NATIONAL DEPOSIT INSURANCE FUND OF HUNGARY

ANNUAL REPORT

1 January 2008 – 31 December 2008

5 March 2009

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

National Deposit Insurance Fund

BALANCE SHEET
ASSETS

S. No.		Description / in HUF thousand	2007	Effect of revision	2008
1	**A**	**FIXED ASSETS**	**70 657**	**0**	**57 807**
2	*I.*	*INTANGIBLE ASSETS*	51 104	0	40 591
3	I.1	Capitalized value of formation and transformation			
4	I.2	Rights and concessions			
5	I.3	Intellectual property	51 104		40 591
6	I.4	Advance payments for intangible assets			
7	I.5	Revaluation of intangible assets			
8	*II.*	*TANGIBLE ASSETS*	**18 450**	**0**	**16 838**
9	II.1	Lands and buildings and related rights	156		130
10	II.2	Equipment, fittings, vehicles	18 294		16 708
11	II.3	Assets under construction			
12	II.4	Advance payments on capital projects			
13	II.5	Adjusted value of tangible assets			
14	*III.*	*FINANCIAL INVESTMENTS*	**1 103**		**378**
15	**B**	**CURRENT ASSETS**	**66 892 370**	**0**	**69 052 684**
16	*I*	*STOCKS*	**100**	**0**	**100**
17	I.1	Materials			
18	I.2	Commercial goods	100		100
19	I.3	Mediated services			
20	I.4	Advances on stocks			
21	*II.*	*RECEIVABLES*	**79 043**	**0**	**24 360**
22	II.1	Receivables from member institutions	74 637	0	23 306
23	II.1.a	Premium receivables	2 283		
24	II.1.b	Receivables transferred to the Fund	72 354		23 306
25	II.1.c	Premiums on onerous obligations			
26	II.1.d	Other receivables from member institutions			
27	II.2	Other receivables from credit institutions			
28	II.3	Receivables from depositors			
29	II.4	Receivables from the state			
30	II.5	Other receivables	4 406		1 054
31	*III.*	*SECURITIES*	**66 774 938**	**0**	**68 999 270**
32	III.1	Government securities	66 774 938		68 999 270
33	III.2	Other securities			
34	*IV.*	*LIQUID ASSETS*	**8 289**	**0**	**28 954**
35	IV.1	Cash, cheques	155		54
36	IV.2	Bank deposits	38 134		28 900
37	**C**	**PREPAID EXPENSES AND ACCRUED INCOME**	**2 193 499**		**2 582 543**
38		**TOTAL ASSETS:**	**69 156 526**	**0**	**71 693 034**

According to the Audit Report, I hereby certify:

3 March 2009 — Szalás Péter — **AUTHORIZED REPRESENTATIVE**

3 March 2009 — **REGISTERED AUDITOR**

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

National Deposit Insurance Fund

BALANCE SHEET
EQUITY AND LIABILITIES

S. No.		Description / in HUF thousand	2007	Effect of revision	2008
39	**D.**	**EQUITY**	**69 030 408**	**0**	**71 611 211**
40	I.	REGISTERED CAPITAL	886 082		886 082
41	II.	RESERVES	62 265 377		68 144 325
42	III.	REVALUATION RESERVE			
43	IV.	RETAINED PROFIT FOR THE YEAR	5 878 949	0	2 580 804
44	**E.**	**PROVISIONS**			
45	**F.**	**LIABILITIES**	**125 652**	**0**	**81 152**
46	*I.*	*LONG-TERM LIABILITIES*			
47	*II.*	*SHORT-TERM LIABILITIES*	125 652	0	81 152
48	II.1	Liabilities towards member institutions			
49	II.2	Short-term credits			
50	II.3	Liabilities towards depositors	78 053		78 053
51	II.4	Liabilities towards the State			
52	II.5	Other short-term liabilities	47 599		3 099
53	**G.**	**ACCRUED EXPENSES AND DEFERRED INCOME**	**466**		**671**
54		**TOTAL EQUITY AND LIABILITIES**	**69 156 526**	**0**	**71 693 034**

3 March 2009 Szélás Péter

AUTHORIZED REPRESENTATIVE

According to the Audit Report, I hereby certify:

