insured portfolio, reaching 28.2% at the beginning of 2023 (Figure 3).

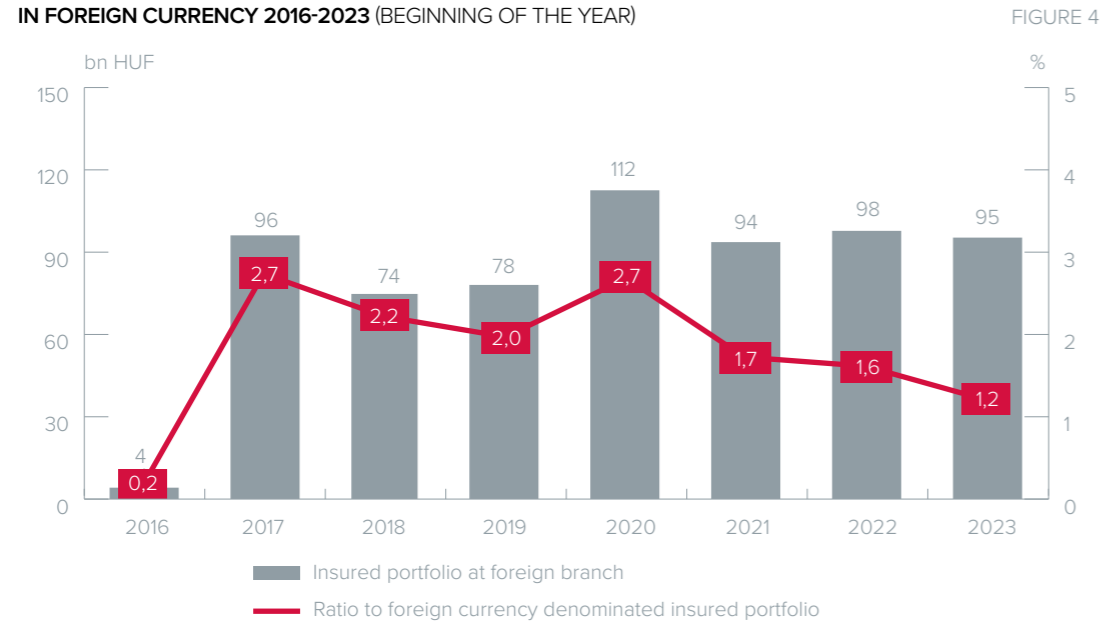
THE INSURED STOCK PLACED IN FOREIGN CURRENCY AND ITS PROPORTION WITHIN THE TOTAL INSURED STOCK 2016-2023 (BEGINNING OF THE YEAR)



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

Currently, two member institutes have branches abroad. Compared to the stock at the beginning of 2022, the stock of deposits placed at foreign branches and insured by OBA shows a decrease (HUF 94,564,217 thousand at the beginning of 2023). Their holdings are still only a fraction of both the total and the insured deposits in foreign currency (Figure 4).

INSURED STOCK PLACED AT FOREIGN BRANCHES OF HUNGARIAN CREDIT INSTITUTIONS AND ITS PROPORTION WITHIN THE INSURED STOCK IN FOREIGN CURRENCY 2016-2023 (BEGINNING OF THE YEAR)

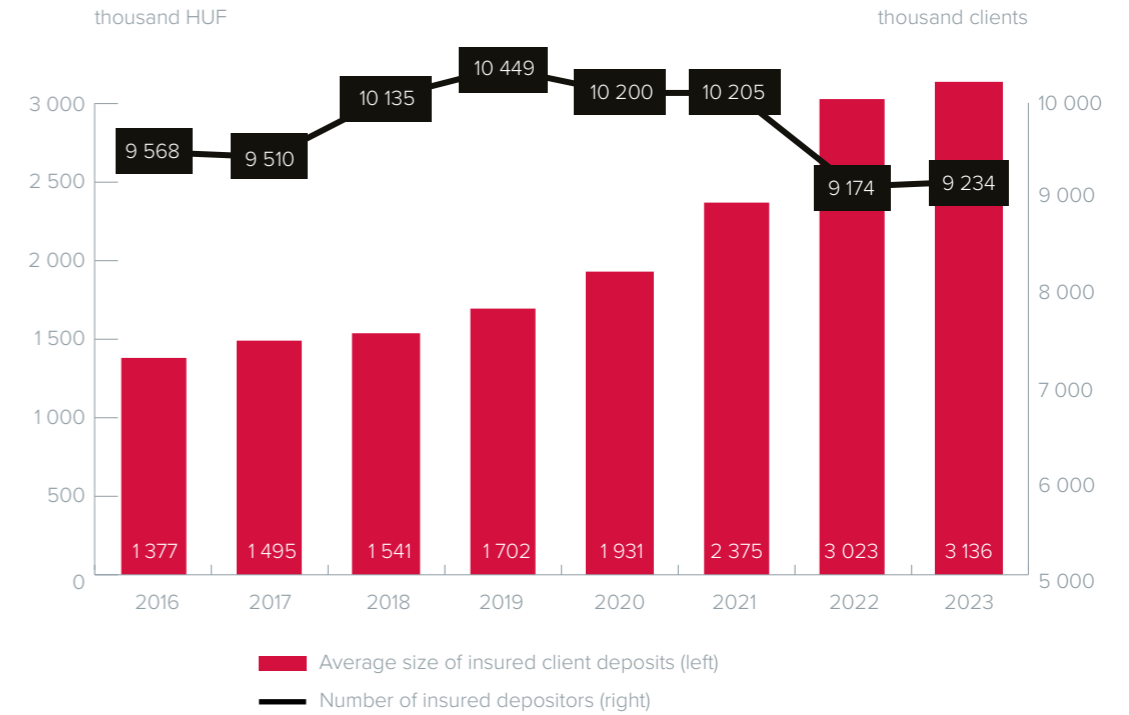


Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

The average amount of deposits per insured customer (per credit institution) was HUF 3,136 thousand at the beginning of 2023, which has been continuously increasing since 2016. The number of insured depositors at the beginning of 2023 shows a mini-mal (0.6%) increase compared to the previous year (Figure 5).

NUMBER OF INSURED DEPOSITORS AND THE AVERAGE SIZE OF THE INSURED CLIENT'S DEPOSIT 2016-2023 (BEGINNING OF THE YEAR)

FIGURE 5

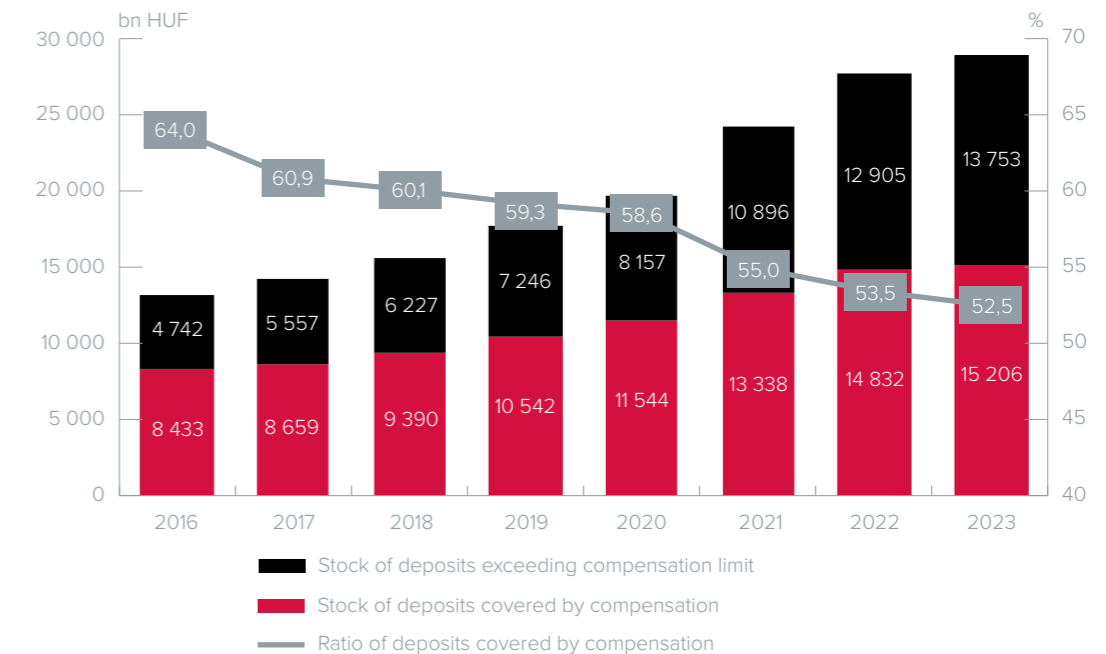


Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

In addition to the insured stock, OBA's potential liability for indemnification continued to increase, i.e. the aggregated stock of insured deposits that do not exceed the indemnification limit (per customer and credit institution). The potential compensation obligation at the beginning of 2023 was HUF 15,206,204,250 thousand, which is HUF 374,698,290 thousand (2.5%) higher than a year earlier. Within the insured stock, the share of deposits subject to compensation is constantly decreasing, at the beginning of 2023 it was 52.5%. (Figure 6).

DEPOSITS SUBJECT TO COMPENSATION AND THE PART EXCEEDING THE COMPENSATION LIMIT 2016-2023 (BEGINNING OF THE YEAR)

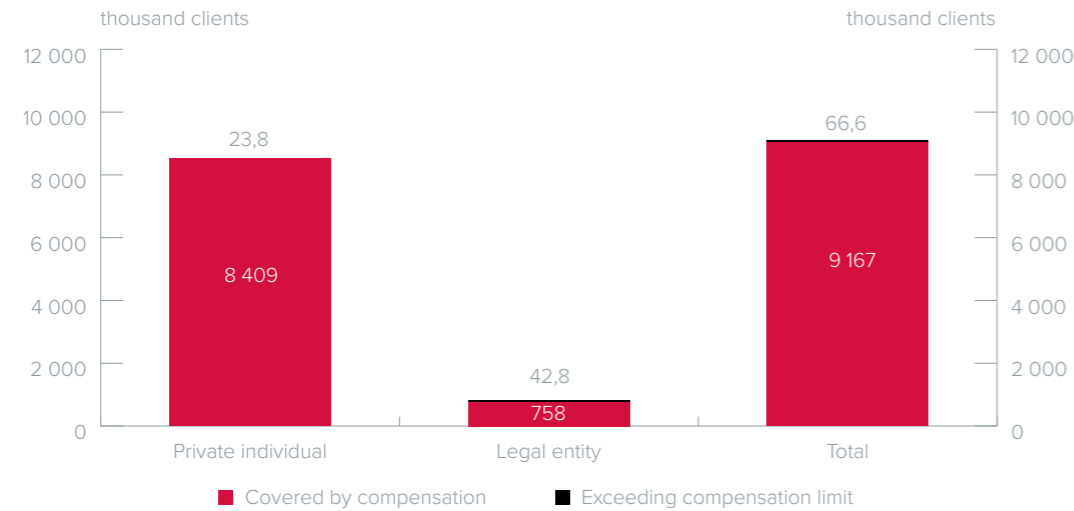
FIGURE 6



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

At the beginning of 2023, out of 9,233,594 insured depositors, 9,167,006 customers (99.3%) had deposits that did not exceed the compensation amount limit, that is, in their case, during compensation, their entire deposit portfolio would have constituted OBA's compensation obligation (Figure 7).

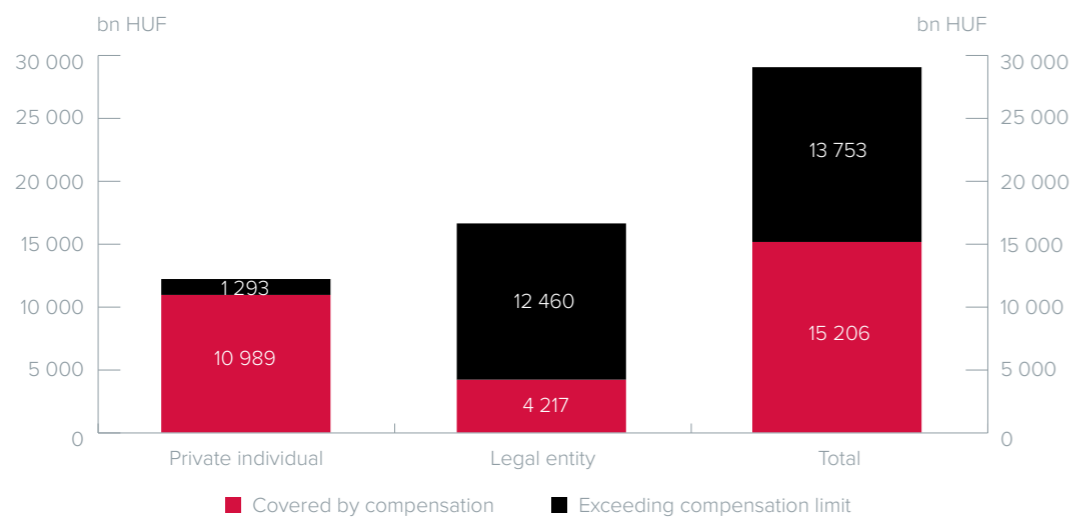
BREAKDOWN OF INSURED DEPOSITORS INTO CUSTOMERS WITH DEPOSITS THAT DO NOT EXCEED THE COMPENSATION LIMIT AND THOSE WITH DEPOSITS THAT EXCEED IT (BEGINNING OF 2023) FIGURE 7



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

A significant number of insured depositors (8,432,504 customers, 91.3% of all insured depositors) are natural persons. In terms of deposit amounts, 52.5% of the insured deposit portfolio was below the compensation amount limit, which means that depositors with a deposit amount exceeding the compensation amount limit, which is 0.7% of all insured customers, have a significant deposit amount above the compensation amount limit (47.5% of the total insured stock). In addition, 89.5% of the insured deposit amounts placed by natural persons were covered by the OBA's compensation obligation (Figure 8).

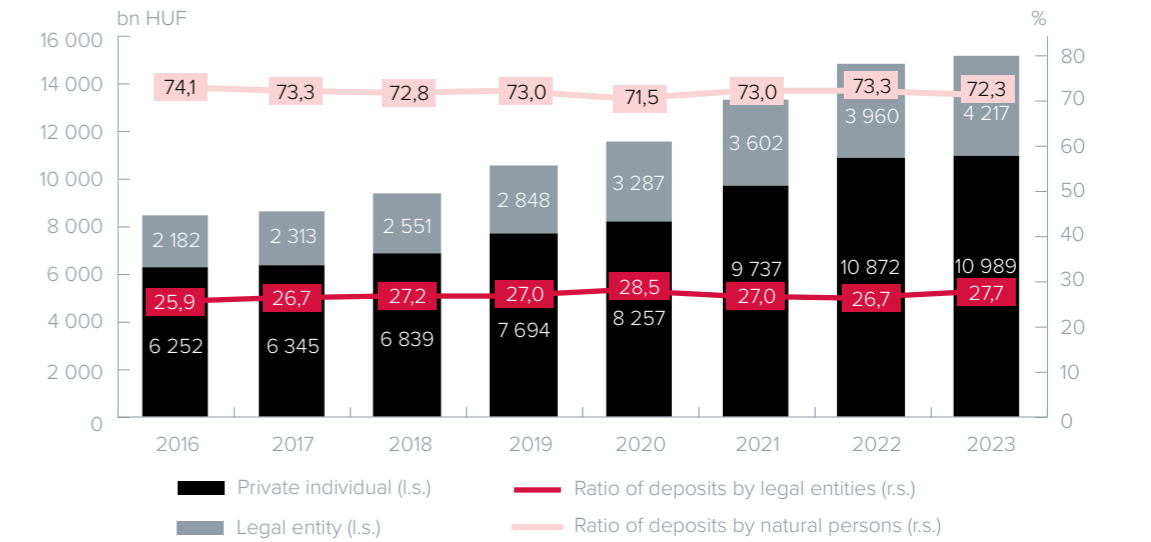
BREAKDOWN OF INSURED DEPOSIT PORTFOLIOS INTO DEPOSIT AMOUNTS THAT DO NOT EXCEED THE COMPENSATION LIMIT AND ABOVE (BEGINNING OF 2023) FIGURE 8



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA

Both natural persons and legal entities play a role in the increase of the potential OBA compensation liability since 2016. Within the potential OBA compensation obligation, the proportion of legal entities at the beginning of 2023 is 27.7% (Figure 9).

