

Annual report 2016

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Facts and data

The European Forum of Deposit Insurers (EFDI) developed a procedure for cross-border European compensation and a related rule book, which were also professionally approved by the European Banking Authority (EBA). The experts of OBA were in charge of two of the four working groups that developed the procedure (legal and communication working group). This procedure is a milestone in terms of protection of European depositors and European financial stability.



OBA was among the first to join the centralised data exchange platform established for cross-border compensation in Europe (EDDIES).



Being the only European guest at the seminar organised by the Taiwanese Deposit Insurance Organisation (CDIC), the OBA representative presented the chronology of actions relating to the DRB Bank Group in 2015 and the lessons of the compensation.

OBA continued to support the PéntSztár scheme of financial contest for secondary school students and also provided a speaker for the 2nd Hungarian National Monetary Summer University organised by the West Hungary University, Faculty of Economics.

OBA and the Hungarian Academy of Sciences, Centre for Economic and Regional Studies established in cooperation a scientific database for the aggregated data of closed Hungarian banks. The database may be used by university and PhD students as well as scientists interested in the topic, supporting their research opportunities.

An expert of the Finnish Financial Stability Authority paid a working visit to OBA. The expert studied the legal and technical experience of our compensation practise and the Hungarian paying system.



Communication experts from 14 European countries attended the Budapest professional seminar at the beginning of December.

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Consumer protection and education

JÓZSEF LÁSZLÓ BÍRÓ (1899-1985) Hungarian-Argentinian journalist-inventor introduced the first ballpoint pen in 1931.

During the year our activities concentrated mainly on information supply in relation to the compensation of the DRB Bank Group in 2015 and primarily education research activities related to cooperation started previously.

Compensation experience of the DRB Bank Group

The experience gained in the compensation of the DRB Bank Group and the ideas for the future were collected in a separate publication, reflecting the institutional traditions of OBA (White Paper). The White Paper was published in Hungarian and in English.

Communication tasks related to the experience of compensation

a) Compensation education manual

The inadequate knowledge of the employees of closed institutions about the procedure of the operative tasks of compensation especially when the administrators cannot be trained by OBA on site because the institution is closed too fast has been a reoccurring problem during the compensation events of the recent past. In order to facilitate fast and smooth compensation for customers we prepared an education manual for the administrators.

b) Short information on compensation

In relation to the events of 2014–2015 a need arose for a brochure for residential customers that summarises the most frequently asked customer questions (procedural options of members of families and proxies, mandatory reporting of data for customers previously not reported at all, and for customers whose name or address has changed, tasks of heirs in relation to deceased etc.) and the responses to the questions.

c) Facebook Manual

In relation to the compensation communication of Orgovány és Vidéke Tksz and the DRB Bank Group in 2014 the use of the social media platforms of closed institutions (through the liquidator) and the social media posts of the employees of the closed institutions concerning OBA compensation (not always intended to help) occurred as new phenomena (described in detail in the White Papers). The manual contains guidelines and norms of conduct for the information to be supplied during the compensation period and for the way of participation of administrators in the user groups.

Educational collaborations

2016-ban immár másodszor csatlakoztunk a középiskolások pénzügyi versenyének PénzSztár elnevezésű programjához, továbbá felkérés alapján részt vettünk a Nyugat-Magyarországi Egyetem Közgazdaságtudományi Kara által szervezett 2016-os, szintén középiskolásoknak szóló II. Magyar Nemzeti Monetáris Nyári Egyetemen.

Scientific collaborations

OBA gave presentations on the current challenges of deposit insurance, the compensation events of the recent past and changes in international regulations to the teachers and 15 PhD students of Corvinus University, Department of Investments and Corporate Finances. We presented the pro-

fessional developments relating to the third pillar of the EU banking union as well as the tasks of cross-border compensation to the teachers and young researchers.

In October OBA and the Hungarian Academy of Sciences, Centre for Economic and Regional Studies signed a cooperation agreement in order to create a joint research database. The database contains the aggregated data of closed Hungarian banks and can be accessed by Hungarian PhD students and researchers interested in the topic.

The data stored in the database can be used in analyses, for which OBA would not have resources but can still use them in its daily activities (e.g. fee payment, risk detection) and therefore can also contribute to hypothesis reviews to be used in new economic models and stress tests and other findings (e.g. behavioural economics related to bank panics, which is currently also researched internationally.) What makes this database special is that no similar cooperation exists in the European practise.

JÁNOS NEUMANN (1903–1957), mathematician, advisor to the design of the first computer that stored the program in memory. During this work he developed the theory today's computers are based on.

Activities of OBA

The main responsibility of OBA is to compensate depositors if the Authority has delivered its decision adopted under Section 33(1) of the Credit Institutions Act or pursuant to Section 17/T(5) of Act CXXXV of 2013 on the Integration of Credit Institutions Set Up as Cooperative Societies and on the Amendment of Regulations Relating to the Economy, or if liquidation proceedings have been opened, on the first day following the publication of the court order on liquidation (hereinafter referred to as day of the opening of the compensation procedure) and shall effect all compensation payments to the depositor within twenty working days. With the exception of blocked deposits, deposits involved in inheritance procedures, guardianship authority deposits requiring further measures and deposits in the case of which the beneficiary of the compensation cannot be notified or be established clearly.

Pursuant to Section 132 (7) of Act XXXVII of 2014 on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation, the operational tasks of the Resolution Fund shall also be performed by the staff of OBA under the control of the OBA executive director. Pursuant to the provisions of section 223. (11) of Act CXX. of 2001 on the capital market BEVA (Investor Protection Fund) does not have its own working organisation. All the tasks of operation are performed by the members of staff of OBA under the control of the OBA deputy executive director.

Board of Directors

The Board of Directors elects a chair and a deputy chair annually from its members. In 2016, the presidential tasks were performed by Dr. László Windisch, Deputy Governor of MNB responsible for the supervision of financial organisations and consumer protection, while the tasks of the deputy president were performed by Levente Kovács, Secretary General of the Banking Association.

Members of the Board of Directors

Ágnes Hornung, Secretary of State (Ministry for National Economy)
 Dr. László Windisch, Deputy Governor (National Bank of Hungary)
 Márton Nagy, Deputy Governor (National Bank of Hungary) until 16 November 2016.
 Krisztina Láhm Földényi, Director (National Bank of Hungary) from 16 November 2016.
 Dr. Levente Kovács, Secretary General (Hungarian Banking Association)
 Dániel Lontai, Chairman of the Board of Directors (Integration Organisation of Cooperative Credit Institutions) until 21 September 2016.
 József Vida, Chairman-Chief Executive Officer (Integration Organisation of Cooperative Credit Institutions) from 21 September 2016
 Antal Varga, Executive Director (National Federation of Hungarian Savings Cooperatives)
 András Fekete-Győr, Executive Director (OBA)

Control of OBA

Pursuant to Section 221 of the Credit Institutions Act, financial and accounting control over the Fund is exercised by the State Audit Office.

OBA member institutions at the end of 2016:

33 commercial banks and specialised credit institutions (more specifically 4 home savings institutions), 52 savings cooperatives

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Savings and deposits and their composition

CHARLES SIMONYI (1948–) – software developer. At Microsoft, he laid the groundwork of Word and Excel and introduced object-oriented programming.

At the beginning of 2016, the total savings deposited in credit institutions amounted to HUF 18,474 billion, HUF 258 billion higher (1.4 % increase) than the portfolio recorded one year ago.

The average insured deposit amount by client was HUF 1,375,000, reflecting an almost 10% increase compared to the figure of the previous year.

Savings deposited in credit institutions*

Table 1
(HUF bln)

Definition	beginning of 2015	beginning of 2016	2015.=100 %
Deposits	15,900	16,612	104.5
Of which: savings deposits	437	455	104.1
other deposits	15,463	16,157	104.5
Securities	2,201	1,768	80.3
Interest payable	115	94	81.7
TOTAL	18,216	18,474	101.4

*OBA receives the annual reports of financial institutions in June of the subsequent year, and therefore the table contains the data of the reports of the previous year (both in Tables 1 and 2).

Breakdown of savings by protection

In 2016 the insured deposit portfolio was approx. 3.4 % point larger than in the previous year (Table 4). That increment amounts to HUF 802 bln in an absolute amount. The ratio of deposits insured by OBA was 71.2% at the beginning of 2016, which was still much lower than the 82.3% peak figure recorded in 2005.

Contrary to the tendency of former years, in 2016 the insured portfolio grew by 3.4 % points within the total deposit portfolio. Within the decrease in the securities portfolio the ratio of OBA protection dropped by 2.9% points and that of the non-insured portfolio decreased by 3% points.

Breakdown of savings by protection

Table 2
(data in %)

Definition	2015 opening figure			2016 opening figure		
	Insured by OBA	Guaranteed by the State	Not insured	Insured by OBA	Guaranteed by the State	Not insured
Deposits	74.0	0.3	25.7	76.7	0.2	23.1
Of which: savings deposits	91.5	4.7	3.8	88.1	4.2	7.7
other deposits	73.5	0.2	26.3	76.4	0.1	23.5
Securities	24.1	17.7*	58.2	21.2	23.6*	55.2
Interest payable	48.0	1.8	50.2	35.7	0.8	63.5
TOTAL	67.8	2.4	29.8	71.2	2.5	26.3

* The data are affected by the changes in the bond portfolio Eximbank, guaranteed by the state, considering that in the previous years the same bonds were included in the non-insured portfolio.

DÉNES GÁBOR (1900–1979) Nobel laureate physicist, mechanical engineer, inventor of the hologram. He discovered a new way of capturing an image that shows more information.

NDIF fee revenues

The sources of OBA revenues (Section 232 of the Credit Institutions Act) include the single joining fee and the regular and extraordinary payments made by the member institutions.

a) Joining fee

All credit institutions that are licensed to collect deposits shall pay a single joining fee to the Fund when they become a member institution. The joining fee equals 0.5 per cent of the subscribed capital of the member institution. In 2016 there was no joining member.

b) Annual fee payment

Until 3 July 2015 the fee was paid on the basis of the insured savings portfolio and then, in compliance with the entry into force of the modified provisions of the Credit Institutions Act, the paid fee was based on the compensation obligation. The annual fee cannot be higher than 0.3 per cent of part of the deposit portfolio insured by the Fund and eligible for compensation, kept by the member institution on 31 December of the previous year [Section 234 (2) of the Credit Institutions Act]. The Fund did not apply the statutory limit over the last few years.

The Board of Directors set the rate to be applied for the calculation of the annual fee payable by the member institutions for 2016 at 0.175 per cent of the fee base.

The table below illustrates, with a sectoral breakdown, the correlation of the payable fee and the specific theoretical compensation obligation within the banking sector (specific fee).

Specific fee for 2016*

Table 3
(data in HUF mln)

Credit institution	Fee payable in 2015 (HUF mln)	Fee payable in 2016 (HUF mln)	Fee for HUF 1,000 theoretical compensation obligation In HUF	
			2015.	2016.
Bank	12,052	12,011	1.85	1.75
Savings Cooperative	1,585	1,767	1.44	1.75
Home savings institution	703	959	1.40	1.75
Credit cooperative	10	4	1.45	1.75
Grand total	14,350	14,740	1.76	1.75

*The data do not contain any differences resulting from the increased fees, therefore the balance sheet figures may be different

Owing to the favourable returns on the government securities market, on 31 December 2015 the market value of securities amounted to HUF 17.5 bln. At the end of 2016, the market value of the securities portfolio was HUF 27 billion.

Deposit fees



Funding ratio

The internationally accepted indicator of the asset position, i.e., funding of the deposit insurance institutions, is the funding ratio, which compares the liquid assets of the Fund to the theoretical compensation obligation of the Fund at the member institutions at a particular time.

If credit institutions are liquidated, the funds available for the compensation of depositors originate primarily from two sources of revenue: the deposit insurance fees paid by the member institutions in the current year or earlier and the proceeds from the return of the investment of the accumulated assets into government securities.

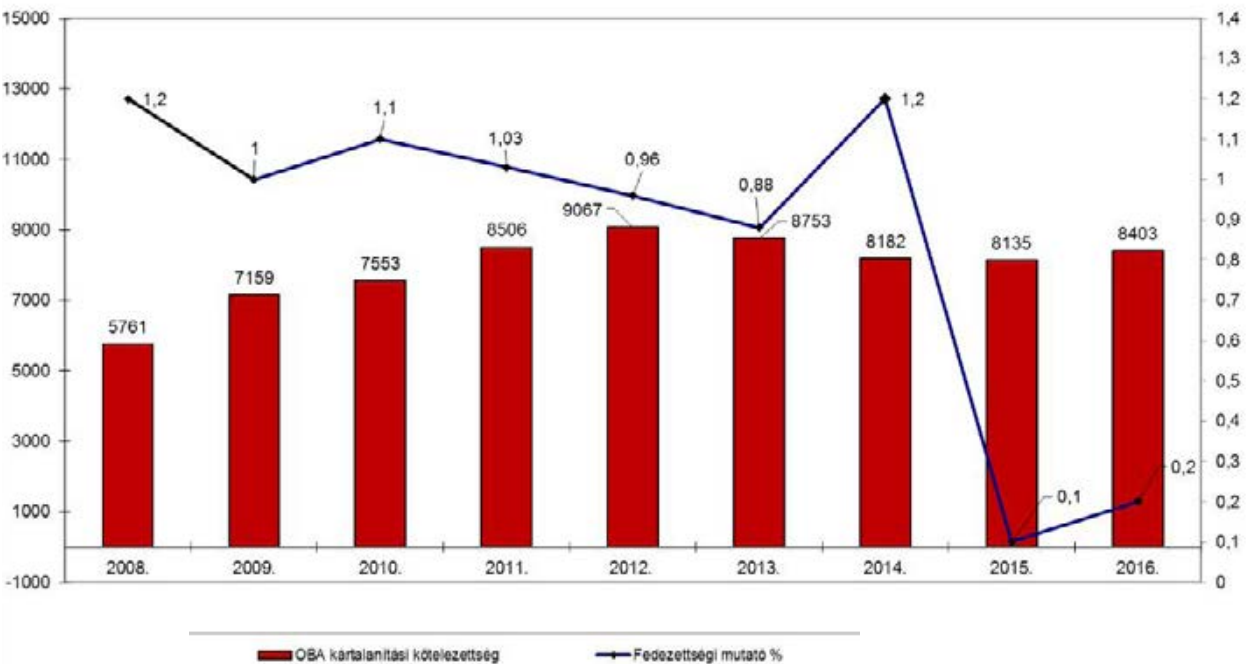
Funding ratio 2011–2016.

Table 4
(data in billion HUF)

Definition	2011. start of the year	start of the year	2013. start of the year	2014. start of the year	2015. start of the year	2016. start of the year
OBA compensation obligation (HUF billion)	8,506	9,067	8,753	8,182	8,135	8,423
OBA assets (HUF billion)*	88	86.9	76.6	99	9	17.5
Funding ratio %**	1.03	0.96	0.88	1.2	0.1	0.2
Average fee rate (%)	0.6	0.6	0.6	1.0	1.4	1.75

*Book value of the assets of OBA at the end of the previous year (opening figure of the current year) - kept in securities.
**Compared to the currently effective compensation obligation.