3 March 2009

REGISTERED AUDITOR

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

National Deposit Insurance Fund
PROFIT AND LOSS STATEMENT

S. No.		Description / in HUF thousand	2007	Effect of revision	2008
1	1	Premium revenue from member institutions	1 676 099		1 010 461
2	2	Premium revenue from claims collected on behalf of depositors			
3	3	Commission revenue from disbursement of deposits insured with state guarantee			
4	4	Other revenue from deposit insurance	14 557		28 981
5	**I.**	**Revenues derived from deposit insurance (01+02+03+04)**	**1 690 656**	**0**	**1 039 442**
6	**II.**	**Other revenues**	**199 317**		**11 802**
7	**III.**	**Revenues from other than deposit insurance**			
8	**IV.**	**Revenues from financial transactions**	4 922 319		4 611 580
9	**V.**	**Extraordinary revenues**			
10	5	Expenses related to the disbursement of frozen deposits	0		0
11	6	Expenses related to receivables collected on behalf of depositors			
12	7	Expenses incurred on disbursement of deposits guaranteed by the state			
13	8	Other expenses of deposit insurance	0		
14	**VI.**	**Expenses of deposit insurance (05+06+07+08)**	**0**	**0**	**0**
15	**VII.**	**Other expenses**	2 006		3 501
16	**VIII.**	**Expenses of other than deposit insurance**			
17	**IX.**	**Expenses of financial transactions**	721 566		2 846 830
18	**X.**	**Extraordinary expenses**			
19	9	Material-type expenses	59 677		73 742
20	10	Personnel costs	135 051		143 155
21	11	Depreciation write-off	15 043		14 792
22	**XI.**	**Operating costs (09+10-11)**	209 771	0	231 689
23	**A.**	**RETAINED PROFIT FOR THE YEAR (I+II+III+IV+V-VI-VII-VIII-IX-X-XI)**	**5 878 949**	**0**	**2 580 804**

3 March 2009

AUTHORIZED REPRESENTATIVE

According to the Audit Report, I hereby certify:

3 March 2009

REGISTERED AUDITOR

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

National Deposit Insurance Fund

CASH FLOW STATEMENT

		2007	Effect of revision	2008	Change		Composition for the year
	Description / in HUF thousand				in HUF thousand	%	
1.	Retained profit of the year	5 878 948		2 580 804	-3 298 144	43.90%	-27646.54%
2.	Depreciation represented	15 043		14 792	-251	98.33%	-158.46%
3.	Write-off of investments	0		0	0	0.00%	0.00%
4.	Net change in provisions	0		0	0	0.00%	0.00%
5.	Net gain on sale of fixed assets	882		0	-882	0.00%	0.00%
6.	Changes in trade creditors	-57 107		-36 711	20 396	64.29%	393.26%
7.	Changes in other short-term liabilities	327		-7 789	-8 116	-2381.96%	83.44%
8.	Changes in accrued expenses	-4 109		205	4 314	-4.99%	-2.20%
9.	Changes in trade debtors	66		-68	-134	-103.03%	0.73%
10.	Changes in current assets (excluding trade debtors and liquid assets)	-5 502 598		-2 168 601	3 333 997	39.41%	23230.86%
11.	Changes in prepaid expenses and accrued income	-324 046		-389 044	-64 998	120.06%	4167.58%
I.	**OPERATING CASH FLOW**	**7 406**	**0**	**-6 412**	**-13 818**	**-86.58%**	**68.69%**
12.	Acquisition of fixed assets	-10 081		-2 923	7 158	29.00%	31.31%
13.	Proceeds from sale of fixed assets	1 069		0	-1 069	0.00%	0.00%
II.	**CASH FLOW FROM INVESTING ACTIVITIES**	**-9 012**	**0**	**-2 923**	**6 089**	**32.44%**	**31.31%**
14.	Proceeds from issuance of share capital (capital increase)	15 000		0	-15 000	0.00%	0.00%
15.	Borrowings	0		0	0	0.00%	0.00%
16.	Repayment of loans to and deposits by Credit Institutions	0		0	0	0.00%	0.00%
17.	Capital contribution received	0		0	0	0.00%	0.00%
18.	Redemptions of shares (capital decrease)	0		0	0	0.00%	0.00%
19.	Repayment of loans	0		0	0	0.00%	0.00%
20.	Loans from and deposits in credit institutions	0		0	0	0.00%	0.00%
21.	Capital contribution given	0		0	0	0.00%	0.00%
22.	Changes in liabilities due to founders	0		0	0	0.00%	0.00%
III.	**CASH FLOW FROM FINANCING ACTIVITIES**	**15 000**	**0**	**0**	**-15 000**	**0.00%**	**0.00%**
IV.	**CHANGES IN LIQUID ASSETS**	**13 394**	**0**	**-9 335**	**-22 729**	**-69.70%**	**100.00%**