DISTRIBUTION OF DEPOSITS SUBJECT TO POTENTIAL COMPENSATION OBLIGATIONS BETWEEN NATURAL AND LEGAL PERSONS 2016-2023 (BEGINNING OF THE YEAR) FIGURE 9



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA



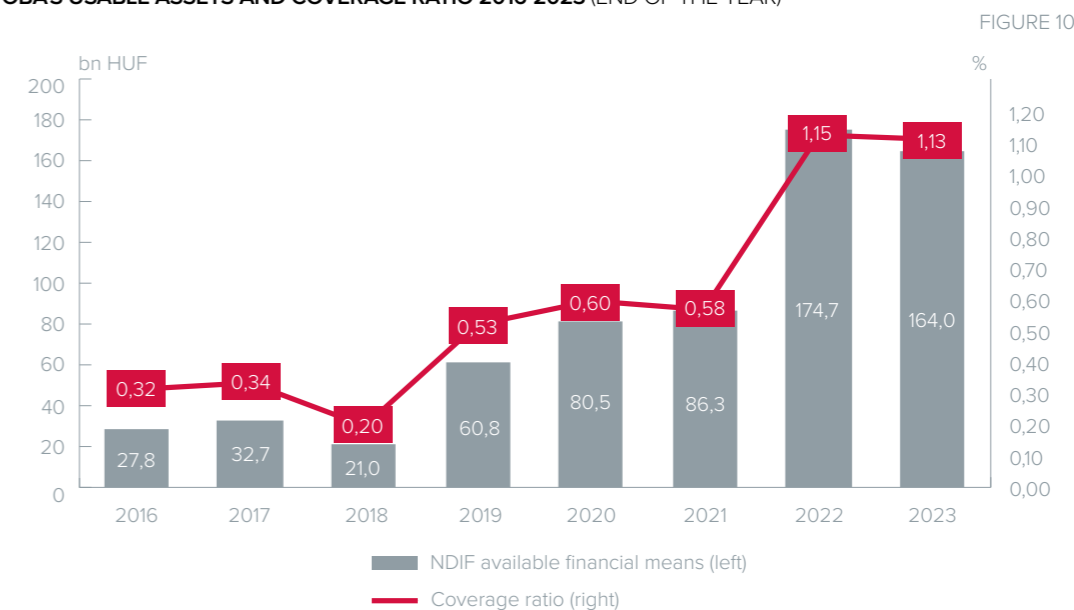
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OBA PREMIUM REVENUE AND COVERAGE RATIO

The internationally accepted indicator of the financial position of deposit insurance institutions is the occupancy rate, which is the ratio of the assets available for compensation to the aggregate potential liability for compensation. In accordance with uniform regulations in the European Union, the OBA's asset target level was set at the minimum attainable value of the coverage ratio of 0.8 percent (Credit and Finance Act § 234/A, paragraph 1), which must be reached by July 3, 2024. In the numerator of the indicator, government securities available to the OBA, which can be liquidated if necessary, are listed at their gross market value, and the balance of the OBA's account with the MNB is also taken into account. The denominator of the indicator is the aggregate potential compensation obligation of the OBA. Following the prepayment of the bond issued to compensate DRB Group depositors in 2017 and then in 2018 (partial redemption of bonds), OBA paid off its debt arising from the bond in June 2019, and OBA's assets and occupancy rate showed an increase enabling it to reach the target level. At the end of 2021, the occupancy rate was 0.58%, at the end of 2022 1.15%, at the end of 2023 1.13% (Figure 10), which exceeded the target level of 0.8% by HUF 47.85 billion (which is HUF 116.20 billion as of 12.31.2023). The reason for the increase in the replenishment rate in 2022 was primarily the mere 1% increase in the stock of potential deposits to be compensated by the end of 2021, which was well exceeded by the 15.4% annual increase in assets.

At the same time, HUF 72.5 billion held in the MNB bank account appears in the 15.4% increase in assets, of which HUF 69.3 billion was used by OBA in January 2023 to re-pay the OBA 2027/A bond issued in 2022 in connection with the compensation of Sberbank "under liquidation". For this reason, in 2023 the replenishment level decreased to a lesser extent.

OBA'S USABLE ASSETS AND COVERAGE RATIO 2016-2023 (END OF THE YEAR)



Note: several member institutes submitted amendments to their previous year's data services, which may cause the data of previous years to differ from the data displayed in the previous years' report.
Source: OBA



5 FEE REVENUE OF THE FUND

The OBA's own sources of income are the one-time membership fee, regular and extraordinary payments made by member institutions (Credit and Finance Act § 232, par-agraph 1 points a) and b)).

Joining fee

Those credit institutions that have received permission to collect deposits must pay a one-time joining fee to the Fund upon becoming a member institution. The joining fee is equal to 0.5 percent of the subscribed capital of the member institution. No new members joined the OBA in 2023.

Regular fee

One of the Fund's most important revenues comes from regular fees, the amount of which must be established in such a way that they ensure the achievement of the asset target level defined in the 0.8% replenishment rate by July 3, 2024. The basis of the regular fee to be paid by the member institutes is the potential compensation obligation in the case of the given member institute, the upper limit of which is 0.3 percent of the fee base. The member institutes pay the annual fee to the OBA in quarterly installments. The regular fee consists of a base fee and a risk-based variable fee. The calculation method of the risk-based variable fee is contained in MNB Decree 19/2016 (V.25.) on the detailed rules for determining the risk-based variable fee to be paid by the members of the National Deposit Insurance Fund, as well as the Fee Payment Regulations of the OBA, which are in line with § 13, Paragraph 2 of Directive 2014/49/EU of the European Parliament and the Council on deposit insurance schemes, as well as with the guidelines of the European Banking Authority on the calculation methods of payments to deposit insurance schemes.

The fee payment regulations of the OBA, effective from October 1, 2023, return to the previous practice, and from January 1, 2024, they will once again follow the same annual fee payment period as the calendar year. For the first three quarters of the 2023 calendar year, the Fee Payment Regulations for the fee payment period between October 1, 2022 and September 30, 2023 apply, while for the last calendar quarter, the Fee Payment Regulations for the fee payment period between October 1, 2023 and December 31, 2024 apply.

OBA FEE CALCULATION PARAMETERS AND ESTABLISHED ANNUAL FEE

3. SZ. TÁBLÁZAT

	2022Q4-2023Q3 fee payment period	2023Q4-2024Q3 fee payment period
Fee liability (D)	0,255%	0,065%
Base fee percentage	17,5%	17,5%
Correction coefficient (μ)	85%	812%
Yearly fee (ThHUF)	37 647 836	12 348 157

(data: in thousand HUF and in %)

* Taking into account the stock transfers that took place during the period, data provision changes affecting the fee basis, in the case of new and exiting members of the OBA, the full annual fee, with a countercyclical indicator of 0%. Source: OBA

In the calendar year 2023, the Board of Directors of OBA kept the value of the counter-cyclical indicator (AI) at 0%, so the contribution ratio (CR) for the entire year was 0.255% in the first three quarters of the year, while it remained at 0.065% for the last quarter. In the calendar year 2023, the member institutions paid HUF 30,428,824 thousand regular fees to the OBA. Of this, HUF 30,645,898 thousand was determined for the 2023 fee, and (minus) HUF 178,831 thousand was determined for the difference between the previous year's fees recalculated with revised indicators⁴ based on the MNB's recommendation and the initiative of the member institution, for individual corrections (at 2 member institutions) - (minus) HUF 38,243 thousand was established.

Increased fee, extraordinary payment obligation

The OBA did not impose an increased fee during the year 2022, but it was necessary to impose an extraordinary fee payment obligation for the first time in the history of the OBA in order to partially finance the compensation of the depositors of Sberbank "under liquidation". On April 27, 2022, the OBA imposed an extraordinary fee payment on the member institutions, in the amount of HUF 73,550,033 thousand, which the member institutions fulfilled without exception by the specified deadlines. The OBA repaid HUF 44,053,174 thousand from the above obligation to the member institutions by the end of 2022 (uniformly 59.9% of the total obligation). This was covered by HUF 116,573,328 thousand in compensation received from Sberbank Magyarország Zrt. "under liquidation" in connection with the Sberbank compensation.⁵ The remaining HUF 29,496,859 thousand was repaid by the OBA in March 2023.

⁴ HUF 858,504 thousand as a liability and HUF 1,037,335 thousand as a credit balance.

⁵ The OBA fully repaid the extraordinary payment obligation imposed on the member institutions in March 2023, in the amount of HUF 29,496,859 thousand, from the additional HUF 22,868,452 thousand Sberbank refund received on 27.02.2023 (and the burden of the assets).

FINANCIAL BALANCE

Intangible assets

In accordance with the expected useful life, the cost value of the intangible assets is divided into the years specified below:

- the cost value of property rights was determined in 6 years
- and intellectual products in 3 years.

In contrast to the above, in the case of the Compensation Payment System (KIR) activated in 2014, the Fund determined the period of expected use at 10 years at the time of purchase. The KIR system has been continuously developed by OBA in recent years. In 2022 – in addition to the continuous operation of the existing system – its significant further development began. The compensation system, which is basically based on the existing database of the KIR, has been expanded and supplemented with many new functions as a result of the developments, the development expenses were also activated on the existing system in 2023, they will be described within 10 years from the acquisition or activation.

A significant part of intangible assets consists of software purchased by the Fund. The acquisition value of these assets is the book value. For all devices, we used individual assessment. In the case of software, the Fund does not apply a residual value, starting from the gross value, we calculated their depreciation in a linear manner from the day of activation, proportionally per day. Intangible assets of low value (less than HUF 100 thousand) were immediately accounted for by the Fund as depreciation in a lump sum, for intellectual products the depreciation was written off at a rate of 33%. The purchase value of intangible assets increased by HUF 209,854 thousand in 2023 due to the main purchases and developments made during the period, within which the most significant expenses were the development of the compensation system and the KBB content control system, as well as the transition to the MS BC accounting software introduced instead of MS Navision. The value of the improvements carried over from the previous year (unfinished investment in the table) related to the KIR system and the document management system was HUF 52,567 thousand, which expenses were activated in 2023 - in accordance with the commissioning.

CHANGES IN THE STOCK OF INTANGIBLE ASSETS IN THE CURRENT YEAR

TABLE 4

Definition	GROSS VALUE	Depreciation	Book value
01.01.2023 Opening	484 379	273 462	210 917
Increases in the current year (capitalisation)	209 854	0	209 854
Sales in the current year	0	0	0
Scrapping in the current year	0	0	0
Depreciation in the current year	0	61 627	-61 627
Construction in progress	-52 567	0	0
31.12.2023 closing	641 666	335 089	306 577

Source: OBA

(data: in thousand HUF)

Tangible assets

Among tangible assets, the Fund shows the tools necessary for the operation, the renovations carried out on the rented building, the IT and administrative technical tools, and office equipment. As in the case of intangible assets, we apply individual valuation for all assets. Depreciation of the assets was calculated on a linear basis, projected on the gross value, proportionally from the day of activation. Tangible assets of low value (less than HUF 100 thousand) were accounted for in a lump sum as depreciation when put into use. The depreciation rates recorded in the accounting policy are as follows for each asset group:

1. Real estate	
a) From a long-term structure	2,0%
b) From a medium-term structure	3,0%
c) From a short-term structure	6,0%
2. Buildings (other constructions)	2,0%
3. Investment on foreign (rented) real estate	6,0%
4. Investment on foreign (rented) real estate for 10 years	10,0%
5. Facilities, equipment, vehicles	
a) Computing and administration 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 reduced by depreciation at the end of the year was only HUF 150,920 thousand.

COMPOSITION OF TANGIBLE ASSETS

TABLE 5

Definition	31.12.2022	31.12.2023	Variation	
	HUF thousand	HUF thousand	HUF thousand	%
Real estate and related rights and titles	39 842	34 420	-5 421	-13,6
- building, part of a building	39 842	34 420	-5 421	-13,6
Equipment, fittings and vehicles	168 311	116 500	-51 811	-30,8
- technical administration equipment	4 839	4 358	-481	-9,9
- technical equipment	24 536	19 083	-5 453	-22,2
- IT equipment	114 122	67 993	-46 128	-40,4
- furniture	24 815	25 066	251	1,0
Capital investments	0	0	0	0,0
Capital investments	0	0	0	0,0
Total:	208 153	150 920	-57 232	-27,5

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

Source: OBA

Among equipment purchases, the volume of furniture, small-value and computer technology equipment was almost the same (HUF 5,745, 4,113 and 3,871 thousand), while administrative equipment was purchased in the amount of HUF 439 thousand.

Depreciation according to plan was accounted for among depreciation of assets. The Fund is constantly scrapping its unused and redundant tangible assets, no scrapping took place in 2023. There were no unfinished investments among tangible assets at the end of 2023.

PRESENTATION OF HIGHLIGHTED STOCK CHANGES

TABLE 6

Item / th HUF	Opening	Increase	Decrease	Restatements +/-	Closing
GROSS VALUE	364 428	14 168	0	0	378 595
Real estate and related rights and titles	54 975	0	0	0	54 975
Equipment, fittings and vehicles	309 453	14 168	0	0	323 620
Assets in construction	0	0	0	0	0
DEPRECIATION	156 275	71 400	0	0	227 675
Real estate and related rights and titles	15 133	5 421	0	0	20 555
Equipment, fittings and vehicles	141 141	65 979	0	0	207 120
NET VALUE	208 153	-57 232	0	0	150 920
Real estate and related rights and titles	39 842	-5 421	0	0	34 420
Equipment, fittings and vehicles	168 311	-51 811	0	0	116 500
Assets in construction	0	0	0	0	0

(data: in thousand HUF)

Source: OBA

In 2023, the proportion of tangible assets within all assets further decreased, and the degree of wear and tear increased.

TANGIBLE ASSETS — INDICATORS

TABLE 7

Definition	31.12.2022 (%)	31.12.2023 (%)	Variation (%)
Ratio of tangible assets within financial investments:	0,30	31,68	31,38
Ratio of tangible assets within total assets	0,10	0,09	-0,01
Degree of wear and tear:	42,88	60,14	17,25

(data: in %)

Source: OBA

Invested financial assets

The value of the invested financial assets at the end of the year is HUF 18,952 thousand, which is the amount of the deposit paid in connection with the office lease with a term beyond the year.

The Fund invested its assets in Hungarian government securities and discount treasury bills in 2023 as well. On November 3, 2022, the government securities assets previously held in the CMAX index-tracking portfolio were transferred to the securities account maintained at the Hungarian State Treasury, the so-called Individual Portfolio, and from May 2, 2023, the securities were transferred to market asset management (Market Portfolio). At the end of 2022, securities with a maturity beyond one year in the Individual Portfolio were shown among the invested financial assets, and securities maturing within the year among the current assets. With the market

asset management carried out during 2023, the government securities (and their accumulated impairment) were reclassified as current assets, and they will be shown uniformly there at the end of 2023.

Stocks

The Fund had no stocks on 31.12.2023.

Claims, impairment and recovery of claims

Among the claims, the Fund records fee claims against member institutions, claims transferred to the Fund, claims against credit institutions, and other claims. The Fund assesses the claims individually, and the impairment was accounted for on the basis of the individual assessment.