OBA Compensation Obligations and the Available Funding




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READY
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BETETBIZTOSITASI ALAP"
30 NEXT X
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READY

JÁNOS KEMÉNY (1926–1992) mathematician, the creator of the programming language BASIC (Beginner's All-purpose Symbolic Instruction Code)

Intangible assets

A considerable part of the intangible assets consists of software purchased by the Fund. The purchase cost of these assets entered into the books is the purchase value. Individual valuation is applied to each asset. For software products, the company does not estimate any residual value and accounts depreciation with the straight-line method, based on the gross value, on a pro rata basis, from the date of capitalisation of the asset.

The Fund accounts intangible assets of low value in one lump sum as an immediate expense, while for intellectual property 33% depreciation rate is applied.

Variation in the portfolio of intangible assets in the current year

Table 5
(data in HUF thousand)

Megnevezés	Bruttó érték	Értécsökkenés
01.01.2016 opening	171,780	133,898
Increase in the current year (capitalisation)	11,111	0
Sales in the current year	0	0
Scrapping in the current year	0	0
Depreciation in the current year		8,038
31.12.2016 closing	182,891	141,936

Tangible assets

The tangible assets of the Fund include assets required for operation, refurbishment completed in least buildings, computer technology devices, administration technology devices and office equipment.

Just as in the case of intangible assets, the individual valuation is applied to each asset here too. Depreciation is accounted with the straight-line method, based on the gross value, on a pro rata basis, from the date of capitalisation of the asset. The low-value tangible assets are depreciated in one lump sum when they are put into use.

Composition of tangible fixed assets

Table 6
(data in HUF thousand)

Definition	31.12.2015	Control effect	31.12.2016		Variation %
Real estate and related rights and titles	1,144	0	3,495	2,351	305.51
- land, plot formation	3		0	-3	0.00
-building, part of a building	1,141		3,495	2,354	306.31
Equipment, fittings and vehicles	6,659	0	26,664	20,005	400.41
- technical administration equipment	100		1,983	1,883	1983.00
- technical equipment	1,644		1,504	-140	91.48
- vehicle	0		0	0	0.00
- IT equipment	3,516		21,316	17,800	606.26
- furniture	1,399		1,861	462	133.01
- other	0			0	0.00
Capital investments	16,799		746	-16,053	0.00
Total:	24,602	0	30,905	6,303	125.62

Major changes in the portfolio:

Table 7
(data in HUF thousand)

Item /HUF th.	opening	increase	decrease	restatements +/-	closing
GROSS VALUE	55,045	28,410	3	0	83,452
Real estate and related rights and titles	6,276	2,481	3		8,754
Equipment, fittings and vehicles	48,769	25,929			74,698
Assets in construction	0				0
DEPRECIATION	47,243	6,050	0	0	53,293
Real estate and related rights and titles	5,132	127			5,259
Equipment, fittings and vehicles	42,111	5,923			48,034
NET VALUE	24,601	45,919	39,615	0	30,905
Real estate and related rights and titles	1,144	2,354	3	0	3,495
Equipment, fittings and vehicles	6,658	20,006	0	0	26,664
Assets in construction	16,799	23,559	39,612	0	746

The closing balance of capital expenditure in progress was HUF 746,000 at the end of 2016.

The assets included in the closing balance of assets in construction are capitalised simultaneously with the commissioning of the asset.
Among the deprecation of assets, only the scheduled depreciation was accounted.

Tangible fixed assets - indicators

Table 8

Definition	31.12.2015	31.12.2016	Variation
Ratio of tangible assets within financial invest-ments	39.37	43.01	3.64
Ratio of tangible assets within total assets	0.02	0.03	0.01
Degree of wear and tear:	55.31	62.97	7.66

Financial investments

OBA does not have any financial investments.

Inventories

The inventories of OBA include 5,000 OBA Deposit Insurance Cards (HUF 495,000).

Receivables

The Fund records fee receivables from member institutions (the value of which was zero on the cut-off date), receivables assigned to the Fund, receivables from credit institutions and other receivables among its receivables.

The Fund values the receivables on individual basis and impairment is recognised according to the individual valuation.

The deposit insurance expenses, shown as creditor claims, represent the a large amount within the OBA receivables.

The Fund considers justified to recognise a higher impairment on the amounts of receivables resulting from the costs of compensation payments assigned to member institutions subject to winding up and liquidation, the degree of which may reach 100%.

The costs of compensation payment were classified in category f) according to the law; according to our experience to date, these costs are generally not recovered.

As a result of the control of the opening balances in 2016 HUF 3,711,701,000 was booked as an amendment of recognised impairment on the basis of the estimates of the liquidator of Soltvadkert és Vidéke Takarékszövetkezet „f.a.” . This item is included in the „Control effect” middle column of the balance sheet as an amendment in the opening balance of receivables. The item modified the 2015 profit, which is also shown in the „Control effect” column among the Liabilities of the report. The adjustment item was added to the middle column as the amendment of the opening balance of the other deposit insurance expenditures in the 2016 profit and loss account.

Declarations made by receivers and liquidators

The liquidators provide declarations on the expected recovery of the deposit insurance expenses expressed as creditor claims. The impairment to be recognised is calculated on the basis of those declarations.

The amount of deposit payments made during compensation is included in the row of receivables assigned to the Fund in the amount of HUF 239,867,067, of which HUF 166,133,232 was recognised as impairment based on the declaration of the liquidators on the expected recovery.

The Fund accounts compensation amounts transferred to agent banks and the Post involved in the compensation in the same amount as indicated on the bank statement for the same day when the transfer was made, as receivables from member institutions, irrespective whether or not the injured party actually collected the transferred amount.

Depositors may collect the amounts transferred under the title of compensation by the deadline specified in their agreement concluded with the agent banks. After the deadline specified in the agreements, OBA and the agent bank conduct a settlement process and the uncollected deposits are returned.

Pursuant to the agreement concluded with Takarékbank Zrt.: “If the client does not collect the compensation amount within a year calculated from the first month that follows the start date of the compensation procedure, the Agent shall return the respective funds into the Principal’s bank account.”

The receivables from credit institutions amounted to HUF 162,449,000, referring to compensation financed by Takarékbank (paid out on behalf of behalf of Takarékbank). Takarékbank returned that amount in 2017 pursuant to the settlement made according to the contract between OBA and Takarékbank.

Composition of receivables:

Table 9
(data in HUF thousand)

Definition	2015	Control effect	2016	variation	
	HUF th		HUF th	HUF th	%
Receivables from member institutions	84,637,879	-3,711,701	73,750,596	-10,887,283	-12.9%
= fee receivables from member institutions	25,462		25,462	0	0.0%
= impairment on fee receivables from member institutions	-25,462		-25,462	0	0.0%
= receivables assigned in relation to the payment of deposits	251,078,884		239,867,067	-11,211,817	-4.5%
= impairment on receivables assigned in relation to the payment of deposits	-166,457,710	-3,711,701	-166,133,232	324,478	-0.2%
= auxiliary expenses incurred in relation to the payment of deposits	942,180		949,345	7,165	0.8%
= impairment on auxiliary expenses incurred in relation to the payment of deposits	-925,476		-932,584	-7,108	0.8%
Other receivables from credit institutions	172,951	0	162,449	-10,502	0.0%
= receivables from credit institutions (Takarékbank)	172,951		162,449	-10,502	0.0%
= impairment on receivables from credit institutions			0	0	0.0%
= from the redemption of guarantees and obligations with recourse			0	0	0.0%
= impairment due to the redemption of guarantees and obligations with recourse			0	0	0.0%
Other receivables:	2,691,643	0	2,635,429	-56,214	-2.1%
- Receivables from the supply of goods and services	8,377		0	-8,377	0.0%
- Interest-free home loans	0		0	0	0.0%

- Advances paid	0	0	0	0.0%
- restated tax liability	2,350	668	-1,682	0.0%
- other receivables	2,680,916	2,634,761	-46,155	-1.7%
= receivable from the liquidator in relation to compensation not yet paid	2,680,322	2,633,621	-46,701	0.0%
= domestic trade receivables			0	0.0%
= receivables from resident customers		507,		
= replenishment of the stamping machine	382	422,	40	10.5%
= receivables from litigation	162	161,	-1	0.0%
= security deposit for the leased garage	50	50,	0	0.0%
Total:	87,502,473	-3,711,701	76,548,474	-10,953,999
				-12.5%

The amounts of compensation not yet paid but likely to be paid out and receivables reported to the liquidator were restated into the other receivables in the amount of HUF 633,621,000, as shown by institution in Table 20.

Receivables from liquidators by member institution:

Table 10
(data in HUF thousand)

Item /HUF th	Compen- sation paid by OBA, 31.12.2016.	Costs asso- ciated with OBA com- pensation	Re- cour- se ob- liga- tion	Impairment opening balance	Impairment closing balance	Return on assets	Closing book va- lue of OBA compensa- tion paid*	OBA out- standing closing book value of the recei- vable
Heves és Vidéke Tksz. "f.a."	262,127		0	0			262,127	262,127
Heves és Vidéke Tksz. "f.a." auxiliary expenses		16,690	0	0	0		0	16,690
General Transport Credit Cooperative "f.a."	3,184,701		0	2,404,115	2,607,168	417,533	160,000	2,767,168
Általános Közlekedé- si Hitelszövetkezet „f.a.” auxiliary expen- ses		12,116	0	12,117	12,117		0	12,117
„Jógazda” Szövetke- zeti Takarékpénztár "f. a."	9,009,885		0	6,806,761	6,261,411	2,248,474	500,000	6,761,411

„Jógazda” Szövetke- zeti Takarékpénztár „f.a.” auxiliary expen- ses	33,006	0	33,006	33,006			33,006	
Soltvadkert és Vidé- ke Takarékszövetke- zet "f.a."	33,531,693	0	28,292,029	28,124,698	4,406,995	1,000,007	29,124,698	
Soltvadkert és Vidé- ke Takarékszövet- kezet "f.a.” auxiliary expenses	99,983	0	99,972	99,983				99,983
Körmend és Vidéke Takarékszövetkezet „f.a.”	22,960,906	0	17,862,013	16,460,906		6,500,000	22,960,906	
Körmend és Vidéke Takarékszövetkezet „f.a.” auxiliary expen- ses	87,606	0	87,585	87,606		0	87,606	
Orgovány és Vidéke Takarékszövetkezet „f.a.”	46,642,342	0	21,572,509	24,987,658	9,654,684	12,000,879	36,987,658	
Orgovány és Vidéke Takarékszövetkezet „f.a.” auxiliary expen- ses	177,981	0	176,807	177,981		0	177,981	
Alba Takarékszövet- kezet „f.a.”	7,089,452	0	2,861,661	2,843,452		4,246,019	7,089,452	
Alba Takarékszövet- kezet „f.a.” auxiliary expenses	71,571	0	71,430	71,571		0	71,571	
Széchenyi Hitelszö- vetkezet „f.a.”	8,898,313	0	5,907,597	6,164,335	1,533,978	1,200,000	7,364,335	
Széchenyi Hitelszö- vetkezet „f.a.” auxilia- ry expenses „f.a.”	28,725	0	28,674	28,725		0	28,725	
Széchenyi Kereske- delmi Bank „f.a.”	13,543,761	0	8,099,287	8,354,761		5,189,000	13,543,761	
Széchenyi Kereske- delmi Bank „f.a.” auxi- liary expenses	21,354	0	21,239	21,354		0	21,354	
Tisza Takarékszövet- kezet „f.a.”	8,524,212	0	2,130,636	1,657,212		6,867,020	8,524,212	

Tisza Savings Cooperative "u.l." auxiliary expenses		39,728	0	39,532	39,728		0	39,728
BRB Buda Regionális Bank "f.a."	19,205,402		0	14,427,918	15,056,402		4,152,934	19,205,402
BRB Buda Regionális Bank "f.a." auxiliary expenses		76,533	0	75,286	76,533		0	76,533
DDB Dél-Dunántúli Takaréék Bank "f.a."	23,248,599		0	19,233,365	18,884,837		4,367,123	23,248,599
DDB Dél-Dunántúli Takaréék Bank "f.a." auxiliary expenses		90,647	0	89,345	90,647		0	90,647
DRB Dél-Dunántúli Regionális Bank "f.a."	22,619,467		0	16,926,451	15,119,467		7,500,000	22,619,467
DRB Dél-Dunántúli Regionális Bank "f.a." auxiliary expenses		77,174	0	76,290	77,174		0	77,174
ÉRB Észak-Mo-i Regionális Bank "f.a."	39,396,419		0	23,645,068	23,322,627		16,077,024	39,396,419
ÉRB Észak-Mo-i Regionális Bank "f.a." auxiliary expenses		116,158	0	114,194	116,158		0	116,158
Total:	258,117,278	949,272	0	171,094,887	170,777,517	18,261,664	70,022,132	240,804,887

*The data also include the balance of compensation payments of deposits guaranteed by the state.

Recovery from paid out compensation

Table 11
(data in HUF mln)

Name of Bank (year of insolvency)	Paid Compensation amount by OBA	Actual return on assets (already received amount)	Expected further recovery	Recovery during the full period of the procedure	Estimated recovery during the full period of the procedure (%)
BRB Buda Regionális Bank (2015)	19,205	-	4,149	4,149	21.60
DDB Dél-Dunántúli Takaréék Bank (2015)	23,249	-	4,364	4,364	18.77

DRB Dél-Dunántúli Regionális Bank (2015)	22,620	-	7,500	7,500	33.16
ÉRB Észak-mo-i Regionális Bank (2015)	39,396	-	16,074	16,074	40.80
Tisza Takarékszövetkezet (2014)	8,524	-	6,867	6,867	80.56
Széchenyi Kereskedelmi Bank (2014)	13,544	-	5,189	5,189	38.31
Széchenyi Hitelszövetkezet (2014)	8,898	1,534	1,200	2,734	30.73
Alba Takarékszövetkezet (2014)	7,089	-	4,246	4,246	59.90
Orgovány és Vidéke Takarékszövetkezet (2014)	46,642	9,655	12,000	21,655	46.43
Körmend és Vidéke Takarékszövetkezet (2014)	22,961	-	6,500	6,500	28.31
Soltvadkert és Vidéke Takarékszövetkezet (2012)	33,532	4,407	1,000	5,407	16.12
Jógazda Takarékpénztár (2011)	9,010	2,248	500	2,748	30.50
Általános Közlekedési Hitelszövetkezet (2010)	3,185	418	160	578	18.15
Heves és Vidéke Takarékszövetkezet (1993)	262	-	262	262	100.00
Total / Average	258,117	18,262	70,011	88,273	34.20

Impairment on receivables

The statements on estimated recoveries were received from the receivers of all credit institutions in the process of liquidation by the date of report preparation.

The impairment figures are illustrated in the table in Annex 1.

Even despite prudent estimates there may be significant discrepancies between the estimated recovery figures included in declarations of the liquidators submitted for the 2016 annual report and the actual future recovery figures.