Independent Auditor's Report

To the Shareholders of ORSZÁGOS BETÉTBIZTOSÍTÁSI ALAP:

We have audited the accompanying balance sheet of ORSZÁGOS BETÉTBIZTOSÍTÁSI ALAP ("the Fund") as at 31 December 2008, which shows the sums of the corresponding total assets and liabilities of THUF 71.693.034 and a retained profit for the year of THUF 2.580.804 the related profit and loss account for the year then ended and the notes on the accounts (collectively "the financial statements") included in the Fund's report. The report, comprising the financial statements and the separately prepared business report, is the responsibility of the Fund's management. The examined report has been prepared for the consideration of members at the forthcoming annual general meeting and does not reflect the effects, if any, of resolutions that might be adopted at that meeting. Our responsibility is to express an opinion on the financial statements based on our audit. In addition, it is our responsibility to assess whether the accounting information included in the Business Report is consistent with that contained in the finacial statements.

We conducted our audit in accordance with the Hungarian Standards on Auditing and applicable law and regulations in Hungary. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstaterment. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial staterments. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our work with respect to the business report was limited to the aforementioned scope, and did not include a review of any information other than that drawn from the audited accounting records of the Fund. We believe that our audit provides a reasonable basis for our opinion.

I, the undersigned, have reviewed and audited the report of ORSZÁGOS BETÉTBIZTOSÍTÁSI ALAP, including the various components and items and accounting and bookkeeping documents, in due observation of the national accounting standards, and, based on my findings I am satisfied that this report has been drawn up in accordance with the provisions of the Act on Accounting and the general principles of accounting. This report provides a true and fair view of the financial and earnings position of the Fund. The business report is in conformity with the data and information of the annual report.

In the light of our opinion, the Fund can forbear from the full publication of the Notes on the accounts, according to the Act C. of 2000 on Accounting, section 154, (1) subsection.

Budapest, Marc. 03., 2009.

AUDIT SERVICE KFT
bejegyzett könyvvizsgáló cég
nyt.sz.: 001030

Audit Service Kft
registered audit company
reg.no.: 00103

dr. Serényi Iván
registered auditor
reg.no.: 003607

NOTES [1]

1 January 2008 – 31 December 2008

1.1. General characteristics

1.1.1. Company data

Name of the Company:	NATIONAL DEPOSIT INSURANCE FUND OF HUNGARY	
Company type:	other organisation: sui generis organisation	
Tax number:	10830516-2-41	
Statistical number:	10830516-6619-916-01	
Date of foundation:	31. 03.1993	
Legal predecessor:	-.	
Subscribed capital:	= at the time of foundation:	HUF 609 544 thousand
	= by the end of business year:	HUF 886 082 thousand
Activity of the Company:	- Core activity	Deposit Insurance
	-Supplementary activities:	-.
Network:	= Headquarters:	1027 Budapest, Csalogány u. 9-11.
	= Other premises:	-.

1.1.2. Characteristics of the Fund

Authorized to sign the Report:	Dr. Péter Székács
Board of Directors	Dr. Júlia Király, László Keller, Dr. Rezső Nyers, István Farkas, Antal Varga
Supervisory Board:	-.
Auditor:	Audit Service Kft. (Dr. Iván Serényi)
Chief Accountant:	Erzsébet Nemes 1027 Budapest, Csalogány u. 9-11. Reg. No.: 153715
Legal representation:	Dr. Géza Gálfalvi

1.1.3. Operations

The operation and ownership relations are governed by Act CXII of 1996, and the Fund is operated in compliance with the relevant provisions.

The daily turnover is monitored and recorded in a computer program (Microsoft Navision program) that guarantees closed data processing.