CLAIMS – INDICATORS

TABLE 8

Definition	31.12.2022	31.12.2023	Variation (%)
Share of Receivables (Receivables/Balance Sheet Total)	10,71	0,00	-10,71
Ratio of Receivables (Receivables/Current assets)	20,50	0,00	-20,50

(data: in %)

Source: OBA

In 2019, the OBA sold its own claims in the liquidation proceedings of 11 domestic credit institutions, as a result of which the amount of claims resulting from compensation (reduced by loss of value) decreased significantly in 2019 by HUF 55,187,672 thousand. Subsequently, the liquidation of NHB Bank began in 2019, followed by the liquidation of Sberbank in 2022. As a result, at the end of 2022, the value of the claims was still high (HUF 26,696,010 thousand), a significant part of which was accounted for by the deposit insurance expenses appearing as creditor claims - compensation reduced by impairment and additional costs.

At the end of 2023, the value of the claims is no longer significant, as refunds of HUF 3,447,792 thousand and HUF 23,225,427 thousand were received in 2023, respectively, due to the compensation of depositors of NBH Bank "under liquidation" and Sberbank "under liquidation". Both banks reimbursed 100% of the compensation paid. In addition, in the case of Sberbank „under liquidation”, HUF 376,867 thousand paid (accounted for under the law) so-called additional costs were 100% reimbursed. In the case of NBH Bank "under liquidation", a 100% recovery was also received for the unpaid (so-called still expected) liability (HUF 172,481 thousand), but not for the additional costs incurred in the amount of HUF 24 million, so a 100% loss of value was accounted for.

COMPOSITION OF CLAIMS

TABLE 9

Definition	2022	2023	Variation	
	HUF thousand	HUF thousand	HUF thousand	%
Receivables from member institutions	26 494 384	43	-26 494 341	-100,0
= fee receivables from member institutions	225	0	-225	-100,0
= impairment on fee receivables from member institutions	-225	0	225	-100,0
Receivables assigned in relation to the payment of deposits	26 494 384	43	-26 494 341	-100,0
= receivables assigned in relation to the payment of deposits	32 210 015	6 092 589	-26 117 426	-81,1
= impairment on receivables assigned in relation to the payment of deposits	-6 092 576	-6 092 576	0	0,0
= auxiliary expenses incurred in relation to the payment of deposit	447 656	70 773	-376 883	-84,2
= impairment on auxiliary expenses incurred in relation to the payment of deposits	-70 711	-70 743	-32	0,0
Other receivables from credit institutions	1 925	1 925	0	0,0
= receivables from credit institutions (Takarékbank)	1 925	1 925	0	0,0
Other receivables:	199 701	479	-199 222	-99,8
= Receivables from the supply of goods and services	0	183	183	N/A
= Advances paid	266	0	-266	-100,0
= restated tax liability	0	0	0	N/A
= other receivables	199 435	296	-199 138	-99,9
- receivable from the liquidator in relation to compensation not yet paid	198 633	0	-198 633	-100,0
- receivables from domestic customers, employees	802	296	-505	-63,0
- securities sold (purchase price)	0	0	0	N/A
- receivables under litigation	89 791	89 791	0	0,0
- impairment of receivables under litigation	-89 791	-89 791	0	0,0
Total:	26 696 010	2 447	-26 693 563	-100,0

(data: in thousand HUF and in %)

Source: OBA

The claim against member institutions decreased by HUF 26,494,341 thousand compared to the base period. Within this, additional costs decreased by HUF 376,883 thousand - due to returns received by NHB Bank and Tisza Takarékszövetkezet. In 2023, a 100% loss of value was accounted for the additional costs incurred in the OBA branch (HUF 32 thousand). We do not account for loss of value for compensation expenses related to deposits covered by a state guarantee, as they are reimbursed by the Hungarian State.

In the case of credit institutions affected by sold receivables, the OBA declares and shows the additional costs incurred due to compensation payments made after the sale as a claim against the credit institution undergoing liquidation. Based on the liquidation balance sheets and the declarations of the liquidators, a 100% loss of value was accounted for the additional costs - with the above exceptions.

Among the other claims, we show the claim against the former liquidator of the Heves és Vidéke Takarékszövetkezet, based on the amount of the recovery not paid to the OBA after the completion of the liquidation. In 2021, HUF 981 thousand was recovered from the claim. A 100% impairment was charged to the value of the claim, reduced by this recovery, in the amount of the remaining claim (HUF 89,791 thousand) that was not recovered from the execution and was reported in the execution procedure.

Among other receivables, at the end of the year, claims against suppliers, claims against employees (e.g. from salary advances), claims against customers resulting from unlawfully paid/received compensations, and advances for executions have a total balance of HUF 479 thousand. In the 2 execution procedures that have not yet been completed, we have accounted for a 100% loss of value for the claims against the client (HUF 818 thousand).

AMOUNT OF OBA CLAIMS RESULTING FROM COMPENSATION PAYMENTS PER MEMBER INSTITUTION ON DECEMBER 31, 2023

TABLE 10

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 reduced by NDIF return without impairment	Accumulated impairment opening	Accumulated impairment closing	Closing book value of compensation paid on deposits not protected by state guarantee
NHB Novekedési és Hitelbank "f.a."	0		0	0	0	0	0	0
NHB Novekedési és Hitelbank "f.a." related costs		24 064	405,965	0	23 658	24 052	24 064	-406
Sberbank Zrt "v.a."	139 441 805		0	139 441 805	0	0	0	0
Sberbank Zrt "v.a." related costs		379 947	22969,195	356 950	28	0	0	28
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a." related costs		2	0	0	2	1	2	0
Körmend és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Körmend és Vidéke Takarékszövetkezet "f.a." related costs		15	0	0	15	14	15	0
Orgovány és Vidéke Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Orgovány és Vidéke Takarékszövetkezet "f.a." related costs		188	0	0	188	182	188	0
Alba Takarékszövetkezet "f.a."	0		0	0	0	0	0	0
Alba Takarékszövetkezet "f.a." related costs		159	0	0	159	159	159	0
Széchenyi Hitelszövetkezet "f.a."	0		0	0	0	0	0	0
Széchenyi Hitelszövetkezet "f.a." related costs "f.a."		39	0	0	39	39	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	152	152	0
BRB Buda Regionális Bank "f.a."	0		0	0	0	0	0	0
BRB Buda Regionális Bank "f.a." related costs		359	0	0	359	358	359	0
DRB Dél-Dunántúli Regionális Bank "f.a."	3 103		0	552	2 551	2 551	2 551	0
DRB Dél-Dunántúli Regionális Bank "f.a." related costs		210	0	0	210	207	210	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		248	0	0	248	243	248	0
Total	139 444 908	405 383	23 375	139 799 306	27 609	27 959	27 987	-378

(data: in thousand HUF)

Source: OBA

The liquidators and liquidators will declare the expected return on the OBA's deposit insurance expenses appearing as creditor claims if the claim reaches the 10% rate stipulated in Act XLIX of 1991 on bankruptcy and liquidation proceedings. If the statements are available, based on them, if not, based on the information that can be extracted from the liquidation balance sheets, the loss in value to be accounted for is calculated. For receivables (liquidation, liquidation procedures), we use a unique impairment accounting key. Since it is not typical to recover the costs related to the payment of compensation after the amount of costs passed on to the member institution under liquidation, referred to in § 219 of the Credit and Finance Act, and classified under § 57, paragraph 1 point f) of Act XLIX of 1991 on Bankruptcy and Liquidation Procedures (Bankruptcy Act), the Fund calculates a 100% loss in value for these receivables, which reduces the receivables portfolio. We do not count on the reimbursement of additional costs that appear as claims ranked lower in the liquidation ranking - until we receive information to the contrary. The claim of the OBA not affected by the state guarantee, resulting from compensation payments (not including yet expected payments), reduced by taking into account the membership fee, at the end of 2023 is HUF 27,609 thousand, for which no recovery is expected.

The justified costs incurred in connection with the compensation will be paid by the Fund based on the accounting documents in its name and accounted for as a claim against the credit institution under liquidation. These items appear as an expense in the OBA's profit and loss statement as the amount of the impairment loss on receivables. The compensation amounts transferred to the agent banks participating in the compensation or to the Post Office in the amount corresponding to the bank statement, on the same day as the transfer, are accounted by the Fund as a claim against the member institution, regardless of whether the injured party received the transferred amount or not. In the time between the transfer and receipt, the OBA does not show claims against the credit institutions, considering that the transferred amounts are already in the possession of the compensated depositors.

Compensation amounts not received or withdrawn by the depositors (due to death, change of address, wrong address, etc.) will be transferred back to the account of the OBA with itemized settlement. In the event of the cooperation of an agent bank, depositors have the opportunity to withdraw the amounts transferred in the name of compensation until the date agreed with the agent banks. After the deadline stipulated in the agreements, the OBA and the agent bank will settle and the unclaimed deposits will be returned to the OBA.

According to the agreement concluded with Takarékbank Zrt. for the deposit payments incurred during the compensation of the Alba Takarékszövetkezet "under liquidation" and the Orgovány és Vidéke Takarékszövetkezet "under liquidation": "If the client does not collect the compensation amount within one year from the month following the start date of the compensation procedure, the Agent is obliged to transfer the cover back to the Client's bank account." Furthermore, the OBA subsequently splits the payments it makes to the customers based on the so-called liquid fraction fixed in the agreement, and based on the split, determines the amount of the paying agent bank's claim or liability. The amount of claims against Takarékbank Zrt. (or its legal successor, MBH Bank) as of December 31, 2023, shown against credit institutions in connection with the Alba Takarékszövetkezet "under liquidation" was HUF 1,925 thousand.

The Fund shows the still expected payments among the liabilities, their year-end amount is the same as the year-end amount of the analytical statements kept in the Payment System (KIR) for recording compensation obligations and payments, however, it may differ from the amounts shown among receivables, if the receivable has ceased or its value is not 100% due to impairment. The amount of unpaid but expected to be paid compensation obligations reported to the liquidators in ongoing liquidations and shown as receivables is HUF zero on 31.12.2023, as the amount registered against NHB Bank „under liquidation” was paid in 2022. In the case of Sberbank "under liquidation", the still expected payment obligations were handed over to the liquidator in 2022 based on the legal requirements, and therefore their recorded amount (HUF 5,694,071 thousand) was removed from the liabilities and claims against the liquidator in 2022.

The liquidation of the Heves és Vidéke Takarékszövetkezet was completed in 2019, however, the liquidator only partially met its obligation to pay the OBA, regarding the return approved in the court order, within the deadline, therefore the Fund initiated enforcement actions in 2019 to collect the additional amount still due to it and filed a complaint. In January 2023, after the executions were unsuccessful, the OBA also initiated a compensation claim against the former liquidator. The lawsuit is still ongoing. Given that the liquidation has been completed and the OBA is attempting to collect the full amount of the claim in litigation, the amount of the reported claim based on compensation payments, the related additional costs and the impairment losses accounted for them were already transferred from the claims against credit institutions to other short-term claims in 2020.

The liquidation of the Jógazda Takarékpénztár „under liquidation” was completed in 2022, the receivable due to the still expected payments is recorded in the books together with the corresponding amount of impairment, it has not yet been deducted.

AMOUNT OF CLAIMS REPORTED ON THE BASIS OF STILL EXPECTED PAYMENTS PER MEMBER INSTITUTION ON DECEMBER 31, 2023

TABLE 11

Credit institution	Receivable 31.12.2023	Impairment 31.12.2023	Return 31.12.2023	Book value of the Receivable 31.12.2023
„Jógazda” Szövetkezeti Takarékpénztár „f.a.”	54 568	54 568	0	0
NHB Bank "f.a."	172 481	0	172 481	0
Sberbank Zrt. "v.a." *	0	0	0	0
Total	227 049	54 568	172 481	0

(data: in thousand HUF)

Source: OBA

Development of the payment of deposits protected by the state guarantee by OBA between 1993-2023

The compensation payment for deposits protected by the state guarantee until 12.31.2023 totaled HUF 503,116 thousand, including ancillary costs, of which the state transferred HUF 492,858 thousand to OBA until 12.31.2023. The HUF 235,766 thousand state guarantee return paid to the OBA by the liquidators of the member institutions until 12.31.2023, but concerning the Hungarian state, was transferred to the Hungarian state, with the exception of the HUF 33 thousand received in 2023 in connection with DDB „under liquidation”, which is registered among the obligations towards the Hungarian state.

DEPOSITS PROTECTED BY A 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	0	87	0	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	12 623	9 684	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 „f.a.”	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 Takarékszövetkezet "f.a."	48 650	0	48 650	4 909	53 559	23 593	29 966	0
DDB Dél-Dunántúli Takarékszövetkezet "f.a." related costs	424	0	424	0	424	0	424	1
DRB Dél-Dunántúli Regionális Bank "f.a."	14 539	0	14 525	8 172	22 711	13 127	9 584	14
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	39 983	40 574	0
ÉRB Észak-Mo.-i Regionális Bank "f.a." related costs	378	0	378	0	378	0	378	0
Total	503 116	10 243	492 858	26 286	519 159	235 766	283 393	15

(adatok: E Ft-ban)

Source: OBA

Securities (current assets)

Based on the legal requirements, the Fund holds the fee collected from the member institutions in Hungarian government securities, including Hungarian government bonds and discounted treasury bills. The basis of the register is the purchase value, the Fund did not use the possibility of real valuation during the current year (2023).

The book value of securities registered as current assets (reclassified there during the year or acquired) at the end of the year is HUF 150,272,264 thousand at cost value, and in the case of government bonds at cost value adjusted for impairment according to table 16.

According to the Fund's Accounting Policy, a loss in value must be accounted for those securities that have been in existence for at least one year, with maturities beyond one year, where the difference between the market value and the book value, calculated with the exchange rate information available on the balance sheet date, is of a loss nature, the difference exceeds 10% of the book value, and it can also be classified as permanent or permanent, even if the Fund classified them as current assets.

Based on the above, a loss of value was recognized for Hungarian government bonds with a maturity beyond one year, in which the above conditions were met. In the case of previously acquired securities, where the difference between the market value and the net cost (book value) reduced by impairment was in the opposite direction, and the above other conditions (significant amount, durability) were met, the previously recognized impairment was written back. The previously recognized loss of value of securities that no longer existed on the balance sheet date was recognized among exchange rate losses on the receivables side (Table 16).

THE COMPOSITION OF THE STOCK OF SECURITIES SHOWN AMONG CURRENT ASSETS AND THE EVOLUTION OF THE ASSET VALUE

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 (01.01.2023)	7 133 814	20 603 110	0	0	27 736 924
<i>Breakdown</i>	25,72%	74,28%	0,00%	0,00%	100,00%
Closing (31.12.2023)	0	0	147 928 601	2 343 663	150 272 264
<i>Breakdown</i>	0,00%	0,00%	98,44%	1,56%	100,00%

(data: in HUF thousand, at net purchase price reduced by impairment (book value) and in %)

Source: OBA

SECURITIES – INDICATORS

TABLE 14

Definition	31.12.2022	31.12.2023	Variation %
Share of securities in the current assets:	21,30%	95,79%	74,50%
Share of securities within the total assets	11,12%	94,39%	83,26%

(data: in %)

Source: OBA

Funds

Among the funds, the Fund records the amount of money in the MNB current account, the accounts reserved to cover operating costs, the securities cash flow accounts, and the cash balance held in the house treasury, as follows.

FUNDS AS OF 12.31.2023

TABLE 15

Cash and cash equivalents	Value on 31.12.2022	Value on 31.12.2023	Variation (2022=100) %
HUF cash register	262	233	88,92
Foreign currency cash register EUR	1	1	100,00
Settlement account (MNB)	75 736 290	915 911	1,21
UniCredit Compensation accounts	-	-	N/A
OTP Compensation account	6	26	453,83
UniCredit operational accounts	75 751	21 643	28,57
OTP operational accounts	-	172 651	N/A
Raiffeisen custodian securities payment accounts	-	5 488 640	N/A
Transfer accounts	-	-	N/A
KELER cash account	-	-	N/A
State Treasury cash account	-	-	N/A
Cash and cash equivalents total	75 812 310	6 599 105	8,70

(data in HUF thousand)

Source: OBA

The impairment of Assets by balance sheet category in 2023 developed as follows.