Compensation secured by a state guarantee, which is refunded by the Ministry for National Economy based on an OBA notification , are not included in the impairment calculation.

Deposits secured by a state guarantee and paid out by OBA in 1993 - 2016.

Table 12
(Data: in HUF thousand)

Item /HUF th	Compensation amounts of deposits secured by a State Guarantee	Amount reimbursed by the State
Heves és Vidéke Tksz. "f.a."	0	0
Heves és Vidéke Tksz. "f.a." auxiliary expenses	0	0
Általános Közlekedési Hitelszövetkezet "f.a."	51,070	51,070
Általános Közlekedési Hitelszövetkezet „f.a.” auxiliary expenses	87	87
„Jógazda” Szövetkezeti Takarékpénztár "f. a."	44,042	44,042
„Jógazda” Szövetkezeti Takarékpénztár „f.a.” auxiliary expenses	88	88
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	15,229	15,222
Soltvadkert és Vidéke Takarékszövetkezet "f.a.” auxiliary expenses	202	202
Körmend és Vidéke Takarékszövetkezet „f.a.”	19,984	19,984
Körmend és Vidéke Takarékszövetkezet „f.a.” auxiliary expenses	56	56
Orgovány és Vidéke Takarékszövetkezet „f.a.”	28,452	27,573
Orgovány és Vidéke Takarékszövetkezet „f.a.” auxiliary expenses	383	366
Alba Takarékszövetkezet „f.a.”	7,241	7,222
Alba Takarékszövetkezet „f.a.” auxiliary expenses	513	512
Széchenyi Hitelszövetkezet „f.a.”	0	0
Széchenyi Hitelszövetkezet „f.a.” auxiliary expenses „f.a.”	0	0
Széchenyi Kereskedelmi Bank „f.a.”	0	0
Széchenyi Kereskedelmi Bank „f.a.” auxiliary expenses	0	0
Tisza Takarékszövetkezet „f.a.”	28,015	27,995

Tisza Savings Cooperative “u.l.” auxiliary expenses	186	184
BRB Buda Regionális Bank "f.a."	157,405	153,471
BRB Buda Regionális Bank "f.a." auxiliary expenses	699	663
DDB Dél-Dunántúli Takaréék Bank "f.a."	48,518	45,157
DDB Dél-Dunántúli Takaréék Bank "f.a.” auxiliary expenses	394	394
DRB Dél-Dunántúli Regionális Bank "f.a."	14,410	14,410
DRB Dél-Dunántúli Regionális Bank "f.a.” auxiliary expenses	117	117
ÉRB Észak-Mo.-i Regionáis Bank "f.a."	73,249	70,017
ÉRB Észak-Mo.-i Regionáis Bank "f.a.” auxiliary expenses	355	338
Total:	490,695	479,170

Deposits to be paid out:

Table 13
(data in HUF thousand)

Item /HUF th	Compensation not yet paid	Principal amount of compensation not yet paid	Interest on compensation not yet paid
Heves és Vidéke Tksz. "fa"	0	0	0
Rákóczi Hitelszövetkezet "fa"	1,395	1,395	
Reálbank "fa"	76,659	76,659	
Általános Közlekedési Hitelszövetkezet betét "fa"	548	548	0
„Jógazda” Szövetkezeti Takarékpénztár "fa"	113,805	113,805	0
Soltvadkert és Vidéke Takarékszövetkezet "fa"	12,964	12,964	0
Körmend és Vidéke Takarékszövetkezet „f.a.”	61,042	61,042	0
Orgovány és Vidéke Takarékszövetkezet „fa”	633,334	626,817	6,517
Alba Takarékszövetkezet „fa”	26,079	25,452	627

Széchenyi Hitelszövetkezet „fa”	25,935	25,910	25
Széchenyi Kereskedelmi Bank „f.a.”	409,977	409,071	906
Tisza Takarékszövetkezet „f.a.”	36,339	36,315	24
Buda Regionális Bank "fa"	164,361	164,291	70
DDB Dél-Dunántúli Takaréék Bank "fa"	229,482	228,284	1,198
DRB Dél-Dunántúli Regionális Bank "fa"	212,633	212,478	155
Észak-magyarországi Regionális Bank "fa"	707,122	704,652	2,470
Total:	2,711,675	2,699,683	11,992

* Closed and completed liquidation but under the currently effective laws and regulations there is no time limit for the deposits.

The amounts shown in the table are included in the balance sheet among the other receivables (receivables from credit institutions under liquidation and among the other liabilities (liabilities to depositors). The data of the table do not contain the payments made between the cut-off date and date of preparation of the balance sheet. These compensation amounts are shown in Table 22.

Payments made from the frozen deposit portfolio by member institution:

Table 14
(data in HUF thousand)

Definition	Total of frozen deposits	Payments made in the current year			Payments made		
		total	capital	interest	total	capital	interest
Heves és Vidéke Tksz."f.a."	1,389,091	0	0	0	262,127	262,127	0
Általános Közlekedési Hitelszövetkezet "f.a.”	3,329,643	0	0	0	3,184,701	3,149,846	34,855
„Jógazda” Szövetkezeti Takarékpénztár "f. a."	9,849,564	0	0	0	9,009,885	8,794,131	215,754
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	37,795,952	1,087	1,087	0	33,531,693	33,077,300	454,393

Körmend és Vidéke Takarékszövetkezet „f.a.”	26,465,802	2,021	2,020	1	22,960,906	22,742,711	218,195
Orgovány és Vidéke Takarékszövetkezet „f.a.”	59,560,638	49,451	48,603	848	46,642,342	46,332,384	309,958
Alba Takarékszövetkezet „f.a.”	11,947,389	6,132	6,121	11	7,089,452	7,064,511	24,941
Széchenyi Hitelszövetkezet „f.a.”	8,951,717	1,330	1,330	0	8,898,312	8,794,939	103,373
Széchenyi Kereskedelmi Bank „f.a.”	21,000,653	44,950	44,760	190	13,543,761	13,217,599	326,162
Tisza Takarékszövetkezet „f.a.”	9,026,863	1,668	1,559	109	8,524,212	8,493,217	30,995
BRB Buda Regionális Bank "f.a."	23,795,766	-31,822	-31,783	-39	19,205,402	19,182,729	22,673
DDB Dél-Dunántúli Takaréék Bank "f.a."	28,091,538	47,916	47,901	15	23,248,599	23,214,909	33,690
DRB Dél-Dunántúli Regionális Bank "f.a."	25,004,700	50,865	50,723	142	22,619,467	22,556,604	62,863
ÉRB Észak-Mo.-i Regionáis Bank "f.a."	45,710,543	-12,028	-11,962	-66	39,396,419	39,312,213	84,206
Total	311,919,859	161,570	160,358	1,212	258,117,278	256,195,220	1,922,058

Note: Reason for changes in the frozen portfolios: deposit balancing against loan repayment upon the liquidator's request in the case of a decrease in the portfolio and registration of deposits based on a court judgment in the case of an increase in the portfolio.

Total principal and total interest paid out between the cut-off date and date of preparation of the balance sheet:

Table 15
(Data: In HUF thousand)

"Definition"	Gross payment after the balance sheet date (01.01.2017-28.02.2017)	Capital paid out after the balance sheet date (01.01.2017-28.02.2017)	Interest paid out after the balance sheet date (01.01.2017-28.02.2017)
Heves és Vidéke Tksz. "f.a."	0	0	0
Általános Közlekedési Hitelszövetkezet "f.a."	0	0	0
"Jógazda"Szövetkezeti Takarékpénztár "f.a."	0	0	0
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	0	0	0
Körmend és Vidéke Takarékszövetkezet "f.a."	0	0	0
Orgovány és Vidéke Takarékszövetkezet "f.a."	12,873	12,676	197
Alba Takarékszövetkezet "f.a."	215	209	6
Széchenyi Hitelszövetkezet "f.a."	530	530	0
Széchenyi Kereskedelmi Bank "f.a."	1,808	1,808	0
Tisza Savings Cooperative "f.a."	0	0	0
BRB Buda Regionális Bank "f.a."	713	713	0
DDB Dél-Dunántúli Takarékbank "f.a."	634	634	0
DRB Dél-Dunántúli Regionális Bank "f.a."	181	181	0
ÉRB Észak-mo-i Regionális Bank "f.a."	0	0	0
Total:	16,954	16,751	203

Receivables - indicators

Table 16
(Data in %)

Definition	31.12.2015	31.12.2016
Receivables ratio Receivables/Balance sheet total)	82.33	73.42
Receivables ratio (Receivables/Current assets)	82.62	73.80

Securities

According to the statutory requirements, the Fund invests the fees collected from member institutions into Hungarian government securities, more specifically, Hungarian government bonds and discount treasury bills. The records are kept on the basis of the purchase value. The Fund did not use the fair valuation principle during the current year.

Structure

Table 17

Definition	2 015	Control effect	2 016	variation	
	HUF th		HUF th	HUF th	%
Government securities	17,496,020	0	26,904,527	9,408,507	53.78
, - Hungarian government securities	17,496,020	0	26,904,527	9,408,507	53.78
= Hungarian Government bonds	16,715,997	0	25,976,185	9,260,188	55.40
= Discount Treasury bills	780,023	0	928,342	148,319	19.01
- Other securities	0	0		0	0.00
= MNB bonds	0	0	0	0	0.00
Total:	17,496,020	0	26,904,527	9,408,507	53.78

Securities - portfolio movements

Table 18

Item /HUF th	opening	increase	decrease	closing
GROSS VALUE	17,496,020	33,729,337	24,320,830	26,904,527
(book value)				
Government securities	17,496,020	33,729,337	24,320,830	26,904,527
- Hungarian government securities	17,496,020	33,729,337	24,320,830	26,904,527
= Hungarian Government bonds	16,715,997	31,389,466	22,129,278	25,976,185
= Discount Treasury bills	780,023	2,339,871	2,191,552	928,342
- Other securities	0	0	0	0
= MNB bonds	0	0	0	0
IMPAIRMENT	0	0	0	0
NET VALUE	17,496,020	33,729,337	24,320,830	26,904,527
Government securities	17,496,020	33,729,337	24,320,830	26,904,527
- Hungarian government securities	17,496,020	33,729,337	24,320,830	26,904,527
= Hungarian Government bonds	16,715,997	31,389,466	22,129,278	25,976,185
= Discount Treasury bills	780,023	2,339,871	2,191,552	928,342
- Other securities	0	0	0	0
= MNB bonds	0	0	0	0

The Fund keeps its investments in government securities, which are reported among the current assets and therefore no impairment is recognised on them.

Market, purchase and face value of the securities portfolio:

Table 19
(data in HUF thousand)

Definition	2016. Purchase value	Face value	Market value	Audited value
Hungarian government bonds	25,976,185	23,127,610	26,551,046	25,976,185
Discount Treasury bills	928,342	932,030	931,383	928,342
Total	26,904,527	24,059,640	27,482,429	26,904,527

Securities - indicators

Table 20
(data in %)

Definition	2015.12.31 %	2016.12.31 %	Variation %
Share of securities in the current assets:	16.05	25.94	9.89
Share of securities within the total assets	16.00	25.80	9.80

Cash and cash equivalents

The Fund recognises the liquid assets kept in the MNB current account to cover operating expenses and those released in the follow-up phase for compensation in progress (HUF 271,432,000), and the cash to be used for compensation and kept in other earmarked bank accounts (HUF 4,962,000), the amount kept in the securities settlement account (HUF 75,000) and in its petty cash stock (HUF 259,000) under the title of cash and equivalents.

The balance of the current account kept by MNB generates interest on a daily basis.

Prepayments and deferred expenses

Table 21
(data in HUF thousand)

Definition	31.12.2015	31.12.2016
Deferred revenues	308,990	456,882
Pro rata deferred interest on government securities	308,990	396,408
Costs transferred to BEVA (2016 Q4)	0	20,117
Costs transferred to the Claim Settlement Fund	0	26,135
Amount to be re-invoiced to the Resolution Fund	0	11
Default interest	0	0
Deferred expenses		
Legal database, newspapers, calendars	546	34
Membership fees	815	1,246
Liability insurance	1184	1,374
Life insurance	130	203

Definition	31.12.2015	31.12.2016
Virtual software support	0	531
Rent	48	48
Telephone	15	
Subscription fees, 2017 calendars	0	164
Microsoft-Mo Premier Stand. Service	5,969	0
Motorway vignettes	0	86
Total	8,707	3,686
Grand total	317,697	460,568

The Fund recognises the pro rata interest earned on securities (HUF 396,408,000) and the listed operating expenses of the subsequent year (HUF3,686,000) in the prepayments and deferred expenditures.

The deferred expenses include the expenses paid in 2016 but relating to the 2017 financial year, including, e.g., newspaper subscriptions, the IADI 12017 annual membership fee, the pro-rata amounts of life and liability insurance and the software support fee, which will be an expense for 2017.

Provisions

No provisions were recognised in the reporting year.

Long-term liabilities

Table 22
(data in HUF thousand)

Definition	Amount
Long-term liabilities	
Issued bond - OBA2022/A	84,621,432

The National Bank of Hungary withdrew the operational licence of the member institutions of the DRB Bank Group on 3 March 2015, and therefor the OBA compensation obligation applied pursuant to Section 217 (1) of the Credit Institutions Act. The market value of OBA assets in securities was HUF 11.9 billion. The assets of the Fund would not have covered the compensations of the deposits of the four credit institutions.

In its resolution 13/2015. (22 May), the Board of Directors of OBA approved the private issue of OBA 2022/A BONDS by NDIF as registered and de-materialised bonds with variable interest for the total face value of HUF 107,700,000,000, maturing on 3 June 2022 and secured by a statutory unconditional guarantee of the Hungarian State (hereinafter referred to as “Bonds”).

Short-term liabilities

During the current year, the Fund did not assume any guarantee or any other obligation with recourse.

The Fund records the following items among its short-term liabilities:

Table 23
(data in HUF thousand)

Definition	31.12.2015	31.12.2016
Compensation obligation towards depositors, not yet paid	2,758,376	2,711,674
Domestic suppliers	49,591	11,056
Taxes, contributions	8,749	31,031
Daily allowance settlement account	0	2,335
Other short term liabilities	160	0
Total	2,816,876	2,756,096

In the previous years, only the amounts actually paid and settled in accordance with the creditor claims submitted to the liquidators and the bank account statements proving the transfer were included among the compensations not yet paid out. (Reálbank „f.a.”, Rákóczi Hitelszövetkezet „f.a.”).

From 2014, the debts outstanding on the cut-off date of the balance sheet are also reported as proposed in the SAO report, irrespective whether or not they were financially settled. (Table 29.)

Other liabilities

Deposits not yet paid out by institutions on 31.12.2016.