[1] This is an abridged report. The full document approved by the Board of the NDIF can be viewed at the NDIF's head office.

1.1.4. Accounting system

Accounting currency:	Hungarian forint
Accounting system:	Double entry book-keeping
Business year:	**1 January 2008 – 31 December 2008**
Type of profit and loss statement:	total cost method
Profit and loss statement version:	“A”
Balance sheet version:	“A”
Customary balance sheet date:	31 January 2009
Balance sheet date for the company per item:	fixed for each balance sheet item
Rule-off date:	20 February 2009
Authentication based on:	annual report
Statutory reporting form:	other report, type: as regulated by Government Decree No. 214/2000 (XII. 11.) for deposit insurance funds
Itemization of the balance sheet:	-new items added: none - items consolidated: none
Itemization of the profit and loss statement:	-new items added: none - items consolidated: none

1.1.5. The Fund’s scope of activity

The main task of the Fund is to commence paying compensation to depositors within fifteen days in case the deposits kept at the member institutions are frozen, as required by section 105 (1) of the Act on Credit Institutions and Financial Enterprises (hereinafter referred to as the Act on Credit Institutions or the Act).

1.1.6. The Fund’s governing body and auditing

1.1.6.1. The Board of Directors

In accordance with section 110 (1) of the Act on Credit Institutions, the governing body of the Fund is the Board of Directors consisting of the Vice President of the National Bank of Hungary (NBH), the Administrative Undersecretary to the Ministry of Finance, the Chairman of the Board to the Hungarian Financial Supervisory Authority (HFSA), and two representatives delegated by credit institutions, as well as the Managing Director of the Fund.

On an annual basis, the Board of Directors elects a chairman and a vice-chairman out of its members. In 2008, the chairman’s duties were performed by National Bank of Hungary Vice President Dr. Júlia Király, while the vice-chairman’s duties by Dr. Rezső Nyers, General Secretary of the Hungarian Banking Association.

1.1.6.2. Auditing the Fund

In accordance with section 109 of the Act, financial and accounting audits of the Fund are performed by the State Audit Office.

1.2. Economic and financial environment

An explanation behind the performance of the Hungarian economy is the shocking effects due to the rapidly deteriorating international financial environment. In the wake of the global financial crisis and the speculation against the Hungarian forint, it became necessary to speed up the decline of general government and external financial deficit.

In 2008, deficit is expected to yield a figure about 3.3 % of GDP. Mainly as a result of a drop in world energy and agricultural prices and due to the high base, inflation was on average 6.1 % in 2008. Consumers' readiness to save is on the rise. It is partly due to compulsion – it is more difficult and costly to raise loans – and partly to the high interests and yields on deposits.

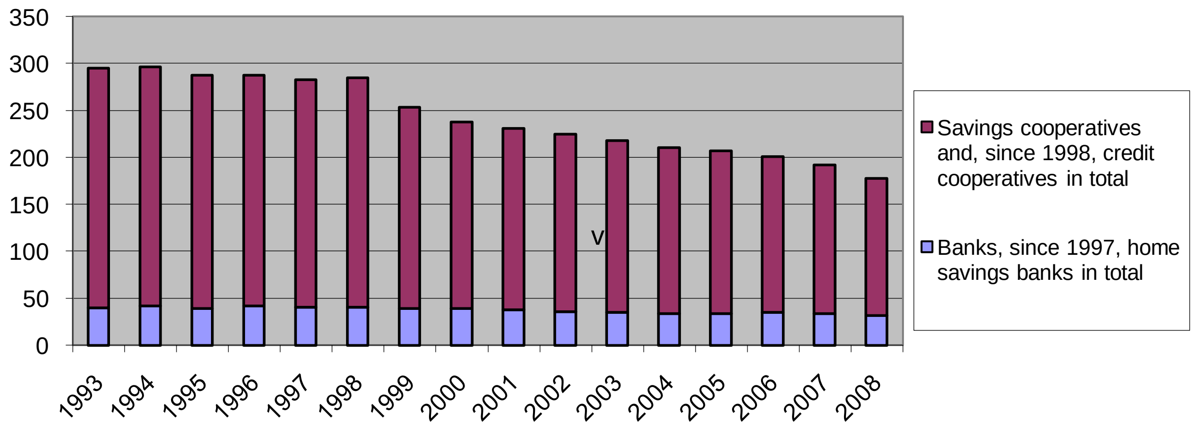
Growth in the banking sector yielded a shrinking profit. In the meantime, the prominence of foreign currency denominated loans discontinued both in the corporate and retail sectors.