IMPAIRMENT MOVEMENT TABLE

TABLE 16

Definition	Amount				
	Financial investments	Fee receivables	Receivables in relation to the payment of deposits	Securities (liquid assets)	Other receivables
Opennig balance	4 641 326	225	6 217 855	743 936	89 959
+ Accounted new impairment	-	-	32	290 655	650
- Reclassifications (+)	-4 641 326	-	-	4 641 326	-
- Impairment written off	-	-225	-	-1 293 244	-
- Impairment written back	-	-	-	-7 454	-
Impairment change in current year	-4 641 326	-225	32	3 631 283	650
Closing balance	-	-	6 217 887	4 375 218	90 610

(data in thousand HUF)

* With additional costs and pending claims
Source: OBA

In the case of securities, we recorded a new impairment loss on Hungarian government bonds classified as current assets (HUF 290,655 thousand), and the existing impairment of securities was reclassified together with the securities as current assets (HUF 4,641,326 thousand). The previously recognized impairment loss on the sold securities was deducted (HUF 1,293,244 thousand) and HUF 7,454 thousand was written back. Among the claims arising from deposit payments, a new impairment of HUF 32 thousand was accounted for additional costs, and an impairment of HUF 225 thousand was recognized for membership fee claims. For the non-litigation claim against the client registered under other claims (due to ineffective, uncompleted execution), we recorded HUF 650 thousand in value loss.

Active accruals

At the end of 2023, the Fund shows HUF 1,738,697 thousand in the time-proportional interest due on the securities among the active accruals, the fees for the service transferred to the Resolution Fund in 2023, but invoiced in the 4th quarter of 2023 (HUF 12,953 thousand), the membership fee correction realized in 2024 for the year 2023 is HUF 3,168 thousand, the account interest due for the year 2023 (HUF 60,618 thousand), and the listed costs that do not affect the year 2023 (HUF 38,883 thousand).

DETAILS OF ACTIVE ACCRUALS

TABLE 17

Description	31.12.2022	31.12.2023
Deferred revenues	1 556 606	1 815 436
Pro rata deferred interest and return on government securities	1 546 425	1 738 697
Amount to be re-invoiced to the Resolution Fund (2023. Q4)	7 872	12 953
Membership fee adjustment for 2023	1 536	3 168
Interest for late payments for 2023 (after membership fee)	774	0
Account interest for the year 2023	0	60 618
Deferred expenses	40 713	38 883
Céginfo online	2 580	4 120
Membership fees	2 697	2 864
Liability insurance	3 531	5 839
Virtual software support	31 339	25 522
Digital signature encryption	422	308
Property insurance	83	139
Periodicals	44	92
Tuition fee charged for next year	16	0
Accrual of expenses	29 496 859	0
Approved refund of extraordinary payments received from members	29 496 859	0
Grand total	31 094 179	1 854 319

(data in thousand HUF)

Source: OBA

EQUITY

The registered capital consists of the membership fees paid by the member institutions. Institutions did not join the Fund in 2023. The current year's profit of the previous year was transferred to the reserve, at book value. The Fund does not apply the fair valuation, did not account for value adjustments, and did not create a valuation reserve. In the current year, the change in equity was caused by the following items:

- the transfer of HUF 51,763,057 thousand of the previous year's profit to Reserves, and
- the result for the current year, which is HUF 11,078,872 thousand.

The result generated in the current year will be transferred by the Fund to the Reserve in 2024.

THE COMPOSITION OF EQUITY CAPITAL

TABLE 18

Definition	31.12.2022	31.12.2023	Variation
Subscribed capital	948 582	948 582	0
Reserve	93 858 366	145 621 423	51 763 057
Valuation reserve	0	0	0
Profit/loss in the current year	51 763 057	11 078 872	-40 684 185
Total	146 570 005	157 648 877	11 078 872

(data in thousand HUF)

Source: OBA

EQUITY — CALCULATION OF RESERVES

TABLE 19

Legal titles	31.12.2022	31.12.2023
Reserve opening	83 628 996	93 858 366
Varying during the current year	10 229 370	51 763 057
Reserve closing	93 858 366	145 621 423

(data in thousand 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	93 858 366	-	-	51 763 057	145 621 423
Profit reserve	-	-	-	-	-
Allocated reserve	-	-	-	-	-
Valuation reserve	-	-	-	-	-
Profit/loss in the current year	51 763 057	11 078 872	-	-51 763 057	11 078 872
Equity	146 570 005	11 078 872	-	-	157 648 877

(data: in thousand HUF)

Source: OBA

EQUITY INDICATORS

TABLE 21

Definition	2022 %	2023 %	Variation %
Capital ratio: (Equity/Balance sheet total)	58,80%	99,02%	40,22%
Coverage of invested assets: (Equity/Invested assets)	166,58%	33088,30%	32921,72%

(data: in %)

Source: OBA

The ratio of equity to the total balance sheet and the coverage of invested assets also increased compared to the previous year, OBA holds its liquid assets essentially entirely among current assets, in securities and cash at the end of the year.

Provisions

In connection with the rented office that served as the headquarters of the OBA until June 2020, the OBA disputed some of the costs invoiced to the OBA by the lessor for the 2017 operation. During the negotiations between the Fund and the lessor, no agreement was reached on the disputed cost, therefore, as a possible future expenditure, the Fund formed a provision of HUF 6,713 thousand in 2018 among the expenses. Deletion of the provision was not justified in 2023 either. In 2022 and 2023, a total of HUF 140,753 thousand was created as a provision against the subject's annual result (of which HUF 15,535 thousand in 2023) due to a legal claim against the former liquidator of the Heves és Vidéke Takarékszövetkezet (liquidated).

Long-term liabilities

OBA does not show a long-term liability in 2023 either.

LONG-TERM LIABILITIES AT THE END OF THE YEAR

TABLE 22

Definition	Amount						Variation (base: previous year)	
	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	thousand HUF	%
Long-term liabilities								
Issued bonds – OBA2022/A	17 250 003	0	0	0	0	0	0	0,0

(data: in thousand HUF and in %)

Source: OBA

The OBA issued a bond in 2022 for the financial obligations of Sberbank „under liquidation” related to compensation (OBA 2027/A bond). The HUF 69,375,000 thousand obligation arising from the bond and existing on 12.31.2022 was fully classified as short-term liabilities at the end of 2022, since the decision to redeem the entire bond portfolio was already made in 2022, its coverage was available at the end of 2022, and the entire bond portfolio was redeemed in January 2023. In order to cover the financial obligations related to the compensation of the depositors of Sberbank „under liquidation”, the outstanding amount of the extraordinary payment received from the members (HUF 29,496,859 thousand) was also classified as short-term liabilities at the end of 2022, given that the OBA board of directors made a decision on its full repayment by the time of the balance sheet preparation and the repayment took place in March 2023.

Rights and liabilities with a maturity of more than 5 years

OBA had no such obligation on December 31, 2023.

Short-term liabilities

At the end of the year, the Fund records the following items among short-term liabilities.

DETAILS OF THE FUND'S SHORT-TERM LIABILITIES

TABLE 23

Definition	31.12.2022	31.12.2023	Variation
Portion of bond issuance to be repaid within a year	69 375 000	0	-69 375 000
Liability arising from extraordinary payments made by members	29 496 859	0	-29 496 859
Debt to member institutions (membership fee)	25 519	406	-25 113
Compensation obligation towards depositors, not yet paid	1 222 445	1 212 576	-9 869
Debt to other credit institutions (Takarékbank)	480	479	0
Domestic suppliers	106 908	73 380	-33 528
Foreign suppliers	1 111	957	-154
Amounts of state-guaranteed recoveries received but not yet transferred	6 215	34	-6 181
Taxes, contributions	40 561	45 618	5 057
December benefits to employees	48 081	60 815	12 735
Debt to employees	0	0	0
State bonds prices payable	0	0	0
Voluntary funds	0	0	0
Other short term liabilities	0	0	0
Total	100 323 179	1 394 265	-98 928 914

(data: in thousand HUF)

Source: OBA

In previous years, the compensations that have not yet been paid included only the amounts settled based on the already financially received creditor claims submitted to the liquidators and the bank statements confirming the transfer (Reálbank "under liquidation", Rákóczi Hitelszövetkezet "under liquidation").

From 2014, based on the proposal of the State Audit Office's report, the OBA's indemnification obligations, which have not yet been paid at the balance sheet date, will be shown, regardless of whether they are not yet financially settled.

Among short-term liabilities, HUF 1,212,576 thousand is shown under this title, even if the liquidation procedure has already been completed by 31.12.2023 (Reálbank "under liquidation", Rákóczi Hitelszövetkezet "under liquidation", Heves és Vidéke Takarékszövetkezet "under liquidation", Általános Közlekedési Hitelszövetkezet "under liquidation", Jógazda Takarékszövetkezet, Tisza Takarékszövetkezet "under liquidation", DDB Bank "under liquidation").

UNPAID DEPOSITS PER MEMBER INSTITUTION
(OBA, WITHOUT STATE GUARANTEE AMOUNTS)

TABLE 24

Definition HUF th	Compensation not yet paid 31.12.2022	Compensation not yet paid 31.12.2023	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.”	45 672	45 673	1
Orgovány és Vidéke Takarékszövetkezet „f.a.”	128 175	128 173	-2
Alba Takarékszövetkezet „f.a.”	16 712	16 714	3
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."	76 465	76 465	0
DDB Dél-Dunántúli Takarékbank "f.a."	87 065	87 065	0
DRB Dél-Dunántúli Regionális Bank "f.a."	121 387	120 501	-886
ÉRB Észak-Mo.-i Regionális Bank "f.a."	357 224	357 224	0
NHB Bank "f.a."	172 481	163 498	-8 984
Total	1 222 445	1 212 576	-9 869

(data: in thousand HUF)

Source: OBA

Apart from its own fault, OBA cannot pay all items to customers in the initial phase of compensation events. The stock that remains with the OBA in this way, i.e. the after-care stock, represents an additional expected liability for compensation, the payment of which will already take place in the after-care phase. In accordance with the legal requirements, the OBA declares such items as creditor's claims in individual liquidation and liquidation procedures, so they form part of the creditor's claim. The follow-up care also affects the depositors of credit institutions where the liquidation procedure has already been closed. In addition, the liquidation claims sold also include the expected compensation obligation that has not yet been paid, as it was also part of the creditor's claim, at the same time, regardless of the sale, the payment of the compensation - as soon as it becomes possible - remains the responsibility of the OBA, it continues to show them among the liabilities. At the end of 2023, the expected compensation obligation not yet paid by the OBA amounted to HUF 1,212,576 thousand, which is HUF 9,869 thousand lower than the amount a year earlier.

Deposits pending payment

OBA PAYMENTS FROM FROZEN DEPOSITS BY MEMBER INSTITUTION (EXCLUDING ÁG PAYMENTS)

TABLE 25

Definition	Total frozen deposits	Payments made in the current year			Total payments made by OBA
		total	capital	interest	
Heves és Vidéke Takarékszövetkezet "u.l." terminated	262 127	-	-	-	262 127
Iparbankház Zrt. terminated	25 040	-	-	-	2 306
Realbank Zrt. terminated	5 154 398	-	-	-	5 077 739
Rákóczi Hitelszövetkezet terminated	292 184	-	-	-	290 789
Általános Közlekedési Hitelszövetkezet "u.l." terminated	3 185 249	-	-	-	3 184 701
Jógazda Szövetkezeti Takarékszövetkezet "u.l." terminated	9 849 564	-	-	-	9 010 177
Soltvadkert és Vidéke Takarékszövetkezet "u.l."	35 845 276	-	-	-	33 533 262
Körmend és Vidéke Takarékszövetkezet "u.l."	26 272 476	-	-	-	22 964 830
Tisza Takarékszövetkezet "u.l." terminated	9 022 540	-	-	-	8 543 438
Széchenyi István Hitelszövetkezet "u.l."	8 951 695	-	-	-	8 914 524
Széchenyi Kereskedelmi Bank Zrt. "u.l."	19 867 233	-	-	-	13 570 320
ALBA Takarékszövetkezet "u.l."	7 109 412	-	-	-	7 092 698
Orgovány és Vidéke Takarékszövetkezet "u.l."	49 658 488	2	2	-	46 776 360
BRB Bank Zrt."u.l."	23 794 714	-	-	-	19 278 815
DDB Bank Zrt. "u.l." terminated	27 768 802	-	-	-	23 272 427
ÉRB Bank Zrt. "u.l."	45 584 237	-	-	-	39 464 917
DRB Bank Zrt. "u.l."	24 952 123	891	891	-	22 659 157
NHB Bank Zrt. "u.l."	12 400 216	8 984	8 984	-	3 284 294
Sberbank Zrt. "u.l."	332 615 794	145	145	-	139 441 780
Total	642 611 567	10 022	10 022	-	406 624 660

(data: in thousand HUF)

Note: The frozen stock also includes uninsured deposits, the reason for its change: in the case of a decrease in the stock, equalization of deposits against loan repayment at the request of the liquidator, and in the case of an increase in the stock, the recording of deposits based on a court ruling.
Source: OBA

In all cases, the amounts paid out in the table reduce liabilities to depositors. No compensation payments were made between the closing date of the balance sheet and the date of preparation of the balance sheet.

LIABILITIES – INDICATORS

TABLE 26

Definition	31.12.2022	31.12.2023	Variation
	%	%	%
Liabilities ratio (Liabilities/Balance sheet total)	40,2%	0,9%	-39,4%
Liquidity ratio (Current liabilities/Liabilities)	100,0%	100,0%	0,0%

(data: in %)

Source: OBA

The ratio of liabilities to total assets decreased compared to 2022. At the end of the year, the liabilities are only short-term, the OBA's liquidity indicator improved significantly.

Passive accruals

The Fund shows among the passive accruals those expenses that affect the subject period but were only financially settled after the subject period.

The Fund shows the amount of the bonus and public charges burdening the year 2023 but paid financially only in the following year (HUF 10,430 thousand) among the passive accruals, service invoiced in 2024, but charged to 2023 (HUF 701 thousand) and the fee for the not yet settled audit (HUF 2,845 thousand).