Table 24
(data in HUF th)

Item /HUF th	Compensation not yet paid, 31.12.2015	Compensation not yet paid, 31.12.2016
Heves és Vidéke Tksz. "f.a." deposit		0
Rákóczi Hitelszövetkezet "f.a."	1,395	1,395
Reálbank "f.a."	76,659	76,659
Általános Közlekedési Hitelszövetkezet betét " f.a."	548	548
„Jógazda” Szövetkezeti Takarékpénztár "f. a."	113,805	113,805
Soltvadkert és Vidéke Takarékszövetkezet "f.a."	28,181	12,964
Körmend és Vidéke Takarékszövetkezet „f.a.”	65,028	61,042

Item /HUF th	Compensation not yet paid, 31.12.2015	Compensation not yet paid, 31.12.2016
Körmend és Vidéke Takarékszövetkezet „f.a.”	65,028	61,042
Orgovány és Vidéke Takarékszövetkezet „f.a.”	589,031	633,334
Alba Takarékszövetkezet „f.a.”	39,243	26,079
Széchenyi Hitelszövetkezet „f.a.”	27,224	25,935
Széchenyi Kereskedelmi Bank „f.a.”	478,710	409,977
Tisza Takarékszövetkezet „f.a.”	48,103	36,339
BRB Buda Regionális Bank "f.a."	134,470	164,360
DDB Dél-Dunántúli Takaréék Bank "f.a."	256,218	229,482
DRB Dél-Dunántúli Regionális Bank "f.a."	204,713	212,633
ÉRB Észak-Mo.-i Regionális Bank "f.a."	695,048	707,122
Total	2,758,376	2,711,674

*the liquidation process of Reálbank and Rákóczi Hitelszövetkezet has already been completed, while the liquidation and winding up proceedings of the other credit institutions have not yet been completed.

Total short-term liabilities - indicators

Table 25

Definition	2015.12.31.	2016.12.31.	Variation
Liabilities ratio (Liabilities/balance sheet total)	96,7	83,8	-12,9
Liquidity ratio (Current assets / liabilities)	103	118,7	15,7

Accruals and deferred revenues

The Fund reports the expenses that relate to the current year but will actually be paid only in the following period among the accruals.

Items of accruals and deferred revenues

Table 26
(data in HUF thousand)

Definition	31.12.2015.	31.12.2016
Management entertainment costs	0	106
Airport parking	0	18
Magyar Telekom monthly internet and phone expenses	0	185
Expenses for commuting to work	0	406
Transferred expenses of the Resolution Fund	961	0
Accrued bonus for 2015	14,767	0
Accrued social security contribution on 2015 annual bonuses	3,958	0
Glasses for work	63	0
Accrued auditor's fee	1,156	1,499
Accrued cafeteria for 2015	347	0
Banking charges payable for OBA2022/A bonds in 2015	578	0
Wage costs and contributions, transferred and charged to the Resolution Fund	0	7,755
Credit of the fee difference of Cetelem Bank		47
Total	21,830	10,016
Accrued interest payable on OBA2022/A bonds	209,459	122,020
Grand total	231,290	132,036

Equity

In the current year, the equity changed because of the following item:
-HUF 13,519,646 profit of the current year
The Fund transferred the profit generated in the current year into its reserves in January 2017.

Composition of equity:

Table 27
(data in HUF th)

Definition	2015.12.31.	Control effect	2016.12.31.	Variation
Subscribed capital	926,082	0	926,082	0
Reserve	60,905,083	0	2,307,361	-58,597,722
Valuation reserve	0	0	0	0
Profit/loss in the current year	-58,597,722	-3,711,701	13,519,646	72,117,368
Total	3,233,443	-3,711,701	16,753,089	13,519,646

The changes in Reserves stem from the profit/loss of the previous year..

Equity - reserves calculation:

Table 28
(data in HUF th)

Legal titles (HUF th)	2015.12.31.	Control effect	2016.12.31.
Reserves opening	98,248,082	0	60,905,083
Variation during the year	-37,342,999	0	-58,597,722
Reserve closing	60,905,083	0	2,307,361

Change in equity

Table 29
(data in HUF thousand)

Capital	Opening	Growth	Decrease	Transfers	Closing
Subscribed capital	926,082	-	-		926,082
„Recorded, not in paid capital „		-	-		
Reserve	60,905,083	-	58,597,722		2,307,361
Profit reserves		-	-		
Allocated reserve		-	-		
Valuation reserve		-	-		
Profit/loss in the current year	-58,597,722	75,829,069	3,711,701		13,519,646
Equity	3,233,443	75,829,069	62,309,423	-	16,75,3,089

7

Assets, financial standing, profitability

MARCELL JÁNOSI (1931–2011) mechanical engineer, inventor of the floppy disk storage device. As the patent expired, IBM has created a larger, 8-inch floppy.

Details of deposit insurance revenues

In the Fund's profit and loss account the fee revenues from member institutions are recorded among the fee revenues paid by member institutions. In the current year the member institutions had to pay a fee to OBA equivalent to 0.175 per cent of their total deposit portfolio. 100% of the fees are collected from within the country, in HUF. (2. Annex)

In addition to the regular fees indicated above, in the current year the Fund earned HUF 9,862,000 from increased fees, charged to 7 member institutions by the Board of Directors.

In the reporting year, the Fund did not receive any state subsidy.

In the current year the total other deposit insurance revenues reached HUF 5,083,375,000, resulting from reversed impairment.

Operating costs and expenses

Breakdown of operating costs and expenses in the reporting year:

Table 30
(data in HUF th)

Definition	2015.12.31.	Control	2016.12.31.	variation	
				HUF th	%
Expenditures related to deposit insurance	87,944,221	3,711,701	4,766,006	-83,178,215	-94.58%
- expenses related to other deposit insurance	87,944,221	3,711,701	4,766,006	-83,178,215	-94.58%
Expenditures not related to deposit insurance	40	0	0	-40	0.00%
Other expenditure	3,828	0	3,917	89	2.32%
Expenses by expense type	557,697		566,995	9,298	1.67%
-material type	312,863	0	124,889	-187,974	-60.08%
= material expenses	4,871	0	5,642	771	15.83%
= used material type services	101,621	0	111,850	10,229	10.07%

= other services	206,371	0	7,397	-198,974	-96.42%
- personnel-type payments	233,754	0	428,017	194,263	83.11%
- depreciation	11,080	0	14,089	3,009	27.16%
Total	88,505,786	3,711,701	5,336,918	-83,168,868	-93.97%

Highlights

Table 31
(data in HUF th)

Definition	2015	Control effect	2016	variation	2016. year break-down	
				HUF th	%	%
Services used						
- transportation, loading and warehousing	4,133		4,181	48	1.2%	3.7%
- lease fees, operational fees	17,335		19,307	1,972	11.4%	17.3%
- maintenance expenses	1,993		2,911	918	46.1%	2.6%
- postal, telecommunications services	4,751		4,498	-253	-5.3%	4.0%
- education and further training	43		188	145	337.2%	0.2%
- news monitoring, communication expenses	12,540		13,107	567	4.5%	11.7%
- expenses of business trips and delegation	9,276		10,461	1,185	12.8%	9.4%
- membership fees	3,575		5,259	1,684	47.1%	4.7%
- specialist services	42,872	0	49,100	6,228	14.5%	43.9%
= internal control	2,637		3,219	582	22.1%	6.6%

= translation	456		772	316	69.3%	1.6%
= program expert fee, program update fees	14,344		16,068	1,724	12.0%	32.7%
= information technology security control	3,658		4,788	1,130	30.9%	9.8%
= fee of operation of the payment system	11,972		11,972	0	0.0%	24.4%
= legal service fee	8,119		10,660	2,541	31.3%	21.7%
= audit fee	1,651		1,499	-152	-9.2%	3.1%
= bookkeeping fee	35		122	87	248.6%	0.2%
- other expert fees	3,255		699	-2,556	0.0%	0.6%
= ISO standard for DNV audit	23		0	-23	0.0%	0.0%
= risk analyst's referral	3,232		0	-3,232	0.0%	6.6%
= tax advice	0		699	699	0.0%	0.0%
- other non-life services used	1,848		2,139	291	15.7%	1.9%
= photocopying	732		936	204	27.9%	43.8%
= maintenance of plants	145		250	105	72.4%	11.7%
= document storage	799		798	-1	-0.1%	37.3%
= other not listed services used	172		155	-17	-9.9%	7.2%
Total	101,621	0	111,850	12,785	12.6%	100.0%

Table 32
(data in HUF th)

Definition	2015	Control	2016	variation		2016. year break-down effect
				HUF th	%	%
Other services						
- Costs of issue of OBA2022/A bonds	199,731	0	1,040	-198,691	99.5%	14.06%
= Subscription fee	161,550	0	0	-161,550	100.0%	0.00%
= Paying bank agent fee	578	0	1,000	422	73.0%	96.15%
=Distributor fee	30,000	0	0	-30,000	100.0%	0.00%
= Origination fee	218	0	0	-218	100.0%	0.00%
= Claim event expense	20	0	40	20	100.0%	3.85%
= Legal fees	7,363	0	0	-7,363	100.0%	0.00%
= KELER and other fee	1	0	0	-1	100.0%	0.00%
- insurance premiums	4,082	0	4,446	364	8.9%	60.1%
- bank expenses	2,554	0	1,896	-658	25.8%	25.6%
- administrative fees	4	0	16	12	300.0%	0.2%
Total	206,371	0	7,398	-282	0.1%	100.0%

Table 32
(data in HUF th)

Definition	2015	Control effect	2016	Variation		2016. year break-down effect
				HUF th	%	
Other expenditure						
- extraordinary depreciation	0		0	0	0.0%	0.0%
- re-invoiced expenses	0		0	0	0.0%	0.0%
- Support to the PénzSztár contest	3,810		3,810	0	0.0%	97.3%
- Default interest	15		1	-14	93.3%	0.0%
- derecognition of waived time share rights transferred during liquidation	0		106	106	0.0%	2.7%
- vehicle insurance claim events	0			0	0.0%	0.0%
- other not specified	3		0	-3	-100.0%	0.0%
Total:	3,828	0	3,917	89	2.3%	100.0%

Financial results

a) Contents:

- financial revenues
- financial expenses

b) Valuation - accounting:

- Basis of records: book value
- The foreign exchange movements are valued according to the true and fair view principle.
- Fair valuation principle: not applied.

The portfolio is certified with analytical records.

c) Stucture:

Table 34
(data in HUF th)

Definition	2015.12.31.	Control effect	2016.12.31.	variation	
				HUF th	%
Financial revenues					
Interest received	16,181		6,179	-10,002	-61.8
Revenues from financial transactions	1,112,389	0	1,152,954	40,565	3.6
- Exchange rate gain on FX stock	3		20	17	566.7
- gain on Hungarian government securities	1,112,386	0	1,152,934	40,548	3.6
= gain on Hungarian government bonds	123,026		281,798	158,772	129.1
= interest gain on Hungarian government bonds	970,697		864,511	-106,186	-10.9
= gain on discount treasury bills	18,662		6,625	-12,037	-64.5
= gain on MNB bonds	0		0	0	0.0
- gain on other shares and participations	0		0	0	0.0
- gain on futures business hedge transactions	0		0	0	0.0
Total:	1,128,570	0	1,159,133	30,563	2.7
Financial expenses					
Interest paid, interest-type expenses (loan)	485,043		0	-485,043	-100.0
Interest paid, interest-type expenses (OBA2022/A bond)	1,662,535		2,220,516	557,981	33.6
Expenditures of financial transactions	315,358	0	59,738	-255,620	-81.1
- Exchange rate loss on FX stock	209		153	209	100.0
- loss on Hungarian government securities	315,149	0	59,585	-255,564	-81.1
= loss on Hungarian Government Bonds	314,833		59,350	-255,483	-81.1
= loss on discount treasury bills	316		235	-81	-25.6
Other financial expenses	7,697		7,413	-284	-3.7
Total:	2,470,632	0	2,287,667	-182,965	-7.4
Balance	-1,342,062	0	-1,128,534	213,528	-15.9

The other financial expenditures include the portfolio and custody management as well as KELER fees.

Staff and wage data

Average statistical headcount figure:

Table 35

Person	2015.	2016.
physical workers	0	0
non-physical workers	9	16
Total employees	9	16

The headcount figure approved by the Board of Directors of OBA was 9 persons. The OBA staff was increased by 1 risk manager/analyst in the last 2 months of 2015.

On 1 January 2016 the employment of BEVA employees was turned into employment at OBA pursuant to sections 210 and 413 of Act CXX. 2001 on the capital market. Thus the headcount figure of OBA increased from 9 to 16 with the 7 employees of BEVA.

Average wages, income and expenses:

Table 36
(data in HUF th)

Definition	2015	2016
average wages of non physical workers	927,971	883,810
average bonus of non physical workers	306,229	238,165
Total average income	1,234,199	1,121,974

OBA offers cafeteria benefits to its employees pursuant to its internal regulations.

Highlighted personnel type expenses

Table 37
(data in HUF th)

Definition	2015	2016
- incentive	10,274	20,714
- social	893	1,299
- refund of expenses	1,248	1,158
- honorary fees	46,095	49,284
- sick leave	193	580
- entertainment costs	2,202	2,509
Total personnel-type payments	60,905	75,743
Social contribution tax	45,267	82,886
Wage tax and contributions:		
- corporate, PIT, health contribution	5,396	9,383
Total tax and contributions	50,663	92,269
Grand total	111,568	167,813

Rights and obligations maturing over 5 years

Debt from the OBA2022/A bond issued in 2015: HUF 84,621,432,000.

Presentation of the securities portfolio and assessment of the activities of asset managers

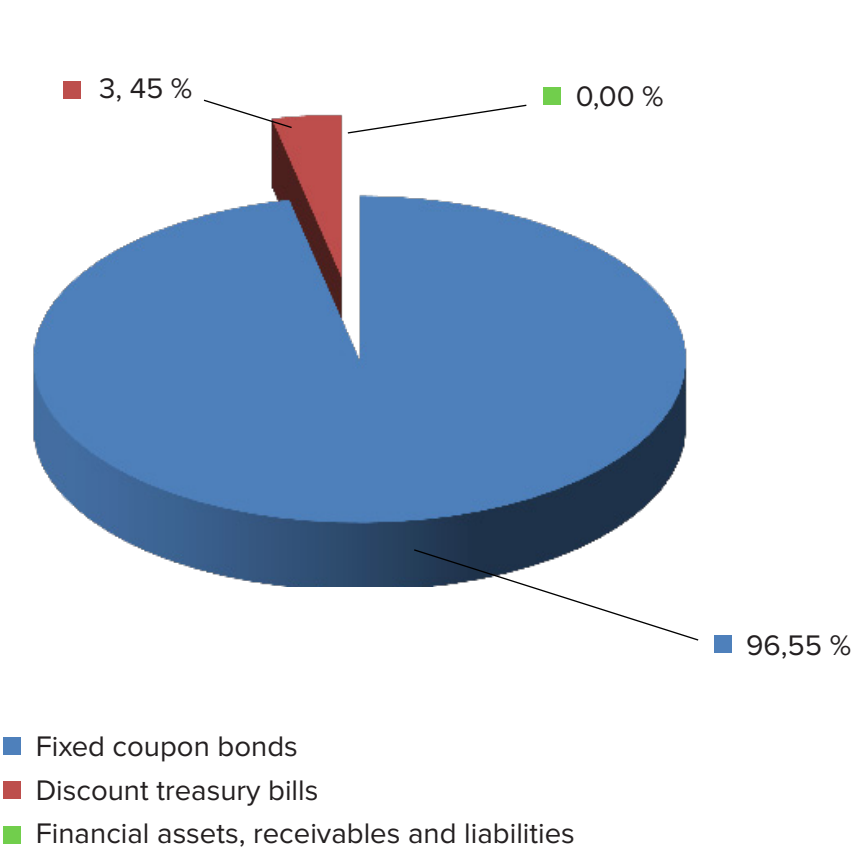
The book value of the opening securities portfolio of the current year was HUF 17,496,020,000 and the closing securities portfolio of the current year was HUF 26,904,527,000 respectively. Within the securities portfolio included in the assets of the Fund, HUF 25,976,185 thousand are Hungarian government bonds and HUF 928,342 thousand are discount treasury bills. 96.5% of the securities portfolio was held in government securities. The value of the portfolio has increased by 53.8% since the base period. The closing value of the portfolio was increased with the investment of the membership fee revenues and the return on the investment. The compensation payments were funded from the issued bond.