1.2.1. Member institutions of NDIF and their deposit portfolio

1.2.1.1. Number of member institutions

In early 2008, the Fund had 192 members, including 34 banks and specialized credit institutions (two of which were home savings banks), 153 savings co-operatives, and five credit co-operatives. In the course of the year 2008, the number of Fund members decreased by a total of 14. During the year, four commercial banks were dissolved, two savings cooperatives were transformed into a commercial bank and ten savings cooperatives merged into another savings co-operative.

As a result, on 31 December 2008, the Fund had 178 credit institutions as members, 32 of which were commercial banks and specialized credit institutions (including two home savings banks), 141 savings co-operatives and 5 credit co-operatives.



1.2.1.2. Trends and composition of savings and deposits

The total deposits – based on premium returns – managed by credit institutions in early 2008 amounted to HUF 15 251 billion, which represents an increase of HUF 1 760 billion (13%) over the previous year's corresponding figure.

The growth of deposit products was substandard (10%) within the savings portfolio increase of HUF 1 760 billion, of which savings deposits decreased by 3%. A key point in growth continued to be a nearly 29% increase in bank securities (bonds); however, this only had a

slight influence on the growth in total savings, due to the internal ratio of various forms of savings.
The proportion of other deposits slightly decreased against the previous year, but it is still crucial (above 80%), while the significance of savings deposits is diminishing year by year.

Volume of savings and their distribution among the major credit institution sectors

Table 1

Description	Savings balance HUF billion		Change year 2008 =100%	2008 opening	
				of which (%)	
	2007 opening	2008 opening		Banks and home savings banks	Savings co-operatives and credit co-operatives
Deposits	**11 765**	**13 021**	**111**	**91**	**9**
Of which: saving deposits	732	707	97	36	64
other deposits	11 033	12 314	112	94	6
Securities	**1 580**	**2 034**	**129**	**92**	**8**
Interest payable	**146**	**196**	**134**	**90**	**10**
TOTAL	**13 491**	**15 251**	**113**	**91**	**9**

Studying the increase in the insured deposits (premium base) of over HUF 914 billion reveals an interesting tendency. In the three deposit classes (in 2008, classes of HUF 0-1 million, HUF 1-6 million and over HUF 6 million were distinguished) deposits under HUF 1 million increased by 0.7%, while there was a 10% increase in deposits over HUF 6 million, a figure exceeding the growth seen in insured deposits! As opposed to that, the average deposit balance fell to HUF 659 thousand (21%) from HUF 832 thousand. The reason behind this is that within the 37% change in the number of insured deposits, the number of deposits in the deposit class under HUF 1 million grew by 41%. The change in deposits in the different classes could derive from the introduction of a uniform premium rate. The concentration by depositor was carried out by few of the member institutions, as it no longer has an impact on premium payment. Deposits in the class of HUF 1 and 6 million rose (6.8%).

The concentration of deposits continued to grow, but to a smaller extent, and moved from the lowest to the highest deposit class (deposits over HUF 6.6 million), and reached 61%. The ratio of middle class deposits was down by 0.4 percentage point. These changes, however, affect each credit institution sector differently.

Concentration is most salient in the banking sector. 65.5% of deposits kept with banks is classified in the highest class of deposits.

For savings cooperatives 75% of all deposits fall in the low and middle classes, i.e. the deposit protection provided by the NDIF continues to be favourable in the sector, although the ratio decreased in comparison to the previous year.