ITEMS OF PASSIVE ACCRUAL

TABLE 27

Definition	31.12.2022	31.12.2023
Membership fee corrections in 2022, related to year 2021	1 536	0
Proportional interest payable for the year 2022 on the OBA 2027/A bond	2 290 492	0
Bonus from the previous year paid in the following year and its social contributions	0	10 430
Service fee from 2023 invoiced in 2024.	4 820	701
Accrued audit fees of 2023	2 898	2 845
Sum Total	2 299 746	13 976

(data: in thousand HUF)

Source: OBA





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EXPLANATIONS FOR INDIVIDUAL INCOME STATEMENT ITEMS

CALCULATION OF RESULTS PER ACTIVITY

Definition	Deposit insurance		Asset management		Operations		Total		Variation thousand HUF
	2022	2023	2022	2023	2022	2023	2022	2023	
1 Fee revenues from member institutions	99 943 159	30 428 824	0	0	0	0	99 943 159	30 428 824	-69 514 335
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	5 732 908	2	0	0	0	0	5 732 908	2	-5 732 906
I. Grand total of revenues from deposit insurance (01+02+03+04)	105 676 067	30 428 826	0	0	0	0	105 676 067	30 428 826	-75 247 241
II. Other revenues	0	0	0	0	37 310	5 719 008	37 310	5 719 008	5 681 698
III. Revenues not from deposit insurance	0	0	0	0	0	0	0	0	0
IV. Revenues from financial transactions	0	0	5 668 537	8 884 612	0	0	5 668 537	8 884 612	3 216 075
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	49 747 323	29 496 898	0	0	0	0	49 747 323	29 496 898	-20 250 425
8.1 Amount of extraordinary payments received from member institutions and refunded in the current year	44 053 174	29 496 859	0	0	0	0	44 053 174	29 496 859	-14 556 315
8.2 Other expenditures related to deposit insurance	5 694 149	39	0	0	0	0	5 694 149	39	-5 694 110
V. Expenditures related to deposit insurance (05+06+07+08)	49 747 323	29 496 898	0	0	0	0	49 747 323	29 496 898	-20 250 425
VI. Other expenses	0	0	0	0	125 992	16 311	125 992	16 311	-109 681
VII. Expenditures not related to deposit insurance	0	0	0	0	0	0	0	0	0
VIII. Expenditures of financial transactions	0	0	8 592 315	3 081 432	0	0	8 592 315	3 081 432	-5 510 883
9 Material expenses	0	0	0	0	508 938	524 944	508 938	524 944	16 006
10 Personal expenses	0	0	0	0	548 661	700 962	548 661	700 962	152 301
11 Depreciation	0	0	0	0	95 628	133 027	95 628	133 027	37 399
IX. Operational expenses (09+10-11)	0	0	0	0	1 153 227	1 358 933	1 153 227	1 358 933	205 706
A. Profit/loss of the current year (I+II+III+IV+V+VI+VII+VIII-IX)	55 928 744	931 928	-2 923 778	5 803 180	-1 241 909	4 343 764	51 763 057	11 078 872	-40 684 185

Source: OBA

TABLE 28

(data: in thousand HUF)

DETAILS OF INCOME FROM DEPOSIT INSURANCE

In the Fund's profit and loss statement, the fee income received from member institutions is presented among the fee income settled against the member institutions. 100% of the fee income is payable domestically and paid in HUF. Annex 1 presents the amount of the financially settled fees received. In the current year, there was no increased fee income in addition to the above regular fees. The other deposit insurance income in 2022 is HUF 5,732,908 thousand, of which the recognized income from the transfer of receivables due to the transfer of the portfolio of still expected payments to depositors of Sberbank "under liquidation" was HUF 5,694,071 thousand, the write-back of the impairment loss due to the surplus return of Jógazda Takarékszövetkezet "under liquidation" (liquidated) was HUF 1,006 thousand, in the case of the sold receivables, after their elimination, the amount corresponding to the decrease in stock resulting from non-cash movements (decrease in expected payment obligations) was HUF 37,8321[sic] thousand. In 2023, only a decrease in stock not resulting from cash flow was accounted for, in the amount of HUF 2 thousand. (In the case of sold receivables, the amount corresponding to the expected payment stock is removed from the receivables, but not from the liabilities, therefore the change in stock only changes the liabilities.)

OTHER INCOME IN OPERATING INCOME

Other income (HUF 5,719,008 thousand) includes:

- late interest related to Sberbank „under liquidation” compensation payments, calculated according to the Civil Code and reimbursed to the OBA (HUF 5,641,242 HUF),
- the invoiced fee for the agreed tasks incurred by the OBA due to the performance of the operational tasks of the Resolution Fund, calculated without VAT, the amount of which is HUF 43,209 thousand for quarters I-IV,

- the contribution received from EFDI to offset the costs of the EFDI annual general meeting organized by the OBA (HUF 19,204 thousand),
- compensation received in the closed litigation (HUF 13,066 thousand),
- late interest received from credit institutions and paid due to late transfer of quarterly fees (HUF 808 thousand),
- compensation received from an insurance company due to a damage event related to tangible assets (HUF 38 thousand),
- the amounts of fines, penalties, compensation, late payment interest received (HUF 38 thousand),
- income received due to non-performance by a partner in a business relationship with the asset manager (CSDR penalty⁶) HUF 1,105 thousand),
- the time-proportional cafeteria reimbursement of an employee who quit (HUF 295 thousand),
- and HUF 1 thousand rounding income.

DEPOSIT INSURANCE AND OTHER EXPENSES, OPERATING COSTS

DEVELOPMENT OF EXPENDITURES AND OPERATING COSTS

Definition	2022	2023	Variation	
			thousand HUF	%
Expenditures related to deposit insurance	49 747 323	29 496 898	-20 250 425	-40,71%
- expenses related to other deposit insurance	49 747 323	29 496 898	-20 250 425	-40,71%
Expenditures not related to deposit insurance	0	0	0	0,00%
Other expenditure	125 992	16 311	-109 681	-87,05%
Expenses by expense type	1 153 226	1 358 933	205 707	17,84%
- material type	508 937	524 944	16 007	3,15%
= material expenses	9 710	13 690	3 980	40,99%
= used material type services	300 211	500 307	200 096	66,65%
= other services	199 017	10 947	-188 069	-94,50%
- personnel-type	548 661	700 962	152 301	27,76%
- depreciation	95 628	133 027	37 399	39,11%
Total	51 026 541	30 872 142	-20 154 399	-39,50%

(data: in thousand HUF and in %)

Source: OBA

TABLE 29

Among the deposit insurance expenses, the Fund accounted for:

- the amount remaining from the extraordinary payment collected from member institutions in 2022 and repaid in 2023 (HUF 29,496,898 thousand)
- the increase in the stock of still expected payment obligations (HUF 7 thousand, if no payment is included, no new claim notification is made),
- losses in value of claims resulting from compensation (payments and additional costs) (HUF 32 thousand),
- the provision formed in 2023 (HUF 15,535 thousand),
- paid late interest (HUF 109 thousand),
- impairment recognized for receivables (HUF 650 thousand),
- expenses for rounding (6 HUF thousand).

The operating costs for 2023 (**HUF 1,358,933 thousand**) are HUF 205,707 thousand higher than the previous year. The changes are presented in the following table. In 2023, HUF 36,128 thousand event costs (of which, however, HUF 19,204 thousand were offset by income) were a different (unusual) item from 2022.

We will discuss the development of operating costs and the justification of the main figures of the fulfillment in the presentation of the fulfillment of the 2023 annual budget of the OBA.

DETAILS OF THE SERVICES USED

Definition	20220	2023	Variation		2023 breakdown %
			thousand HUF	%	
Total other services	115 048	189 030	73 983	64,3%	37,8%
= transportation, loading and warehousing	264	499	235	89,0%	0,1%
= lease fees, operational fees	76 002	100 674	24 671	32,5%	20,1%
= maintenance expenses	5 382	5 828	446	8,3%	1,2%
= postal, telecommunications services	5 859	9 025	3 165	54,0%	1,8%
= education and further training	1 366	2 803	1 437	105,2%	0,6%
= news monitoring, communication expenses, hosting	2 064	8 394	6 330	306,6%	1,7%
= expenses of business trips and delegation	4 231	4 782	551	13,0%	1,0%
= outsourced costs of a domestic conference	0	36 128	36 128	N/A	7,2%
= membership fee	19 880	20 897	1 017	5,1%	4,2%
Total specialist services	185 163	203 441	18 278	9,9%	40,7%
= translation	177	206	28	16,0%	0,0%
= other advisory fees	54 539	29 037	-25 502	-46,8%	5,8%
= program expert fee, program update fees	19 390	48 408	29 019	149,7%	9,7%
= information technology security control	27 304	24 787	-2 517	-9,2%	5,0%
= fee of operation of the payment system	14 859	23 989	9 130	61,4%	4,8%
= legal service fee	41 172	34 546	-6 626	-16,1%	6,9%
= audit fee	4 140	4 741	601	14,5%	0,9%
= bookkeeping fee, other administration services	11 935	13 754	1 819	15,2%	2,7%
= document storage	541	345	-196	-36,2%	0,1%
= photocopying	128	135	7	5,6%	0,0%
= job advertisement, recruitment	1 953	279	-1 674	-85,7%	0,1%
= supply services of personnel	8 757	20 503	11 746	134,1%	4,1%
= other not listed services used	268	2 710	2 442	911,2%	0,5%
Costs of asset management		107 837			
Total	300 211	500 307	92 260	31%	100,0%

(data: in thousand HUF and in %)

Source: OBA

TABLE 30

PRESENTATION OF OTHER SERVICES

Definition	2022	2023	Variation		2023 breakdown %
			thousand HUF	%	
Costs of issue of OBA 2027/A bonds	189 320	178	-189 142	-99,9	1,6
Bond issuance-Underwriting fee	150 000	0	-150 000	-100,0	0,0
Bond issuance-Distribution fee	30 000	0	-30 000	-100,0	0,0
Bond issuance-Legal fees	8 740	110	-8 630	-98,7	1,0
Fees related to bond redemption	581	68	-512	-88,2	0,6
Insurance premium	7 098	6 587	-511	-7,2	60,2
Bank expenses	2 573	2 800	226	8,8	25,6
Regulatory fees	25	1 382	1 357	5428,0	12,6
Total	199 017	10 947	1 071	-0,5	100,0

(data: in thousand HUF and in %)

Source: OBA

TABLE 31

⁶ Central Securities Depositories Regulation: Regulation 909/2014/EU, Settlement finality in payment and securities settlement systems: Directive 98/26/EC, Markets in financial instruments: Directive 2014/65/EU

The OBA does not account for and record the costs related to compensation payments, which are exhaustively named in the law, as claims against member institutions, but as claims against member institutions, and then asserts them against the credit institution that has been liquidated during the creditor claim report. Unenforceable amounts are recorded as impairment. These incurred expenses do not appear in the OBA's profit and loss statement as expenses resulting from deposit insurance but are reduced to the current year's profit as an expense when the impairment is accounted for, if they are not forwarded costs.

DETAILS OF OTHER EXPENSES

Definition	2022	2023	Variation		2023 breakdown
			thousand HUF	%	
Other expenditure					
Support given	550	0	-550	-100	-
Late payment interest, compensation, self-assessment penalty, and liquidated damages	211	119	-92	-44	0,7
Rounding differences	1	5	4	845	0,0
Impairment of receivables	0	650	650	N/A	4,0
Provisions	125 218	15 535	-109 683	-88	95,2
Other expense	12	1	-11	-89	0,0
Total	125 992	16 311	-109 681	-87,1	100,0

Source: OBA

TABLE 32

Among other expenses, the Fund accounted for: HUF 119 thousand late interest and self-inspection surcharge, HUF 650 thousand loss of value of receivables from clients, HUF 15,535 thousand provision due to litigation, HUF 1 thousand rounding difference and HUF 12 thousand other expenses, HUF 6 thousand rounding difference.

(data: in thousand HUF and in %)

RESULTS OF FINANCIAL OPERATIONS

The result of financial operations is the difference between financial income and financial expenses. The main principles and methods used during the evaluation and accounting:

- basis of the accounting: book value,
- valuation at fair value was not applied.

The components and structure of the result of financial operations were formed according to the following table.

PRESENTATION OF THE FINANCIAL RESULTS

Definition	31.12.2022	31.12.2023	Variation	
			thousand HUF	%
Financial revenues				
Interest received	2 357 339	2 439 306	81 967	3,5
Revenues from financial transactions	3 311 198	6 445 306	3 134 108	94,7
- exchange rate gain on FX stocks	824	3 465	2 641	320,4
- gain on Hungarian government securities	3 310 374	6 441 841	3 131 467	94,6
= gain on Hungarian government bonds	31	557 224	557 193	1 816 796,5
= interest gain on Hungarian government bonds	2 634 893	4 041 642	1 406 749	53,4
= gain on discount treasury bills	675 450	1 842 975	1 167 525	172,9
Total:	5 668 537	8 884 612	3 216 075	56,7

Definition	31.12.2022	31.12.2023	Variation	
			thousand HUF	%
Financial expenses				
Interest paid, interest-type expenses - loans	1 572 100	0	-1 572 100	-100,0
Interest paid, interest-type expenses (OBA2027/A bond)	5 527 433	854 661	-4 672 772	-84,5
Interest paid, interest-type expenses - other	0	9	9	N/A
Expenditures of financial transactions	1 482 754	2 226 762	744 008	50,2
Exchange rate loss on FX stock	1 968	2 536	568	28,8
Loss on Hungarian government securities	1 480 786	2 224 226	743 440	50,2
= loss on Hungarian government bond	1 306 889	3 234 269	1 927 380	147,5
= reversal of previous period impairment of Hungarian government bonds	-84 101	-1 293 244	-1 209 143	1 437,7
= loss on discount treasury bills	417	0	-417	-100,0
= loss on Hungarian government bond CMAX portfolio	0	283 201	283 201	N/A
= loss on Hungarian government bonds Individual Portfolio	257 581	0	-257 581	-100,0
Other financial expenses	10 028	0	-10 028	-100,0
Total:	8 592 315	3 081 432	-5 510 883	-64,1
Balance (financial result)	-2 923 778	5 803 180	8 726 958	-298,5

Source: OBA

TABLE 33

Financial income includes interest received on bank account money and interest received on the balances of securities cash flow accounts maintained at the custodian. Currency exchange differences are the differences between the registered price of suppliers registered in foreign currency (MNB exchange rate) and the bank exchange rate at the time of payment. Realized gains and losses and interests of government securities include the interest paid at the time of purchase (decreasing), interest payments received, and accrued interests and returns that have not yet been realized but accrue over time (increasing).

Within the financial expenses, the largest item is the loss of government securities (HUF 2,224,226 thousand). In 2022, other financial expenses include portfolio and custodian fees, as well as KELER fees (HUF 10,028 thousand), which will be shown under the costs of services in 2023. **The result of financial income and expenses adjusted for impairment is a profit of HUF 5,803,180.**

(data: in thousand HUF and in %)

PERSONNEL AND SALARY MANAGEMENT

The average number of employees of the OBA in 2023 slightly exceeded the level of 2022.

EVOLUTION OF THE AVERAGE STATISTICAL NUMBER OF EMPLOYEES

Persons	2022	2023
Physical workers	0	0
Non-physical workers	21,6	22,8

Source: OBA

TABLE 34

(data: in number of persons)

THE DEVELOPMENT OF AVERAGE MONTHLY GROSS INCOMES

Definition	2022	2023
Average wages of non-physical workers	1 106 764	1 246 272
Average bonus of non-physical workers	339 506	344 439
Total average income	1 446 270	1 590 711

Source: OBA

TABLE 35

(data: HUF/person/month)

The average income increased in 2023 as a result of the planned wage adjustment. Personal benefits, including incentive benefits, increased in 2023, the OBA provided cafeteria and other benefits to employees in 2023 based on its internal regulations. In 2023, expenses related to events (EFDI general meeting, OBA 30th anniversary) appear between representation expenses and taxes.

PERSONNEL EXPENSES (EXCLUDING SALARY COSTS)

Definition	2022	2023	Variation
Incentive	11 357	17 481	6 125
Social	1 700	0	-1 700
Refund of expenses	1 265	2 093	828
Honorary fees	90 971	109 933	18 963
Sick leave	2 780	2 783	2
Assignment fee	44	0	-44
Entertainment costs	3 305	41 148	37 843
Work protection	245	285	40
Total personnel-type payments	111 667	173 723	62 057
Social contribution tax	62 293	81 088	18 795
Corporate, PIT, health contribution	1 961	11 886	9 925
Total tax and contributions	64 254	92 974	28 720
Grand total	175 921	266 697	90 776

Source: OBA

TABLE 36

(data: in thousand HUF)

Among personnel expenses, the increase in the remuneration of the board of directors followed the increase in the minimum wage. Occupational safety expenses include the amount used for the allowance for work glasses, which is maximized in the internal regulations.