Portfolio composition

Table 38
(data at book value in HUF th)

Value date	Bonds with fixed interest	Discount Treasury bill	Cash and cash equivalents, accounts receivable and liabilities	Total asset value of the portfolio
Opening balance (01.01.2015)	16,715,996	780,023	53	17,496,073
Distribution (%)	95,54	4,46	0,00	100,00
Closing balance (31.12.2016)	25,976,185	928,342	75	26,904,602
Distribution (%)	96,55	3,45	0,00	100,00

Asset value on 31.12.2016



The following tables illustrate the impact of asset management on the profit/loss of the current year.

Table 39
(data in HUF thousand)

Source of profit/loss	Revenue	Expenditure	Profit/loss
Gain and loss on Hungarian government bonds	281,798		281,798
Loss on Hungarian government bonds		59,350	-59,350
Interest income from Hungarian government bonds	864,511		864,511
Gain on discount government securities	6,625		6,625
Custodian's commission		235	-235
KELER fee	0	0	0
Total	1,152,934	52,585	1,093,349

Net return

Table 40
(data at market value in HUF thousand)

Definition	ÁKK
Asset manager	
Average fixed capital	19,988,893
Gross return HUF	1,283,428
Gross return %	6,38
Reference yield %	6,39
Net return HUF	1,276,015
Net return %	6,37
Portfolio management fees	5,072
Custodian's fee	397
KELER fee	1,944
Total fees	7,413
Fees as a % of return	0,58%
Fees /average fixed capital (%)	0,04%

The gross return of the portfolio earned in January-December 2016 was HUF 1,283 million, containing the interest accumulated in the securities and the valuation difference. The portfolio of 31 December 2016 included HUF 396 million accumulated interest and HUF 181 million estimated loss resulting from the valuation difference.

The CMAX index was 6.39% in the year. Pursuant to an agreement concluded with ÁKK (National Debt Management Centre), the return of the OBA portfolio is adjusted to CMAX, therefore practically there is no difference between the two.

The average fixed capital/day was HUF 19,988 million. The asset and custody management expenses reached HUF 7.4 million, i.e., 0.04% of the average fixed capital.

At the beginning of 2016, the return on bonds were falling and then, primarily on the longer term, began to rise in the last third of the year. No investments were made into foreign government securities in the current year.

Summary assessment of the result

The main components of these changes are illustrated in the following table:

Table 41
(data in HUF th)

Definition	2015.12.31.	Control effect	2016.12.31.	Variation
Revenues from deposit insurance	31,226,249	0	19,833,185	-11,393,064
Revenues not from deposit insurance	771		10	-761
Other revenues	23,107	0	151,903	128,796
Revenues from financial transactions	1,128,569	0	1,159,133	30,564
Total revenues	32,378,696	0	21,144,231	-11,234,465
Expenditures related to deposit insurance	87,944,221	3,711,701	4,766,006	-83,178,215
Expenditures not related to deposit insurance	40		0	-40
Other expenses	3,828	0	3,917	89
Expenditures of financial transactions	2,470,632	0	2,287,667	-182,965
Total expenditure	90,418,721	3,711,701	7,057,590	-83,361,131
Operating expenses	557,697	0	566,995	9,298
Total expenses and operational costs	90,976,418	3,711,701	7,624,585	-83,351,833
Profit/loss of the current year	-58,597,722	-3,711,701	13,519,646	72,117,368

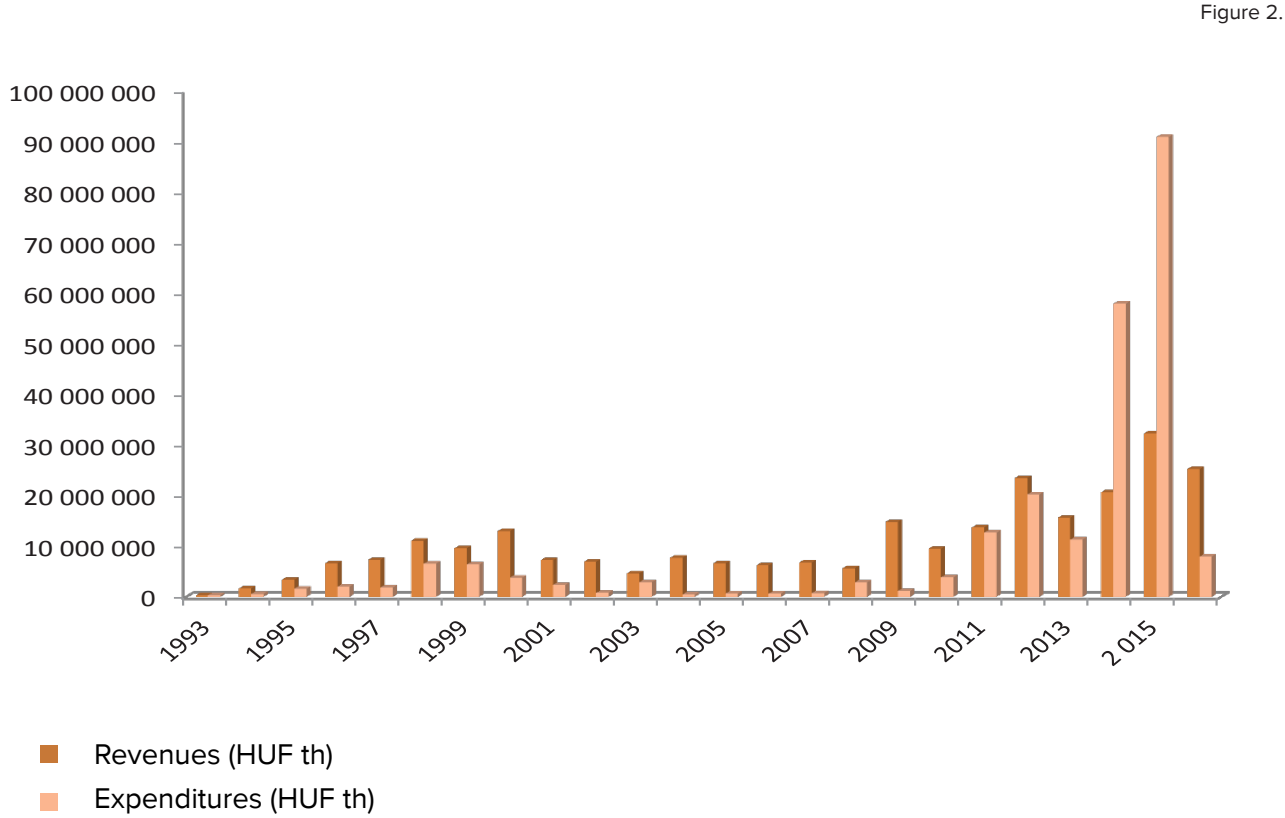
The profit/loss of the year was affected by the revenues and expenses. In 9 of the institutions presented in the report, approximately HUF 205 million was paid out under the title of compensation in 2016 too. The approx. HUF 13,520,000 profit consisted of HUF 19,833,000 deposit insurance revenues, the expenses unlikely to be fully recovered due to the paid compensation and better than expected portfolio management results.

Bonds had to be issued in relation to the large compensation expenses of the previous year, to which HUF 2,2 bln interest expense was related.

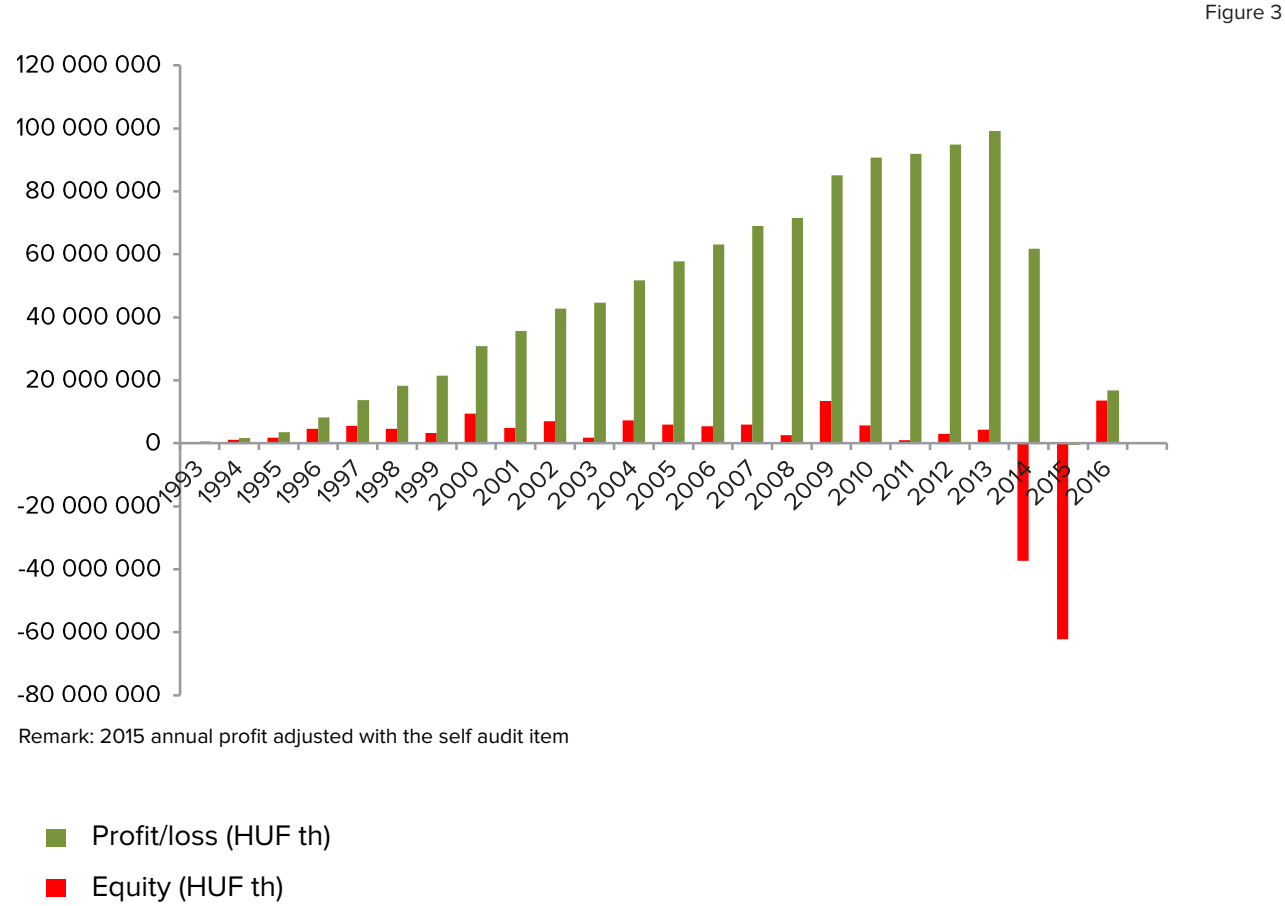
The fee revenues increased during the year but the insured deposit portfolio shrank, and therefore the membership fee revenues remained the same as in the base year, but the HUF 11 bln revenue from recovery improved the overall result.

The following graph presents all the revenues and expenditures of OBA according to its profit and loss account from its foundation in 1993 to 2016.

OBA revenues and expenditures, 1993-2016



Equity and profits from the establishment of OBA to 31 December 2016



Graph 3 should be interpreted by taking into account that the equity contains the profit/loss of the previous years and the of the current year on an accumulated basis, and therefore the fluctuation of the results affects the degree of its increase.

The event series of the preceding year continued in 2015, as depositors of 4 other institutions were compensated in the amount of almost HUF 106 billion, which the OBA funded from the proceeds of its bond issue. According to the liquidators' estimates, approximately HUF 88 billion and HUF 3.7 billion adjustments (impairment) were recognised as expenditure. In 2016 further payments were maid in relation to 9 institutions during the follow up management of the compensated credit institutions. Following the clarification of the liquidator's estimates new impairment was recognised in the amount of HUF 4,7 bln and HUF 5 bln was reversed from the impairment, recognised in the previous years.

All in all, as a result of the revenues and expenses the equity grew to HUF 16 bln in 2016 compared to the adjusted 2015 annual base figure.

8

Events of the liquidation processes in progress

KÁROLY PÉTER GOLDMARK (1906–1977) physicist. He created the first usable color television set and the first microgroove record disc.

Heves és Vidéke Takarékszövetkezet „f.a.”

According to the letter of the liquidator of 25 January 2017 the closing balance of liquidation of the savings cooperative and its annexes as well as the modifications, were re-submitted to the court of Eger for approval on 16 April 2016.

In relation to the closing balance of liquidation the court of Eger held a final hearing on 15 December 2016, during which it approved the closing balance and concluded the liquidation procedure.

On the basis of the approved closing balance the liquidator nominally confirmed the recovery of 100% creditor claims.

Általános Közlekedési Hitelszövetkezet „f.a.”

According to the letter of the liquidator of 25 January 2017 the closing balance of liquidation of the savings cooperative and its annexes as well as the modifications, were re-submitted to the court of Eger for approval on 16 April 2016.

In relation to the closing balance of liquidation the court of Eger held a final hearing on 15 December 2016, during which it approved the closing balance and concluded the liquidation procedure.

On the basis of the approved closing balance the liquidator nominally confirmed the recovery of 100% creditor claims.

„Jógazda” Szövetkezeti Takarékpénztár „f.a.”

The interim balance sheet V. was prepared for 18 May 2016 and submitted to the Metropolitan Court. According to the information letter received from the liquidator the Metropolitan Court has not yet approved the interim balance sheet V. and therefore further 1.0138 % of category „d” creditor claims, (i.e. HUF 96,8 mln) has not yet been paid pursuant to the proposal for asset contribution.

The closing balance sheet of the savings cooperative is likely to be submitted to the Metropolitan Court in H1 2017. If it approved, OBA can expect further HUF 500 mln recovery, with which the overall recovery can reach 3%.

Soltvadkert és Vidéke Takarékszövetkezet „f.a.”