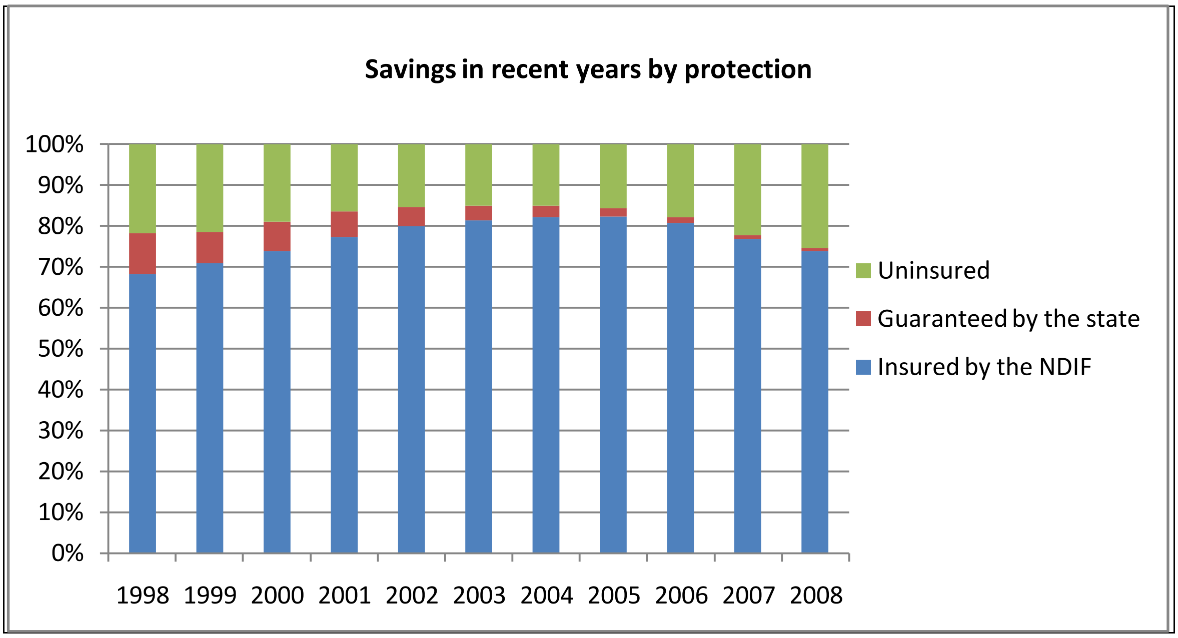
1.2.1.3. Distribution of savings by type of protection

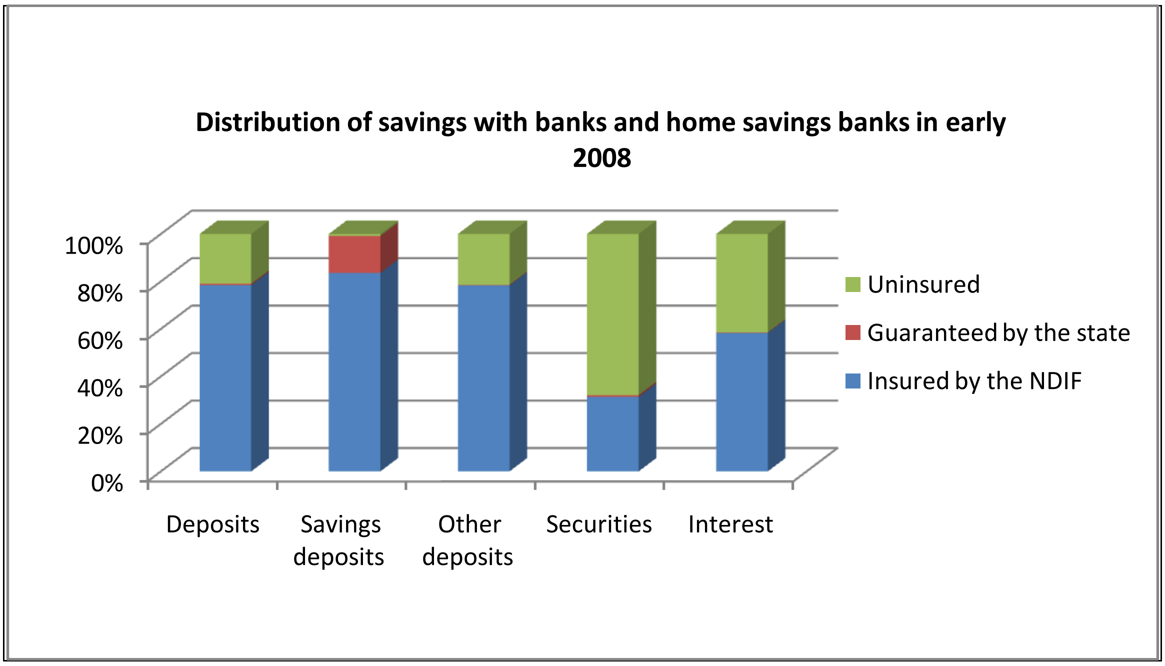
With the continuous growth of insured savings seen since deposit insurance, the amount of deposits insured by the NDIF diminished in the third consecutive year. By early 2008, the ratio of deposits insured by the NDIF decreased from 82.3%, representing a peak in 2005, to 73.9%.