PRESENTATION OF THE SECURITIES PORTFOLIO AND EVALUATION OF THE WORK OF THE ASSET MANAGERS

In 2022, the Fund launched a tender for market asset management, the results of which were announced at the end of the year. In the tender, three asset managers - Aegon Alapkezelő Zrt., Diófa Alapkezelő Zrt. and MKB Alapkezelő Zrt. - won mandates in equal shares. In addition, the Fund also announced a tender for custodian tasks in 2022, the winner of which was Raiffeisen Bank Zrt. Until the end of April - until the transfer of assets to market asset managers - the Fund invested its assets in Hungarian government securities and discount treasury bills, which were registered in a securities account maintained at the Hungarian Treasury (Individual Portfolio). After the negotiation of asset management contracts, procedures and related legal documents, the actual transfer of assets took place at the beginning of May 2023. At the start of asset management, assets with a market value of HUF 121,011,728 thousand were transferred to the portfolio managers in the form of securities transfer and bank transfer. In the current year, the name of the Aegon Alapkezelő was changed to VIG Alapkezelő, while the name of the MKB Alapkezelő was changed to MBH Alapkezelő. In addition, in January 2024, Diófa Alapkezelő changed its name and adopted the name Gránit Alapkezelő.

In the books, the Fund records government securities at the purchase price adjusted for impairment, reduced by the interest in the purchase price. At the end of the year, the portfolio was not transferred. There were no investments in foreign government securities in the current year. The Fund does not apply the real valuation, it records government securities in the books at the purchase price reduced by impairment.

CHANGE IN THE BOOK VALUE OF SECURITIES PORTFOLIO

Date	Portfolio	Securities	Total	Breakdown
Opening (01.01.2023)	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%
Closing (31.12.2023)	Unique Portfolio	Fix interest bond	0	N/A
		Discount Treasury bill	0	N/A
		Total	0	N/A
	Market Portfolio	Fix interest bond	147 928 601	98,4%
		Discount Treasury bill	2 343 663	1,6%
		Total	150 272 264	100,0%
Total Portfolio	Fix interest bond	147 928 601	98,4%	
	Discount Treasury bill	2 343 663	1,6%	
	Total	150 272 264	100,0%	

Source: OBA

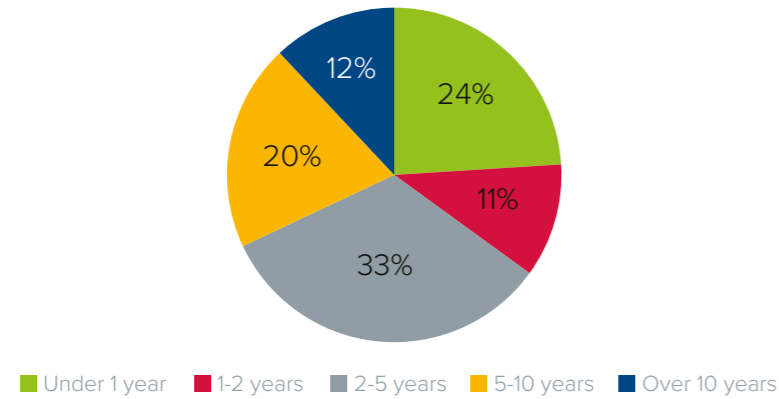
TABLE 37

The gross market value of OBA's entire Market Portfolio⁷ was HUF 163,131,810 thousand on December 31, 2023, all of which it held in the Market Portfolio. The distribution of the entire portfolio by maturity is shown in the following figure (based on gross market value). Papers with remaining maturities between 2-5 years accounted for the largest share in the Market Portfolio. The proportion of government securities with a remaining maturity of more than 10 years was 12%. Among the securities within the year, Hungarian government bonds also predominated.

⁷ In the case of the Market Portfolio, based on the average of the gross purchase and sale rates published by the Hungarian Treasury.

BREAKDOWN OF THE MARKET PORTFOLIO BY MATURITY BASED ON GROSS MARKET VALUE ON DECEMBER 31, 2023

Maturity structure of market portfolio 31.12.2023.

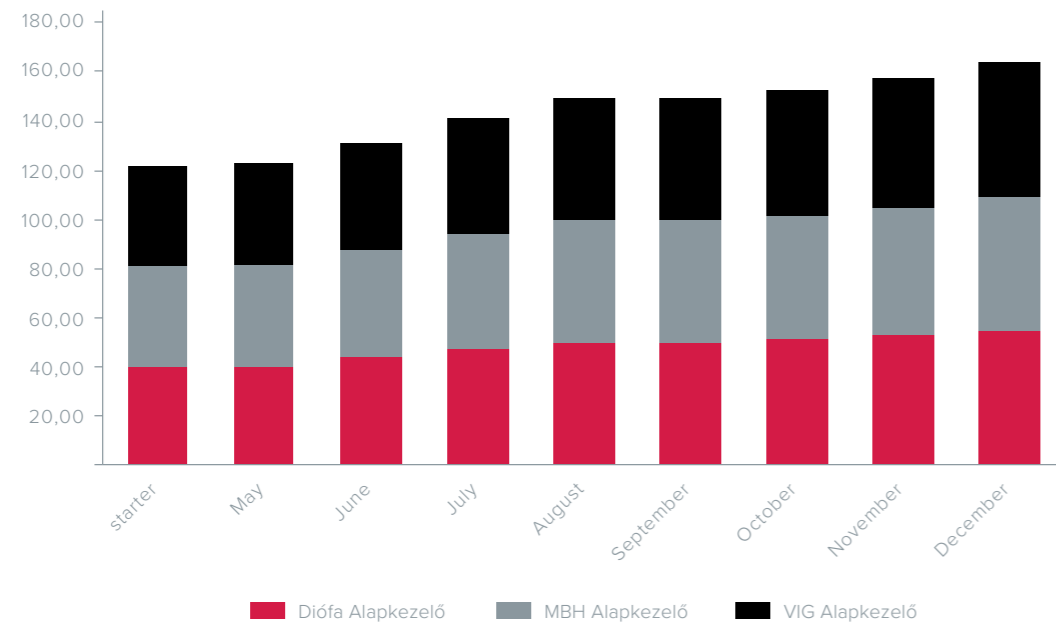


Source: ÁKK, OBA

FIGURE 11

CHANGES IN THE STOCK OF THE MARKET PORTFOLIO FROM MAY 2, 2023

Change in assets of market portfolio from 02.05.2023.



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

FIGURE 12

AVERAGE RETURN ON ASSETS AND RELATIVE PERFORMANCE ACHIEVED BY THE MARKET PORTFOLIO

Period	Return	Benchmark*	Relative return
2023/Q2	5,28%	5,38%	-0,10%
2023/Q3	2,20%	2,08%	0,12%
2023/Q4	7,98%	7,64%	0,34%
2023**	16,19%	15,79%	0,40%

*30% RMAX Index +70% MAX Index
** nem évesített, napi lánszorzáttal számolt időszakos hozamok 2023.05.02-től

Source: OBA

TABLE 38

The performance of the Market Portfolio under asset management has been outstanding in terms of returns since the start of the mandates. The good performance was helped by the extremely favorable market environment. The Hungarian government bond yield curve shifted significantly lower at both the short and long ends last year. Due to the higher average duration of the portfolio, this effect was outstanding in the case of the MAX index containing long bonds, and the performance of RMAX was also supported by the high reference interest level. Overall, the benchmark of the Market Portfolio rose by 15.79 percent in 8 months.

The combined performance of the three asset managers exceeded the composite return of the reference index - 30% RMAX Index + 70% MAX Index. In the first broken period, the performance fell short of the benchmark due to the transferred portfolio with a shorter average time (duration), but at the same time, all three asset managers built the appropriate portfolio composition and in the second half of the year they already created significant added value – the so-called Alpha. Starting from the launch of the Market Portfolio last year, the average return on assets was 0.4 percent higher than the return of the designated reference index.

In 2023, the market value of the **Market Portfolio** rose continuously from the asset transfer, which was helped by the market processes presented in point 2.1. In connection with the Market Portfolio, HUF 96,624 thousand in portfolio management fees and HUF 11,212 thousand in escrow management fees were incurred until the end of December 2023. The financial result of the Fund in 2023 is positive (HUF 5,803,180 thousand).

SUMMARY EVALUATION OF THE DEVELOPMENT OF THE RESULT

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

COMPONENTS OF THE RESULTS

Definition	31.12.2022	31.12.2023	Variation thousand HUF	Variation %
Revenues from deposit insurance	105 676 067	30 428 826	-75 247 241	28,8%
Normal fee income	26 393 125	30 428 824	4 035 699	115,3%
Extraordinary payment	73 550 033	0	-73 550 033	N/A
Expected payment of transferred (written off) liability	5 694 071	0	-5 694 071	N/A
Reversal of impairment on claims arising from deposit insurance	1 006	0	-1 006	0,0%
Revenue from expected changes in remaining balances.	37 832	2	-37 830	0,0%
Revenues not from deposit insurance	0	0	0	N/A
Other revenues	37 310	5 719 008	5 681 698	15328,4%
Revenues from financial transactions	5 668 537	8 884 612	3 216 075	156,7%
Total revenues	111 381 914	45 032 446	-141 596 708	40,4%
Expenditures related to deposit insurance	49 747 323	29 496 898	-20 250 425	59,3%
Expenditures not related to deposit insurance	0	0	0	N/A
Other expenses	125 992	16 311	-109 681	12,9%
Expenditures of financial transactions	8 592 315	3 081 432	-5 510 883	35,9%
Total expenditure	58 465 630	32 594 641	-25 870 989	55,8%
Operating expenses	1 153 227	1 358 933	205 706	117,8%
Total expenses and operational costs	59 618 857	33 953 574	-25 665 283	57,0%
Profit/loss of the current year	51 763 057	11 078 872	-115 931 425	21,4%

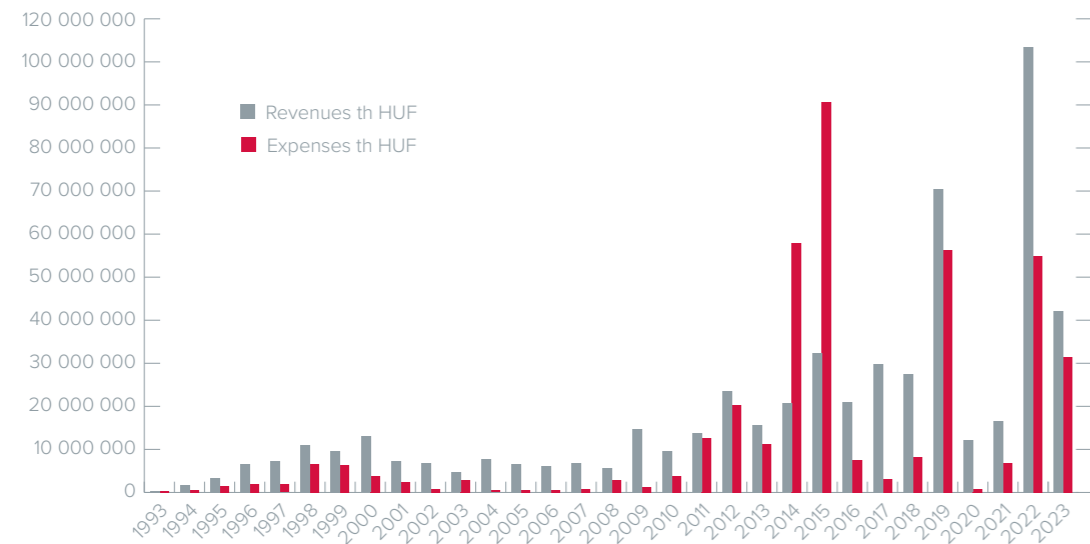
Source: OBA

TABLE 39

The result for the current year is **HUF 11,078,872 thousand**. In 2023, membership fee income was higher than the previous year (115.3%). In 2022, among the deposit insurance income, an extraordinary payment and stock transfer (derived liability) that did not occur in previous years were accounted for, in 2023 there was no such income. The result of financial operations improved significantly. Operating costs increased slightly. The following graphs show the development of revenues and expenditures, as well as equity and profit from the establishment of OBA in 1993 until 2023.

(data in thousand HUF)

DEVELOPMENT OF OBA'S REVENUES AND EXPENDITURES BETWEEN 1993-2023



Source: OBA

FIGURE 13

EVOLUTION OF EQUITY AND PROFIT BETWEEN 1993-2023



Note: the 2015 result, corrected, with the self-revision item, and the correction items also appear in the 2016 equity.
Source: OBA

FIGURE 15

Equity includes cumulatively the results of previous years, as well as the current year's results.

The positive and negative deviations (fluctuations) of the result from 1998 to 2004 are justified by the evolution of the recovery prospects from the liquidation of the claim against Reálbank Rt „under liquidation” (liquidated), and in the following years mainly by the change in government bond market yields.

In 2010, the decline occurred due to the payment resulting from the compensation of the depositors of the Általános Közlekedési Hitelszövetkezet "under liquidation" (liquidated), the result of 2011 was affected by the compensation paid due to the withdrawal of the license of the "Jógazda" Szövetkezeti Takarékpénztár, and in 2012 it was reduced by the compensation due to the liquidation or liquidation of the Soltvadkert és Vidéke Takarékszövetkezet. There were no license revocations in 2013, but the yield on government securities was significantly lower than in 2012.

In 2014, compensation payments of a larger magnitude than ever before were made after the license of 6 credit institutions was revoked by the Supervisory Authority, and the recorded impairment decreased the equity by more than HUF 57 billion, while the revenues increased it by HUF 20 billion. 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 HUF 106 billion, which was covered by the OBA through the bond issue. Based on the liquidator's estimates, approximately HUF 88 billion and the HUF 3.7 billion correction item were recognized as expenses.

During the follow-up care for the compensation of depositors of credit institutions, between 2016 and 2020, payments in the order of hundreds of millions of forints were made in the case of 11 former member institutions, as well as returns in the order of tens of billions were received from the liquidation procedures. In 2017 and 2018, based on the liquidator's estimates, a significant impairment correction was made, which increased the accounting result by about HUF 16.5 billion.

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, as a result of revenues and expenses, the result increased equity by HUF 14,181,178 thousand. The year 2020 - 2021 was a period of balanced management and wealth growth, while in 2022, in connection with the compensation of Sberbank's "under liquidation" depositors, higher than ever payments were made, the financing of which was not managed by the OBA by liquidating the securities with high losses, but by taking out a short-term (3-month) MNB loan, concluding a 3-month MNB repo transaction, then ordering an extraordinary payment and issuing a bond. At the same time, the high volume of the subject's annual profit and capital also contributes to the fact that, based on the Government Decree, the extraordinary payment due to members and approved and not yet repaid (about HUF 23 billion) was only recognized by the Fund as an expense in 2023. 2023 was characterized by higher than ever equity value and consolidated profit.



EXPLANATIONS FOR MAJOR DIFFERENCES BETWEEN THE 2023 BUDGET PLAN AND ACTUAL DATA



With Resolution No. 15/2023 (V.03), the Board of Directors adopted the OBA's 2023 budget with **HUF 43,799,798 thousand** in revenue and **HUF 35,243,706 thousand** in expenses, including all operating costs in **HUF 1,513,401 thousand**.

In the period January - December 2023, as the difference between revenues and expenses, the result for the current year is a profit of HUF 11,078,872 thousand, which exceeded the planned by HUF 2,522,780 thousand. The main reasons for this are the following.

- The amounts of membership fees were determined after the budget was approved. Membership fees for 2023 have been fully collected, fee income is HUF 7,345,176 thousand less than planned (80.6%).
- In connection with Sberbank „under liquidation“, HUF 5,641,242 of interest under the Civil Code was an unplanned amount.
- Financial revenues exceeded HUF 2,954,847 thousand (149.8%).
- Financial expenses were HUF 1,044,178 thousand lower than planned (75.3%).
- Operating costs fell short of the plan by HUF 262,304 thousand (82.7%).

Revenue (HUF 45,032,446 thousand) was 102.8%, and expenditure (expenses and costs, HUF 33,953,574 thousand) was 96.3% overall. The financial result was HUF 5,803,180 thousand (326.4%).