According to the liquidator's information, the 3rd interim balance sheet was submitted on 22 February 2016. Following the effective approval of the proposal for asset distribution contained therein by the court, OBA may expect HUF 496 million recovery from its claims. In 2014-2015, HUF 4,409 million has already been collected from the liquidation, which represents slightly more than 13% recovery. The interim balance sheet IV. was prepared for 11 October 2016, according to which the estimated recovery was further HUF 439 mln. During the rest of the liquidation procedure further HUF 1000 mln recovery is expected and therefore the overall recovery during the whole procedure could be close to the 19%.

Körmend és Vidéke Takarékszövetkezet „f.a.”

According to the information letter of 12 January 2017 received from the liquidator the collection of the receivables is in progress. The interim balance sheet, in which the liquidator projected the payment of HUF 2740 mln to OBA as creditor has been completed. The amount may be disbursed after the approval of the interim balance sheet.

In 2017 further HUF 3760 mln recovery is projected.

Orgovány és Vidéke Takarékszövetkezet „f.a.”

According to the information letter of 12 January 2017 received from the liquidator the collection of the receivables is in progress. The interim balance sheet, in which the liquidator projected the payment of HUF 2740 mln to OBA as creditor has been completed. The amount may be disbursed after the approval of the interim balance sheet.

In 2017 further HUF 3760 mln recovery is projected.

Alba Takarékszövetkezet „f.a.”

According to the information letter of 12 January 2017 received from the liquidator the collection of the receivables is in progress. The interim balance sheet, in which the liquidator projected the payment of HUF 2740 mln to OBA as creditor has been completed. The amount may be disbursed after the approval of the interim balance sheet.

In 2017 further HUF 3760 mln recovery is projected.

Széchenyi István Hitelszövetkezet „f.a.”

According to the letter of information of the liquidator the interim balance sheet I. was submitted to the Metropolitan Court on 14 April 2016. In the proposal for the distribution of assets included in the interim balance sheet the payment of HUF 1534 mln to OBA was approved. The amount was credited on the current account kept by MNB on 15 December 2016.

Further HUF 1200 mln recovery is projected in the liquidation process.

Széchenyi Kereskedelmi Bank Zrt. „f.a.”

On the basis of the interim balance sheet I. prepared for 13 August 2016 HUF 2689 mln recovery may be projected from the claims reported and recorded as recognised claims according to the proposal for the distribution of assets.

According to a letter of information of the liquidator further HUF 2500 mln may be recovered from the OBA claims during the total period of liquidation.

Tisza Takarékszövetkezet „f.a.”

According to a letter of information of 12 January 2017 received from the liquidator, the liquidator prepared the interim balance sheet I. of Tisza Takarékszövetkezet „f.a.” for 31 August 2016 in the liquidation process. The balance sheet was submitted to the Metropolitan Court on 16 November 2016. On the basis of the proposal of the distribution of assets HUF 6026 mln is likely to be paid to OBA once the proposal has been approved.

According to the liquidator's estimate 75% recovery is projected during the whole procedure.

DRB Bank Group

BRB Buda Regionális Bank „f.a.”

The interim balance sheet I. was prepared for 2 March 2016. The proposal for the distribution of assets contains 7.48, i.e. HUF 1449 mln recovery, the total amount of which is expected to be paid to OBA.

According to the liquidator's estimate further HUF 2700 mln creditor claims can be recovered during the whole period of liquidation.

DDB Dél-Dunántúli Takarékbank „f.a.”

The interim balance sheet I. was prepared for 2 March 2016, in which the liquidator deemed the HUF 5.5 bln principal debt reported by the MNB in the liquidation procedure a disputed claim, even though the MNB requested the claim to be recorded. The liquidator submitted the disputed claim to the Metropolitan Court for assessment.

According to the information received from the liquidator first on 13 July 2016 and then on 12 January 2017 no effective decision has been made yet. Considering that the MNB creditor claim is classified in a higher category for satisfaction than the OBA creditor claims, no proposal was made in the interim balance sheet for the distribution of assets. In the letter of 6 May 2017 the liquidator projects HUF 4364 mln recovery for OBA.

DRB Dél-Dunántúli Regionális Bank „f.a.”

According to the liquidator's information of 12 January 2017 the interim balance sheet I. was prepared and, according to the proposal for the distribution of assets OBA can expect to recover HUF 4500 mln. The preparation of balance sheet II. is in progress, according to which further HUF 3000 mln recovery is expected.

In total during the whole period of the procedure 30-38 % recovery may be projected.

ÉRB Észak-magyarországi Regionális Bank „f.a.”

The interim balance sheet I. and proposal for the distribution of assets was prepared for 19 February 2016 and was submitted to the Metropolitan Court on 12 September 2016. In the proposal for the distribution of assets HUF 4978 mln is projected to be transferred to OBA.

The OBA claims are likely to be recovered in 40% for the period of 5 years calculated from the start of the liquidation process.

Explanations for the main differences between the 2016 annual budget and actual data

Table 42
(data in HUF th)

Definition	2016 budget	2016 budget	2016 budget/actual
Fee revenues from member institutions	14 600 000	14 749 810	101,0%
Fee revenues related to receivables collected on behalf of depositors		0 0	0,0%
Commission revenues on the payout of deposits secured by state guarantee		0	0,0%
Other revenues from deposit insurance	33 335 000	5 083 375	15,2%
Total revenues from deposit insurance	47 935 000	19 833 185	41,4%
Revenues from other taxable activities	169 074	151 281	89,5%
Default interest revenues	0	49	0,0%
Other revenues	0	573	0,0%
Total other revenues	169 074	151 903	89,8%
Revenues from sources other than deposit insurance	0	10	0,0%
Revenues from financial transactions	758 252	1 159 133	152,9%
Total revenues	48 862 325	21 144 231	43,3%
Expenses related to the payment of frozen receivables	0	0	0,0%
Expenses of receivables collected on behalf of depositors	0	0	0,0%
Expenses of the payout of deposits secured by state guarantee	0	0	0,0%
Other deposit insurance expenses	0	0	0,0%
other expenses arising from deposit insurance	0	4 766 006	0,0%
Other expenditures	3 000	3 917	130,6%
Expenses not stemming from deposit insurance	0	0	0,0%
Expenses of financial transactions	2 912 844	2 287 667	78,5%

Total expenditures	2 915 844	7 057 590	242,0%
Material type expenses	165 090	124 889	75,6%
Staff costs	454 655	428 017	94,1%
Depreciation	25 548	14 089	55,1%
Total operating expenses (9+10+11)	645 293	566 995	87,9%
Total costs and expenditures	3 561 136	7 624 585	214,1%
Profit/loss of the current year	45 301 189	13 519 646	29,8%

Fee revenues from the member institutions

Until 31 December 2016 OBA recognised HUF 14,749,810,000 fee revenues from its member institutions, within which HUF 9,862,000 was increased fees. The fee revenue was 1% higher than projected.

Other deposit insurance revenues

The Fund recognised HUF 5,083,375,000 other deposit insurance revenues. This amount relates to the reversal of impairment, recognised earlier as expenditure based on the recovery estimates of the liquidators.

The Other revenues reached HUF 151,903,000, including HUF 28,684,000 expenses incurred in OBA but re-invoiced to the Resolution Fund HUF 122,597,000 re-invoiced to the Investor Protection Fund and the Claim Settlement Fund HUF 48,000 default interest income, HUF 319,000 income from discovered tangible assets, HUF 37,000 tax refund and HUF 218,000 revenue resulting from the waiver of Hegyvidék holiday contribution.

Revenues not from deposit insurance: HUF 10,000 relates to the litigation costs relating to Realbank Rt „f.a.” received from the plaintiffs.

Expenditures related to deposit insurance: HUF 4,766,006,000. According to the statement of the liquidators the amount was the result of the recognition of impairment on the receivables.

Other expenditures HUF 3,917,000, including HUF 3,810,000 support to the PénzSztár contest, HUF 103,000 reflected the de-recognition of Hegyvidék timeshare rights and HUF 3,000 was the transferred VAT amount of the re-invoiced expenses.

There were no expenditures not related to deposit insurance in the current year.

Revenue and expenses of financial transactions

Revenues from financial transactions: HUF 1,159,133,000, including HUF 6,178,000 interest paid by the MNB and HUF 1,152,934,000 return generated by the assets manager. The return income is 1.5 times higher than budgeted.

The total expenditure of the financial transactions was significantly lower than budgeted. Consequently, the financial result was favourable due to the above impacts, mainly because the budget contained a prudent estimate with approx. 2% return, yet on the basis of the 2016 performance of the portfolio the actual return was 6.38%.

The exchange rate loss recognised among the expenses of financial transactions was also significantly lower than budgeted and the portfolio management fee, the custodian fee and the KELLER fees of transactions also stayed below the budget.

The interest on the issued bonds is included among the financial expenditure. Due to the favourable 3-months indicative interest rate the actual expenditure was also 11% lower than the pro-rata projected figure.

Expenditures of financial transactions: HUF 2,287,667,000 of which:

- the interest payable on the issued OBA 2022/A bonds amounted to HUF 2,220,516,000,
- the exchange rate loss recognised on government securities was HUF 59,585,000,
- HUF 153,000 exchange rate loss was recognised on foreign trips
- in addition to the exchange rate impacts the HUF 5,072,000 portfolio management commission HUF 397,000 custodian fee and HUF 1,944,000 KELLER fee are also included among the expenditure.

All three components of the operating expenses were in total 12% lower than included in the 2016 annual budget.

Because of the savings achieved in material type expenses the balance of this expense row was 24% lower than budgeted. Most of the savings was the result of more economic cost management. The expenses of office stationery, fuel, detergents, transportation, phone, travel and vehicle leases turned out to be lower than budgeted.

In the budget the cost of offices to be leased for BEVA and OBA employees in the currently used office building were also included among the expenditure. In the end the employees did not move and therefore the rent and the operating expenses are just over 50% of the pro-rata budgeted amount. The difference in the operating expenses for 2016 will only be invoiced to us in H2 2017 and we have no information about its amount.

The communication expenses of the institution remained HUF 2 mln lower than budgeted.

A foreign travel costs also remained under the budgeted amount. The expenses reduced due to the cancelled foreign trips.

The expenses of legal services amounted only to 70% of the budgeted amount because some of the expenses of legal services were settled with and reported to the compensated credit institutions.

The internal audit and IT security audit fee complied with the budget.

The expenses of program expert services were 23% lower than budgeted because part of the expen-

se relating to the Microsoft Premier Support Contract (manufacturers report of Microsoft products) is carried over to 2017.

The development of the payment system did not take place in 2016, the fee contains the operating expense in the amount of HUF 11,972,000.

The costs of other used services remained below the budget.

This expense row contains HUF 1,040,000 bond issue fees, HUF 4,169,000 liability insurance costs and other insurance expenses

- (property, travel, computer insurance) in the amount of HUF 276,000.

The personnel expenses were 6% lower than budgeted.

The inclusion of 30% of the base wages of BEVA employees and the related bonus were included in the budget. The only part of the wage increase was implemented in 2016.

The annual cafeteria benefits such as the SZÉP card, culture vouchers, financial settlement of the travel passes for the year and the settlement complied with the budget.

The honorary fees of the members of the Board of Directors also matched the budget.

The actual depreciation was 55% of the budgeted figure. The reason for the short fall of depreciation compared to the budget was that the majority of the planned investments into assets were made in the last few months of the year. Consequently, a considerable amount of depreciation will only be recognised in 2017.

**Claims reported by Oba to the liquidators of the compensated credit institutions
(1993-December 2016.)**

Table 43.
(data in HUF)

Institution	Paid out claim*	Actual and collected	Forecast %	amount	recovered amount	liabilities
Heves és Vid. Tksz. „f.a.”	262,126,706	d)	100	262,126,706		-
	16,690,000	f)	100	16,690,000		-
Iparbankház Rt. „f.a.”***	2,309,729	d)	0	2,309,729		-
Realbank Rt. „f.a.”***	5,154,398,000	d)	100	5,154,398,000	76,658,934	76,658,934
	59,591,000	f)	100	59,591,000		-
Rákóczi Hitelszöv. „f.a.”***	292,613,917	d)	100	292,613,917	1,394,543	1,394,543
	12,666,189	f)	100	12,666,189		-
Ált. Közlekedési Hit.szöv. „f.a.”	3,185,248,659	d)	18,15	3,184,700,777	417,532,993	547,882
	12,116,449	f)	0	12,116,449		0
„Jógazda” Szöv. Tak.pénztár „f.a.”	9,123,690,580	d)	30,50	9,009,885,387	2,248,474,504	113,805,193
	33,006,447	f)	0	33,006,447		0
Soltvadkert és Vid. Tksz. „f.a.”	33,544,656,315	d)	16,12	33,531,692,570	4,406,994,633	12,963,745
	99,982,912	f)	0	99,982,912		0
Körmend és Vidéke Takarékszövetkezet „f.a.”	23,021,948,294	d)	28,31	22,960,905,922		61,042,372
	87,606,298	f)	0	87,606,298		0
Orgovány és Vidéke Takarékszövetkezet „f.a.”	47,275,676,359	d)	46,43	46,642,342,318	9,654,684,462	633,334,041
	177,981,203	e)	0	177,981,203		0
Alba Takarékszövetkezet „f.a.”	7,115,531,453	d)	59,90	7,089,452,110		26,079,343
	71,570,954	f)	0	71,570,954		0
Széchenyi István Hitelszövetkezet „f.a.”	8,924,247,508	d)	30,73	8,898,312,531	1,533,977,654	25,934,977
	28,725,161	f)	0	28,725,161		0
Széchenyi Bank „f.a.”	13,953,738,368	d)	38,31	13,543,761,254		409,977,114
	21,354,378	f)	0	21,354,378		0
Tisza Takarékszövetkezet „v.a.”	8,560,550,999	d)	80,56	8,524,212,281		36,338,718
	39,727,585	f)	0	39,727,585		0
BRB Buda Regionális Bank „f.a.”	19,369,762,082	d)	21,60	19,205,401,624		164,360,458
	76,533,038	f)	0	76,533,038		
DDB Dél-Dunántúli Takaréék Bank „f.a.”	23,478,080,372	d)	18,77	23,248,598,639		229,481,733
	90,647,292	f)	0	90,647,292		
DRB Dél-Dunántúli regionális Bank „f.a.”	22,832,100,437	d)	33,16	22,619,467,204		212,633,233
	77,174,353	f)	0	77,174,353		
ÉRB Észak-Mo Regionális Bank „f.a.”	40,103,540,927	d)	40,80	39,396,418,895		707,122,032
	116,158,124	f)	0	116,158,124		
Összesen	267,221,752,088		35,84	264,588,131,247	18,339,717,723	2,711,674,318

* the creditor claims have been submitted.

** the unpaid membership fees of the following institutions were also included in the notified claim: HUF 224,798 for „Jógazda” Szöv. Tak. Pénztár; HUF 6,937,484 for Soltvadkert; HUF 18,300,101 for Orgovány Tksz.

*** Closed liquidation processes.

Accounting for the impairment of OBA indemnified credit institutions 31.12.2013.