Table 2 (data in percentage)

Description	2007 opening			2008 opening		
	Insured by NDIF	Guaranteed by the State	Not insured	Insured by NDIF	Guaranteed by the State	Not insured
Deposits	**83.1**	**0.9**	**16**	**80**	**0.7**	**19.3**
Of which: savings deposits	89.4	9.4	1.2	91.2	7.5	1.3
other deposits	82.6	0.3	17.1	79.4	0.3	20.3
Securities	**30.8**	**1.2**	**68**	**35.8**	**0.8**	**63.4**
Interest payable	**67.9**	**2.1**	**30**	**61**	**1.5**	**37.5**
TOTAL	**76.8**	**0.9**	**22.3**	**73.9**	**0.7**	**25.4**

It is noticeable that by 2008 securities portfolio rose by almost 29% in comparison with the prior year, at the same time, the ratio of deposit protection provided by the NDIF only grew by 5%. The proportion of deposits insured by the NDIF continued to decrease by 3 percentage point in favour of uninsured deposits.





Distribution of savings by type of protection in early 2008
(Banks and home savings banks)

Table 3 (data in percentage)

Description	Banks and home savings banks			
	Insured by NDIF	Guaranteed by the State	Not insured	Total
Deposits	**78.4**	**0.6**	**21**	**100**
Of which: saving deposits	83.6	15.6	1.8	100
other deposits	78.3	0.3	83.4	100
Securities	**31.4**	**0.8**	**67.9**	**100**
Interest payable	**58.3**	**0.3**	**41.5**	**100**
2008 opening total	**71.8**	**0.6**	**27.6**	**100**
2007 opening total	**74.9**	**0.9**	**24.2**	**100**

Breakdown of savings by types of protection in early 2008
(Savings co-operatives and credit co-operatives)

Table 4 (data in percentage)

Description	Savings co-operatives and credit co-operatives			
	Insured by NDIF	Guaranteed by the State	Not insured	Total
Deposits	**96.7**	**1.2**	**2.1**	**100**
Of which: saving deposits	95.4	3	1.6	100
other deposits	97.5	0.1	2.4	100
Securities	**90.8**	**0.4**	**8.8**	**100**
Interest payable	**85.3**	**12.8**	**1.9**	**100**
2008 opening total	**95.8**	**1.3**	**2.9**	**100**
2007 opening total	**95.8**	**1.6**	**2.6**	**100**

1.2.1.4. Compensation obligations of the Fund

Growth of savings insured by the NDIF represented HUF 914 billion of the previously presented HUF 1 760 billion increment in savings. The 8.8% increment in this theoretical indemnification obligation of the NDIF is reduced by a limit set for each person and credit institution, which is HUF 6 million as of 1 May 2004, with a self-funded portion of 10% applicable to balances in excess of HUF 1 million.

In the light of this, the actual indemnification obligations of the NDIF increased by HUF 473 billion by the year 2008, and represented HUF 5 761 billion.