The operating budget approved for 2023 is HUF 1,513,401 thousand, which includes:

- annual material expenditures in the amount of HUF 663,555 thousand
- annual personnel expenses in the amount of HUF 777,302 thousand
- annual depreciation in the amount of HUF 154,164 thousand.

Within the total category of other income, the fulfillment of the costs transferred to the Resolution Fund is 57.3% due to the fewer completed working hours. The other expenses totaled HUF 16,311 thousand, of which the most significant item was the additional HUF 15,535 thousand provision made in the Heves/Concordat case.

COMPLETION OF INVESTMENTS AND DEVELOPMENTS IN 2023

DEVELOPMENTS

A) COMPLETION OF KIR AND KBB IMPROVEMENTS (CALCULATED WITHOUT KIR RESERVE) 80.0 %.

- In connection with the successful project of renewing the KIR system, 85.4% of the budgeted expenses were met, the developments were concluded with the handover of the renewed system.
- Compliance with the KBB content control is 51.8%. Here, the completion and activation of a planned HUF 25 million development was postponed until 2024.

B) OTHER DEVELOPMENTS:

- Among other developments, the completion rate is 7.9%, the developments will be implemented in the following year.

C) TANGIBLE ASSET ACQUISITION

- The planned acquisitions were realized, due to cost savings and the (unplanned: Cisco power supplies, document shredder) acquisitions implemented at the expense of the general development reserve, the completion rate is 61.3%.

D) ACQUISITION OF SMALL ASSETS

The purchases were realized with the use of 59.5% of the planned funds.

DEVELOPMENT OF THE OPERATIONAL AND FINANCIAL INCOME AND EXPENSES OF THE NATIONAL DEPOSIT INSURANCE FUND IN 2023

(January 1, 2023 - December 31, 2023)

Definition	2023. BUDGET	2023. ACTUAL
Fee revenues from member institutions	37 774 000	30 428 824
Other revenues from deposit insurance	0	2
Income from deposit insurance total	37 774 000	30 428 826
Expenditure transferred to Resolution Fund	75 395	43 209
Other income	20 638	5 675 799
Other income	96 033	5 719 008
Financial income	5 929 765	8 884 612
TOTAL INCOME	43 799 798	45 032 446
Expenditure from deposit insurance total	29 496 859	29 496 898
Other expenses total	0	16 311
Financial expenditures total	4 233 446	3 189 268
TOTAL EXPENDITURES	33 730 305	32 702 477
Material costs total	17 525	13 690
Services rendered total	553 080	392 471
Other services total costs	11 330	10 947
Service costs	564 410	403 418
Material-type expenditures total	581 935	417 108
Payroll costs	514 505	434 264
Total personal-type payments	159 482	173 724
Social contribution tax - NDIF	89 725	81 088
Corporate PIT - NDIF	13 590	11 886
Total tax and contributions	103 315	92 974
Personnel expenses total	777 302	700 962
Planned depreciation	147 164	128 914
Depreciation at use in one amount	7 000	4 113
Total depreciation	154 164	133 027
OPERATIONAL COSTS TOTAL	1 513 401	1 251 097
COSTS AND EXPENDITURES TOTAL	35 243 706	33 953 574
PROFIT/LOSS OF CURRENT YEAR	8 556 092	11 078 872

(data: in thousand HUF and in %)

Source: OBA

TABLE 40





BALANCE SHEET, INCOME STATEMENT

National Deposit Insurance Fund				
BALANCE SHEET Version 'A' ASSETS				
number		Denomination / million Ft	Base year 31.12.2022	Current year 31.12.2023
1	A	FIXED ASSETS	87 985	476
2	I.	INTANGIBLE ASSETS	158	307
3	I.1	Capitalised value of foundation-restructuring	0	0
4	I.2	Rights and titles	76	67
5	I.3	Intellectual property	82	239
6	I.4	Advances on intangible assets	0	0
7	I.5	Value adjustment of intangible assets	0	0
8	II.	TANGIBLE FIXED ASSETS	261	151
9	II.1	Real estate and related rights and titles	40	34
10	II.2	Equipment, fittings and vehicles	168	117
11	II.3	Capital investments	53	0
12	II.4	Advances for assets in construction	0	0
13	II.5	Adjustment in tangible fixed assets	0	0
14	III.	FINANCIAL INVESTMENTS	87 566	19
15	B	CURRENT ASSETS	130 245	156 874
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	26 696	2
22	II.1	Receivables from member institutions	26 494	0
23	II.1.a	Fee receivables	0	0
24	II.1.b	Receivables assigned to the Fund	26 494	0
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	2	2
28	II.3	Receivables from depositors	0	0
29	II.4	Receivables from the state	0	0
30	II.5	Other receivables	200	0
31	III.	SECURITIES	27 737	150 272
32	III.1	Government securities	27 737	150 272
33	III.2	Other securities	0	0
34	IV.	CASH AND EQUIVALENTS	75 812	6 599
35	IV.1	Cash and cheques	0	0
36	IV.2	Bank deposits	75 812	6 599
37	C	PREPAYMENTS AND DEFERRED EXPENDITURES	31 094	1 854
38		TOTAL ASSETS	249 325	159 205

(data: in million HUF)

BALANCE SHEET, INCOME STATEMENT

National Deposit Insurance Fund				
BALANCE SHEET Version 'A' LIABILITIES				
number	Denomination / million Ft	Base year 31.12.2021	Current year 31.12.2022	
39	D. EQUITY	146 570	157 649	
40	I. SUBSCRIBED CAPITAL	949	949	
41	II. RESERVES	93 858	145 621	
42	III. VALUATION RESERVE	0	0	
43	IV. PROFIT/LOSS OF THE CURRENT YEAR	51 763	11 079	
44	E. PROVISIONS	132	147	
45	F. LIABILITIES	100 323	1 394	
46	I. LONG-TERM LIABILITIES	0	0	
47	II. SHORT-TERM LIABILITIES	100 323	1 394	
48	II.1 Liabilities to member institutions	29 522	0	
49	II.2 Short-term credits	0	0	
50	II.3 Liabilities to member institutions	0	0	
51	II.4 Liabilities to the state	6	0	
52	II.5 Other short-term liabilities	70 795	1 394	
53	G. ACCRUALS AND DEFERRED INCOME	2 300	14	
54	TOTAL LIABILITIES	249 325	159 205	

(data: in million HUF)

National Deposit Insurance Fund				
INCOME STATEMENT TOTAL COST 'A'				
number	Denomination / million Ft	Base year 2022	Current year 2023	
1	1 Fee income recognized against member institutions	99 943	30 429	
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	5 733	0	
5	I. Income from deposit insurance (01+02+03+04)	105 676	30 429	
6	II. Other incomes	37	5 719	
7	III. Non - deposit insurance income	0	0	
8	IV. Revenue from financial operations	5 669	8 885	
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	49 747	29 497	
13	8.1 Extraordinary payments received from the member institutions that were refunded in the current year	44 053	29 497	
14	8.2 Other deposit insurance expenses	5 694	0	
15	V Expenditure on deposit insurance (05+06+07+08)	49 747	29 497	
16	VI. Other expenses	126	16	
17	VII. Expenditure not arising from deposit insurance	0	0	
18	VIII. Expenditure on financial operations	8 592	3 081	
19	9 Material expenses	509	525	
20	10 Personnel expenses	549	701	
21	11 Depreciation	96	133	
22	IX. Operating expenses (09+10-11)	1 153	1 359	
23	A. RESULT FOR THE CURRENT YEAR (I+II+III+IV-V-VI-VII-VIII-IX)	51 763	11 079	

(data: in million HUF)

National Deposit Insurance Fund						
Cash - Flow statement						
Denomination / thousand Ft	Base year	Current year	Change		Current year composition	
	2022	2023	million HUF	%		
1 Profit for the year	± 51 763	11 079	-40 684	78,6%	-16,0%	
1b Profit & Lost corrections	± -	1	1	N/A	0,0%	
2 Depreciation accounted for	+ 96	133	37	-39,1%	-0,2%	
3 Impairment and reversal are accounted for	± 257	-1 009	-1 266	493,3%	1,5%	
4 Difference between provisioning and utilization	± 125	16	-110	87,6%	0,0%	
5 Result from the sale of fixed assets	± -	-	-	N/A	0,0%	
6 Changes in trade payables	± 71	-34	-105	147,9%	0,0%	
7 Changes in other current liabilities	± -265	-69 367	-69 102	-2612,3%	100,2%	
8 Passive accruals	± 2 288	-2 286	-4 574	199,9%	3,3%	
9 Change in claims on member institutions	± -22 658	26 494	49 152	216,9%	-38,3%	
9.a Change in liabilities to member institutions	± 29 311	-29 522	-58 833	200,7%	42,7%	
10 Change in current assets (excluding accounts receivable and cash)	± 25 580	-121 333	-146 913	574,3%	175,3%	
11 Changes in accruals	± -30 206	29 240	59 446	196,8%	-42,2%	
I. OPERATING CASH FLOW TOTAL	56 363	-156 589	-212 951	377,8%	226,2%	
12 Acquisition of fixed assets	- -50 515	-171	50 343	99,7%	125,3%	
13 Sale of fixed assets	- -	87 550	87 550	N/A	-126,5%	
14 Cancellation and redemption of long-term loans and bank deposits	- -	-	-	N/A	0,0%	
15 Long - term loans, bank deposits	- -	-3	-3	N/A	0,0%	
II. TOTAL INVESTMENT CASH FLOW	- -50 515	87 376	137 891	273,0%	-126,2%	
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	-	-150 000	N/A	0,0%	
19 Borrowing and borrowing	- 71 279	-	-71 279	N/A	0,0%	
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	-	80 625	N/A	0,0%	
23 Repayment and repayment of credit and loan	- -71 279	-	71 279	N/A	0,0%	
24 Funds permanently transferred	- -	-	-	N/A	0,0%	
III. FINANCING CASH FLOW TOTAL	- 69 375	-	-69 375	N/A	0,0%	
25 Revaluation of foreign currency funds	- -	-1	-1	N/A	0,0%	
IV. CHANGES IN FUNDS	- 75 223	-69 213	-144 436	192,0%	100,0%	

(data: in million HUF)

The National Deposit Insurance Fund (OBA) **becomes a liquidation creditor** following the notification of the liabilities paid as a result of credit institution indemnities and registered as future liabilities, which are expected to be paid (under § 57 paragraph 1 point a) of the Credit and Finance Act⁸, which typically ranks ahead of other creditors in terms of its claims.

The OBA also notified the liquidator of the so-called ancillary costs directly related to the compensation, as well as - in the case of NHB Bank „under liquidation” and Sberbank „under liquidation” - the claim for late payment interest according to the Civil Code, but the latter claims do not occupy a preferred position, so the recovery prospects for them may also be less favorable.

On June 5, 2019, OBA sold to Hungarian Real Estate Financing Zrt (HREF) its creditor claims in 11 proceedings (compensation and costs, as well as claims for compensation amounts reported to the liquidator as creditor claims but not yet paid until the day of the sale), not including claims to be asserted on behalf of the Hungarian State (state guarantee). In the case of these sold receivables, HREF replaced OBA as creditor.

In these proceedings, the OBA can still pay additional compensations to the depositors when the obstacle to the payment is removed (the payment of the compensation remained the responsibility of the OBA until the rightful claims against them expire), therefore additional, new capital and cost claims may arise in these procedures as well. At the same time, the OBA's claims in these proceedings - neither in terms of its own claims nor state guaranteed claims - do not reach the amount specified in § 5 point a) of the Bankruptcy Act⁹, therefore, in these procedures, the received court orders and the recovery information of PSFN Kft., which handles creditor claims and liquidation procedures, as well as their annexes, as well as the interim reports received from the relevant procedures, form the source of the information. (The PSFN directly provides information on the status of liquidations and/or the expected returns to the OBA only in the case of the existence of the requirements specified in § 5 point a) of the Bankruptcy Act, as well as in the case of ad hoc recovery payments, as stipulated in the OBA – PSFN MOU.)

Two new proceedings were initiated in the year of the debt sale and thereafter (NHB Bank "under liquidation" in 2019 and Sberbank "under liquidation" in 2022). In 2023, the following procedures were in progress.

The closing balance sheet of **Alba Takarékszövetkezet “under liquidation”** has been sent by the Capital Court, but no decision has yet been made on its approval. The OBA does not have an enforceable claim in its own right. On behalf of the Hungarian State, the expected and final return of the OBA is expected to be at least HUF 457,729.

The final balance sheet of **BRB Buda Regionális Bank "under liquidation"** was sent by the Capital Court, but no decision has yet been made on its approval. The OBA does not have an enforceable claim in its own right. On behalf of the Hungarian State, the expected final return of the OBA will be HUF 16,489,482.

In connection with **Dél-Dunántúli Takarékbank "under liquidation"**, the liquidator submitted the closing balance sheet and partial asset distribution proposal prepared with the record date of November 14, 2022, which was approved on June 13, 2023. The liquidation procedure was completed, the operator ceased to exist in 2023 without a legal successor. The refunds have been received (HUF 553 in the OBA and HUF 1,738,905 in the Hungarian State branch), no further refunds are expected.

The final balance sheet of **DRB Dél-Dunántúli Regionális Bank „under liquidation”** has been sent by the Capital Court, but no decision has yet been made on its approval. For OBA's own claim, HUF 352,458, and for the claim on behalf of the Hungarian State, OBA's expected final payment will be HUF 1,557,929.

In connection with the **Észak-magyarországi Regionális Bank "under liquidation"**, the liquidator submitted the interim balance sheet No. IV prepared with the closing date of August 31, 2022 and a partial asset distribution proposal. The interim balance sheet was approved on May 17, 2023, based on which HUF 7,034,774 concerning the Hungarian State was paid to OBA on June 22, 2023. It is possible to prepare the closing balance after the conclusion of ongoing legal procedures (disputed creditor's claim and litigation). We cannot predict the date of this.

Regarding the **Körmend és Vidéke Takarékszövetkezet "under liquidation"**, the liquidator submitted the interim balance sheet No. VIII-X prepared with the closing date of August 31, 2022 and a partial asset distribution proposal. The interim balance sheet was approved on April 26, 2023. Based on this interim balance, HUF 1,234,698 concerning the Hungarian State was paid to the OBA on May 18, 2023. Due to ongoing legal proceedings, it is not yet possible to prepare the closing balance sheet.

⁸ Act CCXXXVII of 2013 on credit institutions and financial enterprises.

⁹ § 5 During the bankruptcy or liquidation proceedings, the debtor's manager, the asset supervisor, the liquidator must inform them within 8 working days of their request a) the creditors' committee, the creditor's representative or, in their absence, the creditor (group of creditors) representing at least 10% of the reported and recognized creditor's claims, about the debtor's property and financial situation, ..."