Table of 44

Institution	Paid total compensation (OBA) (HUF)	Cost of paid compensation (OBA) (HUF)	Of the total payout compensation paid in 2016	Cost of the compensation paid out from the total payout in 2016	Forecast recovery during the period of liquidation (HUF)	Recovered amount transferred by the receiver (OBA) (HUF)	Impairment recognised on paid out compensation in previous years (HUF)	Impairment recognised on costs in previous years (HUF)	Amount to be reversed from recognised impairment in 2016	Impairment to be recognised on paid compensation in 2016	Impairment to be recognised on costs in 2016
Heves és Vidéke Takarékszövetkezet „f.a.”	262,126,706		0		262,126,706		0		0	0	
Heves és Vidéke Takarékszövetkezet „f.a.”		16,690,000			16,690,000			0			0
Általános Közlekedési Hitelszövetkezet „f.a.”	3,184,700,777				160,000,000	417,532,993	2,404,115,371		0	203,052,413	
Általános Közlekedési Hitelszövetkezet „f.a.” költség		12,116,449			0			12,116,449			0
Jógazda Szövetkezeti Takarékpénztár „f.a.” OBA	9,009,885,387				500,000,000	2,248,474,504	6,806,761,371		545,350,488	0	
Jógazda Szövetkezeti Takarékpénztár „f.a.” költség OBA		33,006,447	0	0	0			33,006,447			0
Soltvadkert és Vidéke Takarékszövetkezet „f.a.” OBA	33,531,692,570		1,086,606		1,000,000,000	4,406,994,633	28,292,028,977*		167,331,040	0	
Soltvadkert és Vidéke Takarékszövetkezet költség „f.a.” OBA		99,982,912		10,634	0			99,972,278			10,634
Körmend és Vidéke Takarékszövetkezet „f.a.” OBA	22,960,905,922		2,020,600		6,500,000,000	0	17,862,012,781		1,401,106,859	0	
Körmend és Vidéke Takarékszövetkezet költség „v.a.” OBA		87,606,298		21,364	0	0	0	87,584,934			21,364
Orgovány és Vidéke Takarékszövetkezet „f.a.” OBA	46,642,342,318		49,450,697		12,000,000,000	9,654,684,462	21,572,508,821		0	3,415,149,035	
Orgovány és Vidéke Takarékszövetkezet költség „f.a.” OBA		177,981,203		1,174,478	0	0	0	176,806,725			1,174,478
Alba Takarékszövetkezet „f.a.” OBA	7 089 452 110		6 132 228		4 246 000 000	0	2 861 661 232		18 209 122	0	
Alba Takarékszövetkezet „f.a.” OBA költség		71 570 954		140 567	0	0	0	71 430 387			140 567

Accounting for the impairment of OBA indemnified credit institutions 31.12.2013.

Institution	Paid total compensation (OBA) (HUF)	Cost of paid compensation (OBA) (HUF)	Of the total payout compensation paid in 2016	Cost of the compensation paid out from the total payout in 2016	Forecast recovery during the period of liquidation (HUF)	Recovered amount transferred by the receiver (OBA) (HUF)	Impairment recognised on paid out compensation in previous years (HUF)	Impairment recognised on costs in previous years (HUF)	Amount to be reversed from recognised impairment in 2016	Impairment to be recognised on paid compensation in 2016	Impairment to be recognised on costs in 2016
Heves és Vidéke Takarékszövetkezet „f.a.”	262,126,706		0		262,126,706		0		0	0	
Heves és Vidéke Takarékszövetkezet „f.a.”		16,690,000			16,690,000			0			0
Általános Közlekedési Hitelszövetkezet „f.a.”	3,184,700,777				160,000,000	417,532,993	2,404,115,371		0	203,052,413	
Általános Közlekedési Hitelszövetkezet „f.a.” költség		12,116,449			0			12,116,449			0
Jógazda Szövetkezeti Takarékpénztár „f.a.” OBA	9,009,885,387				500,000,000	2,248,474,504	6,806,761,371		545,350,488	0	
Jógazda Szövetkezeti Takarékpénztár „f.a.” költség OBA		33,006,447	0	0	0			33,006,447			0
Soltvadkert és Vidéke Takarékszövetkezet „f.a.” OBA	33,531,692,570		1,086,606		1,000,000,000	4,406,994,633	28,292,028,977*		167,331,040	0	
Soltvadkert és Vidéke Takarékszövetkezet költség „f.a.” OBA		99,982,912		10,634	0			99,972,278			10,634
Körmend és Vidéke Takarékszövetkezet „f.a.” OBA	22,960,905,922		2,020,600		6,500,000,000	0	17,862,012,781		1,401,106,859	0	
Körmend és Vidéke Takarékszövetkezet költség „v.a.” OBA		87,606,298		21,364	0	0	0	87,584,934			21,364
Orgovány és Vidéke Takarékszövetkezet „f.a.” OBA	46,642,342,318		49,450,697		12,000,000,000	9,654,684,462	21,572,508,821		0	3,415,149,035	
Orgovány és Vidéke Takarékszövetkezet költség „f.a.” OBA		177,981,203		1,174,478	0	0	0	176,806,725			1,174,478
Alba Takarékszövetkezet „f.a.” OBA	7,089,452,110		6,132,228		4,246,000,000	0	2,861,661,232		18,209,122	0	
Alba Takarékszövetkezet „f.a.” OBA költség		71,570,954		140,567	0	0	0	71,430,387			140,567

TIVADAR PUSKÁS (1844–1893) engineer, inventor of the telephone announcement service. He patented the world's first electronic news service in Budapest in 1938.

International activity

In 2016 OBA continued to be an active participant in international organisations (European Forum of the Deposit Insurance - EFDI, International Association of Deposit Insurers - IADI) with its contribution related to changes in international regulations and in relation to the initiatives of foreign partner organisations.

The international activities of NDIF concentrated on the following topics:

- Contribution to the European deposit insurance and financial stability (EFDI)
- Contribution to global financial regulations (IADI)
- Participation in bilateral exchange of experience
- Ad hoc requests and visits

Contribution to the European deposit insurance and financial stability

Procedure of cross-border European compensation

OBA continued to be involved in the preparation of European process (legal, technical, administrative and communication) for a cross-border compensation (the legal and communication working group was lead by OBA experts). The European Banking Authority granted its professional approval for the Deposit Guarantee Scheme Cooperation Agreement and Rulebook, prepared in the summer of 2016. This procedure is a milestone in the protection of European depositors and in terms of European financial stability, approved by 40 members of EFDI from the European Union and the European Economic Area.

OBA was among the first to join the European Central Data Exchange platform (EDDIES) established for standard cross-border compensation procedures.

Communication Committee

The communication committee shared by the communication manager of OBA held its meetings in Istanbul (7 April), London (13 June) and Budapest (2 December) during the year. The cross-border European compensation communication sub-committee also had its meeting attached to the latter conference.

Participation in the Resolution Colleges

During the year the OBA experts attended eight Resolution College meetings organised by the Single Resolution Board discussing topics that also affected the Hungarian banks (K&H Bank, Deutsche Bank, CIB Bank, Erste Bank, Commerzbank, BNP Paribas Bank, UniCredit Bank and Raiffeisen Bank).

Risk-based fee payment of deposit insurers

The European Banking Authority organised a meeting in London on 12 December on the risk-based fee payment of deposit insurers in relation to its guide issued during the year and the professional discussion on the potential risk models. At the working group meeting the Hungarian position was represented by the OBA risk management manager.

Participation in bilateral exchange of experience

On 27 April 2016 an economist of the Finnish Financial Stability Authority paid a working visit to OBA. The expert studied the legal and technical experience of our compensation practise and the Hungarian paying system.

Ad hoc requests and visits

Finland

The purpose of the visit was to learn about the liberant technical experience of compensation in Hungary and the payment system and scenario facilitating fast compensation to foreign speaker an expert of the Austrian Resolution Authority and the OBA communication manager were invited to the "Communication in a crisis - What crisis communication should authorities use?" seminar organised in Helsinki on 6 October by the new Finnish Financial Stability Authority, established in 2015 on the basis of the legal regulations. The OBA speaker described the communication aspect of compensation, with special focus on handling mass information requests and the experience of social media and customer satisfaction surveys conducted after compensation.

Taiwan

Between 22 and 24 November 2016 the Taiwanese deposit insurer (CDIC) organised a technical seminar on the practical experience of compensation, to which only OBA received an invitation with a request to provide a presentation, with all costs covered by the hosts. The executive director described the technical conditions of fast compensation and presented in detail the chronology of actions and the lessons of compensation relating to the DRB Bank Group in 2015 on the day dedicated to case studies.

FARKAS KEMPELEN (1734 – 1804)
Hungarian inventor who created a chess playing machine for Maria Theresa of Austria in 1769. Napoleon and Benjamin Franklin also played on this machine.

Balance sheet

Tax number: 10830516-2-41
Statistical number: 10830516-6619-916-01

Országos Betétbiztosítási Alap (National Deposit Insurance Fund)				
Balance sheet Version A – Assets				
serial n.	Item /HUF th		Base year	Control
			2015.12.31.	2016.12.31.
1	A	FIXED ASSETS	62,484	0
2	I.	INTANGIBLE ASSETS	37,882	0
3	I.1	Capitalised value of foundation-restructuring	0	
4	I.2	Rights and titles	1,102	5,461
5	I.3	Intellectual property	36,780	35,494
6	I.4	Advance payment on intangible assets	0	
7	I.5	Adjustments in intangible assets	0	
8	II.	TANGIBLE FIXED ASSETS	24,602	0
9	II.1	Real estate and related rights and titles	1,144	3,495
10	II.2	Equipment, fittings and vehicles	6,659	26,664
11	II.3	Capital investments	16,799	746
12	II.4	Advances for assets in construction	0	
13	II.5	Adjustment in fixed assets	0	
14	III.	FINANCIAL INVESTMENTS	0	
15	B	CURRENT ASSETS	105,908,573	-3,711,701
16	I	INVENTORIES	595	495
17	I.1	Materials	0	
18	I.2	Goods	595	495
19	I.3	Mediated services	0	
20	I.4	Advances on inventories	0	
21	II.	RECEIVABLES	87,502,473	-3,711,701
22	II.1	Receivables from member institutions	84,637,879	-3,711,701
23	II.1.a	Fee receivables	0	
24	II.1.b	Receivables assigned to the Fund	84,637,879	-3,711,701
25	II.1.c	Fees on commitments with recourse	0	
26	II.1.d	Other receivables from member institutions	0	0
27	II.2	Other receivables from credit institutions	172,951	162,449
28	II.3	Receivables from depositors	0	
29	II.4	Receivables from the state	0	
30	II.5	Other receivables	2,691,643	2,635,429
31	III.	SECURITIES	17,496,020	0
32	III.1	Government securities	17,496,020	26,904,527
33	III.2	Other securities	0	
34	IV.	CASH AND EQUIVALENTS	909,485	0
35	IV.1	Cash and cheques	359	260
36	IV.2	Bank deposits	909,126	276,469
37	C	PREPAYMENTS AND DEFERRED EXPENDITURES	317,696	0
38		TOTAL ASSETS	106,288,753	-3,711,701
				104,262,653

Országos Betétbiztosítási Alap (National Deposit Insurance Fund)				
Balance sheet version "A" LIABILITIES				
serial n.	Item /HUF th		Base year	Current year
			2015.12.31.	2016.12.31.
39	D.	EQUITY	3,233,443	16,753,089
40	I.	SUBSCRIBED CAPITAL	926,082	926,082
41	II.	RESERVES	60,905,083	2,307,361
42	III.	VALUATION RESERVE	0	
43	IV.	PROFIT/LOSS IN THE CURRENT YEAR	-58,597,722	13,519,646
44	E.	PROVISIONS	0	
45	F.	LIABILITIES	102,824,020	87,377,528
46	I.	LONG-TERM LIABILITIES	100,007,144	84,621,432
47	II.	SHORT-TERM LIABILITIES	2,816,876	2,756,096
48	II.1	Liabilities to member institutions	0	
49	II.2	Short-term loans	0	
50	II.3	Amounts owed to depositors	0	0
51	II.4	Liabilities to the state	0	
52	II.5	Other short-term liabilities	2,816,876	2,756,096
53	G.	ACCRUALS AND DEFERRED INCOME	231,290	132,036
54		TOTAL EQUITY AND LIABILITIES	106,288,753	104,262,653

Országos Betétbiztosítási Alap (National Deposit Insurance Fund)				
PROFIT AND LOSS ACCOUNT TOTAL COST METHOD "A"				
serial n.	Item /HUF th		Base year	Current year
			2015.12.31.	2016.12.31.
1	1	Fee revenues from member institutions	14,390,787	14,749,810
2	2	Fee revenues based on receivables collected on behalf of depositors	0	
3	3	Commission revenues based on the payment of deposits secured by a state guarantee	0	
4	4	Other deposit insurance revenues	16,835,462	5,083,375
5	I.	Revenues from deposit insurance (01+02+03+04)	31,226,249	19,833,185
6	II.	Other revenues	23,107	151,903
7	III.	Revenues not resulting from deposit insurance	771	10
8	IV.	Revenues of financial transactions	1,128,569	1,159,133
9	5	Expenses relating to the payment of frozen deposits	0	0
10	6	Expenses relating to receivables collected on behalf of depositors	0	0
11	7	Expenses incurred in relation to the payment of deposits secured by a state guarantee	0	0
12	8	Other deposit insurance expenditure	87,944,221	4,766,006
13	V	Expenditures related to deposit insurance (05+06+07+08)	87,944,221	4,766,006
14	VI.	Other expenditure	3,828	3,917
15	VII.	Expenditures not related to deposit insurance	40	0
16	VIII.	Expenses of financial transactions	2,470,632	2,287,667
17	9	Material type expenses	312,863	124,889
18	10	Personnel expenses	233,754	428,017
19	11	Depreciation write-off	11,080	14,089
20	IX.	Operating expenses (09+10+11)	557,697	566,995
22	A.	PROFIT/LOSS OF THE CURRENT YEAR (I+II+III+V+V-VI-VII-VIII-IX)	-58,597,722	13,519,646



ALBERT FONÓ (1881–1972) Hungarian mechanical engineer, inventor, member of the Hungarian Academy of Sciences, inventor of the ram-jet engine.

Public policy objectives of OBA

- to increase the trust of the depositors in credit institutions,
- to protect deposits of insured depositors in credit institutions up to the limit specified by law,
- to reduce unfavourable effects caused by potential insolvency of certain credit institutions.

Future vision

To make OBA an institution enjoying the trust of the public and operating one of the world's leading effective deposit insurance systems.

Mission

To support the stability of the Hungarian financial system by strengthening the trust of depositors in the banking system and the further development of the institution where by OBA can respond to the challenges caused by the financial shocks in compliance with the legislative framework and become able to maintain operation securing the depositors of the Hungarian financial system.

Key values

Trust, customer centred approach, conformity with the law, openness to changes and outstanding norms of conduct.

We intend to achieve the above objectives with a management approach that is based on the highest norms of conduct, conformity to the law, focus on customers and openness to change are strategic objectives supporting.

The expressed objectives are reviewed every three years.

Medium-term institutional objectives

The board of directors approved the strategic goals of OBA for three years and the related tasks at its meeting on 17 May 2016, as presented in detail below.

Maintenance and development of compensation capacity	Compliance with the EU legislation	Visibility
Co-ordination of the compensation process	Conclusion of co-operation agreements on cross-border compensation	Increasing client awareness in relation to financial deposits
Technical/technology conditions	Conditions of data migration required for cross-border compensation	Elaboration and development of co-operation in education and research
Further development of the customer information abilities	Putting in place the requirements for the international financial reporting standards (IFRS)	Digital communication devices providing customer experience
Development of a relationship with financial stability institutions	Implementation of a medium-term stress testing programme, involvement in the EBA group test	Maintaining the “cross-border contingency planning” in relation to the EU
Working (international) solutions research	Pro rata compliance with the EU target	
	Further development of risk-based fee payment (individualised fee payments)	

Achievement of the targets set for 2016

T	The target has been reached	K	Starts later (future date)	E	Progressed according to plan, or remained within budget	I	Measure postponed due to restructuring/change in priority
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Set targets and tasks		Projected measures	Tasks	Achieved performance
Maintenance and development of compensation capacity	Co-ordination of the compensation process	Study / assessment of processes	Implementation	T
		A detection of differences and identities in the processes	Implementation	T
		Definition of the required IT resources	Implementation	T
		Following the new legal regulations on the integration of organisations providing compensation	Implementation	T
		Implementation schedule	Implementation	T
	Technical/technology conditions	Identification new, innovative tools	Proposal and implementation	E
		Involvement of new, potential resources	Proposal and implementation	E
		Development / utilisation of existing assets	Proposal and implementation	E
		Review and coordination of parallel suppliers	Proposal and implementation	I
	Further development of the customer information abilities	Development, coordination of effective customer information	Proposal and implementation	E
		Establishment of a customer information scenario	Implementation	T
		Complaint Management formalisation	Proposal and implementation	E
		Partial automation of incoming calls	Implementation	T
		Preparation of information/ training material for the administrators of credit institutions involved in compensation	Implementation	T

Maintenance and development of compensation capacity	Development of a relationship with financial stability institutions	Initiatives for the amendment of legal regulations	Proposal and implementation	K
		Further development of the mutual information supply	Proposal and implementation	E
		Sharing of international experience	Implementation	T
		Standardisation of confirmation of creditor claims	Implementation	T
		Selection of foreign partners from whom we can obtain the "best practises"	Proposal and implementation	E
	(International) search for feasible solutions	Extension of person involvement in international working group	Implementation	T
		Decision on topics (regulations, technology, procedure etc.)	Implementation	T
Compliance with the EU legislation	Conclusion of co-operation agreements on cross-border compensation	Conclusion of the cross-border compensation project	Implementation	T
		Identification of and contact with contracting partners	Implementation	T
		Discussions on bilateral contracts, conclusion of contracts	Proposal and implementation	E
		Notifications to EBA	Implementation	E
	Conditions of data migration required for cross-border compensation	Making the payment system suitable for secure data communication / recite	Implementation	T
		Compensation simulation based on data received from foreign deposit insurance partners (Home)	Proposal and implementation	E
		Preparation and sending of evaluation documentation	Implementation	E

Compliance with the EU legislation	Putting in place the requirements for the international financial reporting standards (IFRS)	Study of the regulations (course)	Implementation	E
		Transformation of regulations (accounting)	Proposal and implementation	K
		Review of the need for potential changes and implementation of the changes	Proposal and implementation	K
	Implementation of a medium-term stress testing programme, involvement in the EBA group test	Review of own legislation and requirements	Implementation	E
		Process development ("scenario")	Implementation	T
		Involvement of partner institutions	Implementation	T
		Decision on the units / resources / timing concerned	Implementation	T
		Implementation of the established stress simulation	Proposal and implementation	E
		Preparation and submissions of the valuation documentation (EBA, NGM, MNB)	Proposal and implementation	E
	Pro rata compliance with the EU target	Decision on the ideal economic target level (assets)	Implementation	T
		Annual review	Implementation	T
		Consideration of recoveries in the fee policy	Implementation	T
	Further development of risk-based fee payment	Annual review, alternative model development, coordination with partner institutions	Proposal and implementation	E

Measures projected for 2017

Based on the initiatives of the management, the board of directors of OBA modified the three-year objectives of OBA until 2019 at its meeting held on 30 March 2017. The new draft strategy reflecting the decision is presented in the table below.

I. Gradual digital shift and operational security	High level IT security (crucial system component)	1) Introduction and operation of a log analysis software
		2) Preparation for compliance with the security category
		3) Implementation of a camera system in the corridors and the computer room
		4) Increasing the physical safety of the DR site office (establishment of an entry control system)
		5) Functional distribution of the internal library structure
		6) Segmentation of the OBA internal network
	Identification, evaluation, report and elimination of operational risks	1) Design and analysis of an identification questionnaire
		2) Proposal for a managing operational risks identified during internal audit activities
		3) Preparation of a consistent risk management regulation
		4) Measuring ethics and interest rate risks
		5) Identification of risks arising from the application options of Fintech
	Adjustment of internal processes to the recite of digital technologies	1) Contact with the MNB supervisory and financial infrastructures directorates, the Banking Associations (OTP, MKB, Gránit, Raiffeisen) and the Fintech association
		2) Definition of the requirements for applying the Fintech innovations
		3) Review of Fintech technology solutions
		4) Clarification of the legal conditions required for the application of Fintech technologies
		5) Adaptation, conceptional development for the integration of technologies
		6) Review of cloud services
	Organisation of knowledge transfer	1) uploading and maintenance of the MTA data warehouse
		2) Building awareness among secondary school students
		3) Support to financial educational events and programmes (based on requests of education institutions)
		4) OBA annual training plan (training, education)
		5) Peer analysis of partner institutions
	Creation of an internal knowledge basea	1) Education and training (internal SQL training)
		2) Development of an internal data warehouse
		3)Establishment of an internal contact list
		4) Review of the application of electronic settlement abilities (e-invoices)
		5) Obtaining accounting skills according to IFRS

II. Maintenance and development of compensation ca	Search for new compensation channels (fast, cheap, easily manageable)	1) Increase and testing of card acceptance places
		2) Review of other digital compensation channels
		3) Introduction of a standardised KBB ID - as secondary ID - for the prompt payment system
		4) Agreement with membership institutions on the application of the EUR 100,000 limit within the framework of prompt payments
	In depth control	1) Regular development of KBB control methodology
		2) Putting in place the legislative conditions and resources of OBA control
		3) Proposal for a review on site control programme (OBA) and new sanction opportunities (MNB)
	Further development of the customer information abilities	1) Review of the digital communication platforms and technology upgrade (mobile application website)
		2) Review of the use of call centre services in terms of technology and finance
		3) Design of an automatic response message to letters received on the central OBA e-mail address
		4) Proposal for updating the OBA documents of the website of the member institutions / hyper link
	Development of a relationship with financial stability institutions	1) Coordination of regulatory and operational risk aspects relating to new digital technologies (scope of deposit insurance identification issue)
		2) Extension of cooperation between PSFN and OBA (as the largest creditor) in order to maximise the recovery from the liquidated assets, and force creditor writes more effectively and facilitate faster recovery of the OBA creditor claims
		3) Design of joint protection models with the MNB specialists
	Search for working (international) solutions	1) Review of foreign control experience
		2) Review of the compensation experience of the system risk bank (Latvia)
		3) Participation in the EBA review of the risk-based pricing of deposit insurance
		4) Study of technologies applied abroad (customer identification, compensation)

III. Compliance with the EU legislation	Conclusion of co-operation agreements on cross-border compensation	1) Bilateral agreements for cross-border payment tests resulting from OBA's home positions by taking into account individual specificities
		2) Subject to section 1 proposal for contract amendments with the payment parties in order to be able to provide compensation in foreign currency
		3) Bilateral agreements for cross-border payment tests resulting from OBA's host positions in order to take into account the individual specificities.
	Conditions of data migration required for cross-border compensation	1) Live transfer of payment data batches through the EDDIES system within the framework of stress tests.
	Putting in place the requirements for the international financial reporting standards (IFRS)	1) Training of at least one OBA employee
	Implementation of a medium-term stress testing programme, participation in the EBA group test	1) Testing of cross-border forwarding and receiving payment files with the Czech, Austrian and Slovak deposit insurer funds
		2) Formal and logical KBB verification in 1/3 of the member institutions
	Pro rata compliance with the EU target	1) Review of the ideal economic target level (assets)
	Further development of risk-based fee payment (individualised fee payments)	1) Annual review of the fee policy (by taking into account recoveries)
		2) Proposal for dampening the pro-cyclical nature of our fee system
		3) Elaboration of debt re-payment strategy
	Increasing client awareness in relation to financial deposits	1) Active social media presence
		2) Design of materials to be used in bank branches (video/poster/video spot)
	Elaboration and development of co-operation in education and research	1) Updating university text books (based on requests)
		2) PHD and MA consultation (based on requests)
		3) Delivery of guest presentations in higher education institutions
IV. Visibility	Digital communication devices providing customer experience	1) Study of new digital communication technologies and their potential application (Chatbot)
		2) Research for digital customer satisfaction measurement
		3) Internet-based telephone link to be displayed on the websites of member institutions
		4) Preparations for the OBA digital switch
		5) Selection of test subject for stress scenarios based on a model
		4) Preparations for the OBA digital switch
		5) Selection of test subject for stress scenarios based on a model

Current yearly fees by member institution:

data: in HUF

Banif Plus Bank Zrt.*	-
Bank of China (Hungária) Hitelintézet Zrt.	11,145,078
Bank of China Limited Hungarian Branch Office	2,191,840
Budapest Hitel- és Fejlesztési Bank Zrt.	655,079,275
CIB Bank Zrt.	865,004,880
Commerzbank Zrt.	22,237,616
Duna Takaréék Bank Zrt.	85,704,043
Erste Bank Hungary Zrt.	1,069,313,774
FHB Kereskedelmi Bank Zrt.	232,759,802
GRÁNIT Bank Zrt.	58,008,563
KDB Bank Európa Zrt.	48,357,302
Kereskedelmi és Hitelbank Zrt.	1,444,655,732
Kinizsi Bank Zrt.	32,971,082
MagNet Magyar Közösségi Bank Zrt.	119,551,003
Magyar Cetelem Bank Zrt.	8,660,703
Magyar Export-Import Bank Zrt.	-
Magyar Takarékszövetkezeti Bank Zrt.	16,921,272
Merkantil Váltó és Vagyonbefektető Bank Zrt.	65,875,437
MKB Bank Zrt.	796,540,274
Mohácsi Takaréék Bank Zrt.	42,777,933
NHB Növekedési Hitel Bank Zrt.	3,934,303
OTP Bank Nyrt.	4,184,243,912
Pannon Takaréék Bank Zrt.	103,434,847
Polgári Bank Zrt.	45,719,356
Porsche Bank Hungaria Zrt.	9,863,222
Quaestor Bank Zrt.	-
Raiffeisen Bank Zrt.	943,435,318
Sberbank Magyarország Zrt.	201,078,906
Sopron Bank Burgenland Zrt.	53,285,750
UniCredit Bank Hungary Zrt.	905,342,501
Total banks:	12,028,093,721

**The member institution terminated its OBA membership on 31 December 2016.

continue the table

data: in HUF

3A Takarékszövetkezet	58,687,039
AZÚR Takaréék Takarékszövetkezet	21,067,116
B3 Takaréék Szövetkezet	136,268,113
BÁCSKA Takarékszövetkezet	16,543,756
Boldva és Vidéke Takarékszövetkezet	11,573,153
Bóly és Vidéke Takarékszövetkezet	18,810,103
Borotai Takarékszövetkezet	13,345,651
Korona Takaréék Takarékszövetkezet	54,441,688
Bükkalja Takarékszövetkezet	10,712,193
Dunaföldvár és Vidéke Takarékszövetkezet	31,314,124
Dunakanyar Takarékszövetkezet	19,011,031
Endrőd és Vidéke Takarékszövetkezet	31,510,637
Észak Tolna Megyei Takarékszövetkezet	10,432,060
Fegyvernek és Vidéke Körzeti Takarékszövetkezet	10,787,074
Fókusz Takarékszövetkezet	84,403,841
Főnix Takarékszövetkezet	20,232,973
Füzes Takaréék Szövetkezeti Hitelintézet	27,290,657
Gádos és Vidéke Takarékszövetkezet	14,466,795
Hajdú Takaréék Takarékszövetkezet	63,446,958
Hajós és Vidéke Takarékszövetkezet	7,770,901
Mátra Takarékszövetkezet	72,858,996
Hungária Takaréék Takarékszövetkezet	63,928,662
Jászárokszállás és Vidéke Körzeti Takarékszövetkezet	18,162,335
Kis-Rába menti Takarékszövetkezet	12,746,956
Kondorosi Takarékszövetkezet	17,632,671
Lövő és Vidéke Takarékszövetkezet	16,223,181
Mecsek Takaréék Szövetkezet	33,428,929
Nyírbélteki Körzeti Savings Cooperative	10 244 498
Örkényi Takarékszövetkezet	23,977,931
Pannonhalma és Vidéke Takarékszövetkezet	18,423,589
Pátria Takarékszövetkezet	63,861,698
Pilisvörösvár és Vidéke Takarékszövetkezet	28,077,707
PILLÉR Takarékszövetkezet	80,036,164
Rábaközi Takarékszövetkezet	14,840,530
Rajka és Vidéke Takarékszövetkezet	43,585,672
Kelet Takarékszövetkezet	57,306,263
Rónasági Takarékszövetkezet	41,351,357
Sajóvölgye Takarékszövetkezet	19,114,244
SAVARIA Takarékszövetkezet	61,641,442
M7 Takarékszövetkezet	38,066,795

Continue the table

data: in HUF

Szabadszállás és Vidéke Takarékszövetkezet	10,747,268
Szabolcs Takarékszövetkezet	56,313,714
Szarvas és Vidéke Körzeti Takarékszövetkezet	28,684,609
Szeghalom és Vidéke Takarékszövetkezet	15,735,832
Szegvár és Vidéke Takarékszövetkezet	35,348,710
Szentlőrinc-Ormánság Takarékszövetkezet	14,775,961
Szerencs és Környéke Takarékszövetkezet	7,730,702
Szigetvári Takarékszövetkezet	82,003,017
Téti Takarékszövetkezet	15,080,816
Újszász és Vidéke Körzeti Takarékszövetkezet	8,300,471
Centrál Takarékszövetkezet	40,250,919
Zala Takarékszövetkezet	40 631 826
Total cooperative credit institutions:	1,753,229,322
AEGON Magyarország Lakástakarékpénztár Zrt.	3,837,587
ERSTE Lakás-takarékpénztár Zrt.	50,113,324
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	541,548,116
OTP Lakástakarékpénztár Zrt.	363,126,402
Total home savings institutions:	958,625,428
Total member institutions	14,739,948,472

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