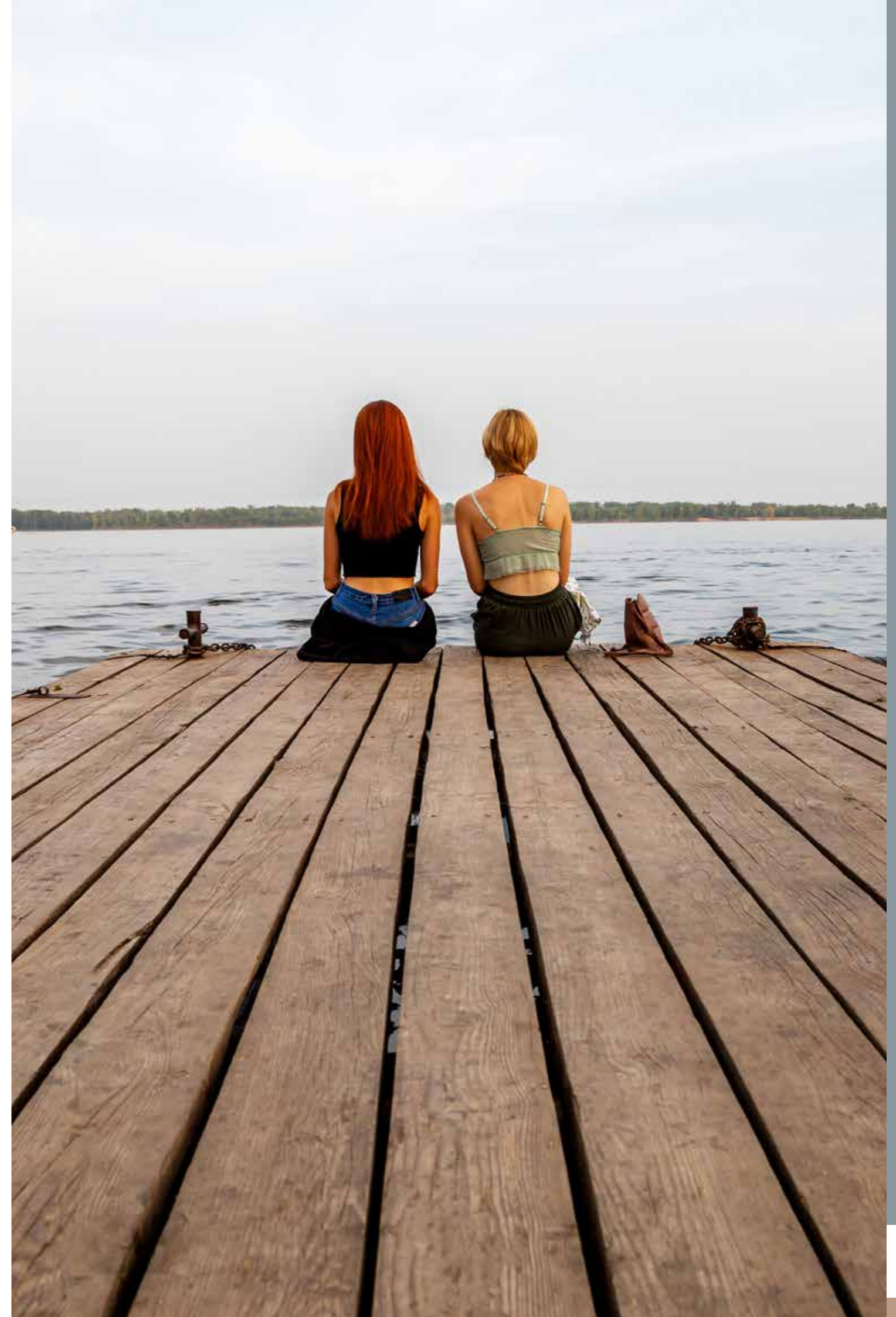
Regarding the **Orgovány Takarékszövetkezet "under liquidation"**, based on interim balance sheet No. V, the last return on the Hungarian State branch was in 2022, and there was no change in 2023. Due to ongoing legal proceedings, it is not yet possible to prepare the closing balance sheet.

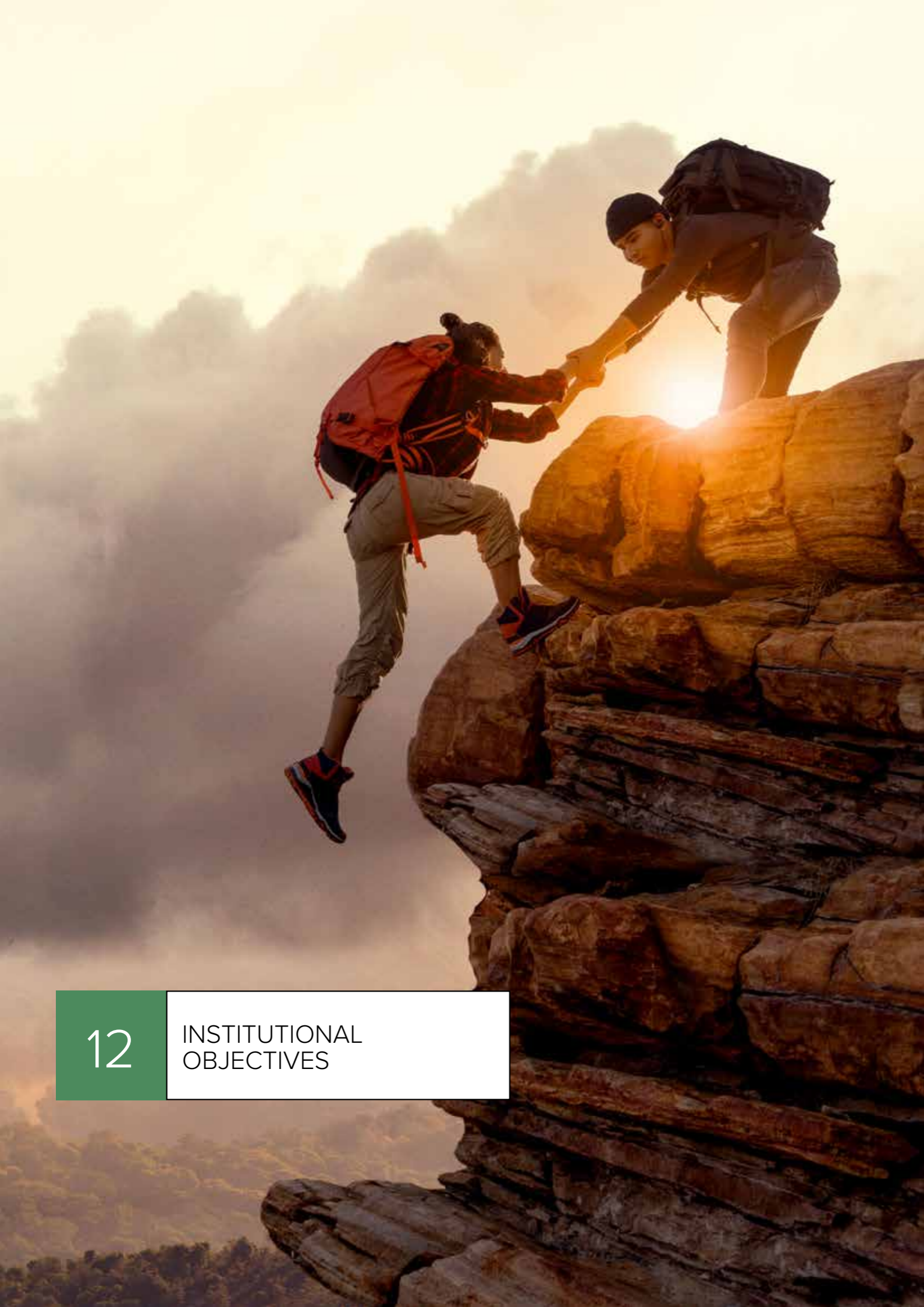
In connection with **Soltvadkert és Vidéke Takarékszövetkezet "under liquidation"**, the liquidator submitted the interim balance sheet No. VI prepared with the closing date of August 31, 2022. The interim balance sheet was approved on November 17, 2023, and HUF 614 (Hungarian State) reimbursement was received by the OBA in February 2024.

The closing balance sheets of **Széchenyi Kereskedelmi Bank "under liquidation"** and **Széchenyi István Hitelszövetkezet "under liquidation"** are in the process of being accepted. The OBA has no remaining claims in the two procedures and does not expect reimbursement. In the case of Széchenyi Kereskedelmi Bank „under liquidation”, the creditor's claim of the OBA in the category of § 57 paragraph 1 category e) of the Bankruptcy Act is HUF 151,928, however, no recovery is expected. In the case of the Széchenyi István Hitelszövetkezet "under liquidation", the amount of HUF 38,811 is included in the creditors' register of the closing balance sheet with a creditor's claim pursuant to § 57, paragraph 1, point f) of the Bankruptcy Act, which amount will not be reimbursed.

The interim balance sheet No. III of **NHB Bank Zrt "under liquidation"** (date: December 02, 2022) was completed on May 31, 2023. On the basis of the interim balance sheet, 100% of the compensation payments were made to the OBA (principal and interest payments) in the amount of HUF 3.448 billion, at the same time, other additional costs and our interest claims according to the Civil Code are still outstanding.

In the case of **Sberbank „under liquidation"**, a full recovery was made in the amount of HUF 23.225 billion capital, as well as HUF 5.641 billion in additional costs and interest according to the Civil Code. OBA has no claims or obligations, as it handed over the balance of unpaid depositors (still expected payment obligations) to the liquidator in 2023.





MISSION, VISION, KEY VALUES IN THE PERIOD 2023-2025

In 2023, the OBA revised its mission and vision and based on the Code of Ethics adopted in 2023, it redefined its key values.

MISSION

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

VISION

The National Deposit Insurance Fund is an esteemed member of the domestic financial system, which ensures a high level of protection of savings by applying modern, efficient and customer-friendly procedures, and promotes sustainability aspects during its operation.

VALUES

The National Deposit Insurance Fund is an organization based on ethical values. Our core values are explained in detail in the Code of Ethics published on the OBA website. The OBA operates an Ethics Committee, whose task is to investigate ethical complaints.

THE 3-YEAR STRATEGY (2023-2025)

The OBA has adopted a new 3-year strategy (2023-2025), which it also published on its website in the interest of transparency¹⁰.

The 3-year strategy approved by the OBA board of directors contains 3 strategic goals, for the implementation of which the OBA board of directors defined a total of 34 target tasks for the work organization.

In addition, in accordance with the 3-year strategy, the OBA's human resources strategy (HR strategy) for the period 2023-2025 was approved by the OBA's board of directors, within which 10 targets were defined.

The OBA work organization monitors the fulfillment of the strategic goals and objectives and reports the progress status to the board of directors annually.

Based on the results of the first year (2023) review of the strategy, the implementation of the strategic tasks is progressing according to plan. Some tasks were rescheduled, which in several cases had a positive effect (cost reduction resulting from the early introduction of the ISO 9001 quality assurance framework).

The **OBA also published** its mission, vision and 3-year strategy for the period 2023-2025 **on its website**¹¹.

¹⁰ <https://www.oba.hu/wp-content/uploads/2023/05/OBA-strategia-2023-2025.pdf>

¹¹ <https://www.oba.hu/wp-content/uploads/2023/05/OBA-strategia-2023-2025.pdf>



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THE EDUCATIONAL
ROLE OF THE OBA

The OBA continued its participation and active role in financial education initiatives in 2023. As part of this, OBA employees held professional presentations at university courses, as well as at national and international professional events.





In 2023, OBA continued the cooperation within the framework of international deposit insurance organizations with its European and global partner organizations.

The European Forum of Deposit Insurers (EFDI), of which the OBA is a founding member, held its 2023 regular general meeting in Budapest Marriott Hotel from May 23-27, 2023, as well as the usually related international financial conference, the most important topic of which was financial crisis management. Speakers and participants came to the extraordinary event from more than 60 countries, Europe and outside the continent, such as North America and Asia. The 5-day event was a success worthy of the event's status, the OBA received a lot of positive feedback, which not only promotes the international relations of the OBA, but also the country's image in accordance with the original intentions.

As in previous years, OBA employees participated in several professional working groups of EFDI in 2023, and the Risk Management Control Working Group of EFDI elected our colleague Dr. Melinda Friesz as one of its co-chairs at the end of 2023, alongside the french Loïc Trintignac.

OBA employees also took an active role in the International Association of Deposit Insurers (IADI) in 2023. At the 2023 IADI General Assembly held in Boston and the related international conference, the Executive Director's representation of the OBA, who in the earlier part of the year, in June 2023, gave a presentation on OBA's risk-based fee calculation at the international conference organized by the IADI Eurasian Regional Committee (EARC) in Ulaanbaatar. On the occasion of the latter event, the OBA signed a bilateral cooperation agreement with the Uzbek deposit insurance system, recognizing, among other things, the appearance of OTP Bank on the Uzbek banking market. Similarly, the OBA was invited to present at the annual meeting of the IADI African Regional Committee (ARC) which was attended online by the OBA Director of Compensation at the end of August 2023, who presented the introduction, evolution and control methodology of the consolidated insured deposit portfolio (KBB) as a case study.

In addition to cooperation within international organizations, bilateral deposit insurance relations are also an important part of OBA's international activities. As a supplement to the multilateral cooperation agreement concluded at the end of 2016 under the auspices of the EFDI - based on the Hungarian branches of credit institutions headquartered in other European Union member states, the OBA has a number of bi-lateral agreements in the so-called 'home' and/or 'host' position for cooperation related to possible cross-border compensations. Currently, the OBA has a total of nine such bilateral agreements with the deposit insurance systems of a total of seven European Union countries (Austria, the Czech Republic, the Netherlands, Ireland, Germany, Romania and Slovakia). In addition to all this, the OBA previously initiated negotiations with the French and Luxembourg deposit insurers in a host position by preparing and exchanging drafts of the relevant bilateral cooperation agreements. However, these negotiations are still ongoing.

Within the framework of bilateral cooperation, a Mongolian delegation visited the OBA in early May 2023 for an exchange of professional experience, and in late October 2023, OBA employees visited the Croatian deposit insurance system in Zagreb for a similar exchange of professional experience. As a direct result of this last visit, the OBA and the Croatian deposit insurance company also carried out a resolution financing stress test in November 2023.

In relation to deposit insurance professional cooperation, in addition to the EFDI multilateral agreement aimed at possible cross-border compensations, the OBA also has other bilateral cooperation agreements for the potential exchange of professional experience. It has such agreements with certain deposit insurers, primarily those outside the European Union, in whose countries credit institutions based in Hungary (primarily OTP Bank) have significant interests, such as with Serbian, Montenegrin, Albanian and Taiwanese deposit insurers. The range of these agreements was supplemented in 2023 with bilateral agreements concluded with the Uzbek and Croatian deposit insurance institutions.

Last but not least, the OBA's active role in the Task Force on Deposit Guarantee Schemes (TFDGS) initiated by the European Banking Authority (EBA) should be mentioned, which channels the professional positions of individual European Union deposit insurance systems during the revision of the European Union Deposit Guarantee Schemes Directive (DGSD) initiated by the European Commission. It should be noted that the revision of the DGSD is expected to be finalized by the time of the Hungarian EU presidency in 2024 (second half of 2024).



Domestic inflation has been steadily decreasing since its peak in January. In international and historical comparisons, rapid disinflation can be felt more and more widely, so in addition to the slowdown in food and manufactured goods inflation, the consumer price index of the service sector has also become lower. Although the domestic inflation decreased to 5.5 percent, corresponding to the regional average, by the end of 2023, the annual average inflation - thanks to the levels above 20 percent experienced in the first half of the year - became 17.6%. The Hungarian 5-year credit risk (CDS) spread moderated, while the yield curve of the government bond market continued to shift downwards. The decrease in yields on the long side was also supported by international processes, where the yield reduction was also significant, while the interest rate cuts of the MNB had a stronger effect on the short side. The base interest rate of the Hungarian central bank was reduced to 10.75% in 2023 by the decision of the MNB in December. Interbank interest rates decreased to a greater extent than yields on the government securities market, also at all maturity periods. The short-term money market yields followed the reduction of the effective interest rate in all submarkets. The Hungarian budget deficit was 6.7% of GDP in 2023, while the public debt ratio decreased to 73.4% by the end of 2023. Based on our current information and plans, the events that have developed - apart from the information detailed in point 14 - do not have a significant or significantly negative impact on the Fund and therefore do not make the Fund's ability to continue its business uncertain.



¹² focused impact analysis, not covering all effects



We consider the following events that occurred after the balance sheet date to be significant:

On May 8, 2024, the State Audit Office of Hungary (Állami Számvevőszék, ÁSZ) notified the OBA about the start of the investigation and its investigation program, as indicated in the 2024 work plan published on the ÁSZ's website.





**Országos
Betétbiztosítási
Alap**

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