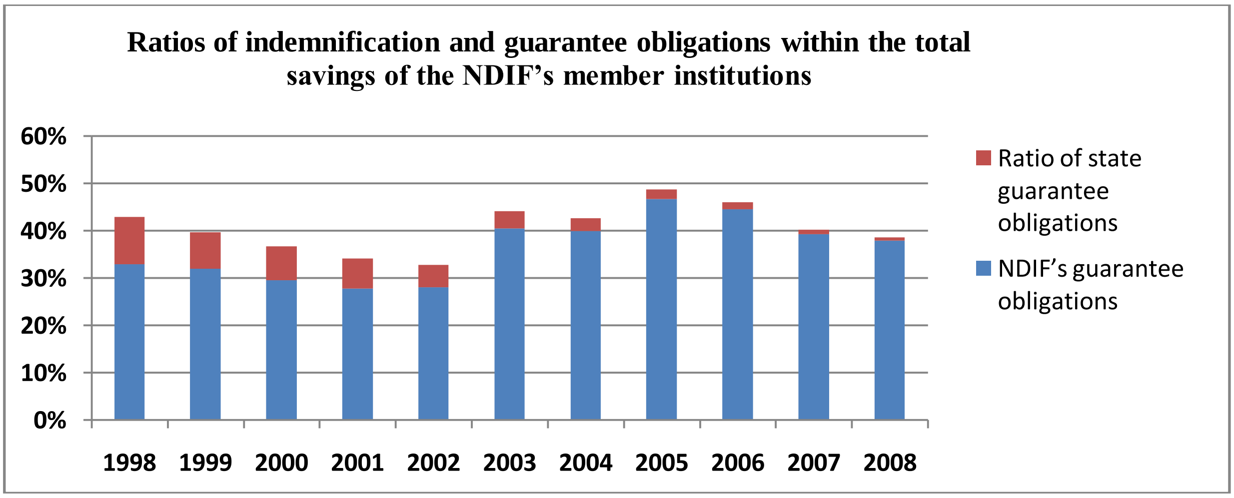
Also considering the diminishing state guarantee, compensation and guarantee obligations of the NDIF and, to an infinitesimally small extent, of the state, respectively, cover 38.5% of all savings kept in credit institutions. This consists of 37.8% NDIF insurance and 0.7% state guarantee obligation.

Compensation and guarantee obligations for savings held in credit institutions

Table 5 (data in percentage)

Description	At the beginning of the insurance year	Insured by NDIF	Guaranteed by the State	Not insured or guaranteed	Total
Distribution of total savings by protection type	1993	44.2	32.5	23.3	100.0
	1998	68.3	10.0	21.7	100.0
	1999	70.9	7.7	21.4	100.0
	2000	73.9	7.2	18.9	100.0
	2001	77.3	6.3	16.4	100.0
	2002	79.9	4.7	15.4	100.0
	2003	81.4	3.6	15.0	100.0
	2004	82.1	2.8	15.1	100.0
	2005	82.3	2.1	15.6	100.0
	2006	80.7	1.5	17.8	100.0
	2007	76.8	0.9	22.3	100.0
	2008	**73.9**	**0.7**	**25.4**	100.0
Ratio of compensation or guarantee obligations for the NDIF within the insured* and the guaranteed balance	1993	n.a*.	100.0	0	-
	1998	48.0	100.0	0	-
	1999	45.0	100.0	0	-
	2000	39.8	100.0	0	-
	2001	35.8	100.0	0	-
	2002	35.1	100.0	0	-
	2003	49.6	100.0	0	-
	2004	48.5	100.0	0	-
	2005	56.6	100.0	0	-
	2006	55.1	100.0	0	-
	2007	51.1	100.0	0	-
	2008	**51.1**	**100.0**	**0**	-
Ratio of compensation or guarantee obligations within total savings kept in NDIF member institutions	1993	n.a.	32.5	0	n.a.
	1998	32.8	10.0	0	42.8
	1999	31.9	7.7	0	39.6
	2000	29.4	7.2	0	36.6
	2001	27.7	6.3	0	33.3
	2002	28.0	4.7	0	32.7
	2003	40.4	3.6	0	44.0
	2004	39.8	2.8	0	42.6
	2005	46.6	2.1	0	48.7
	2006	44.5	1.5	0	46.0
	2007	39.2	0.9	0	40.1
	2008	**37.8**	**0.7**	**0**	**38.5**

***The insured balance equals to the NDIF premium base**



1.3. The Fund’s revenue from premiums

The Fund’s own source of revenue (Section 119 of the Act on Credit Institutions) consists of one-off admission fees, regular and extraordinary payments received from member institutions, yields from the Fund’s investments, eighty percent of fines collected from credit institutions by the Supervision, as well as a portion of receivables transferred to the Fund, and, in addition, the Fund may borrow loans.

a) Admission fees
Credit institutions that have been licensed to raise deposits are required to pay a one-off admission fee to the Fund upon becoming a member institution. The admission fee equals 0.5% of the member institution’s registered capital. In 2008, the Fund earned no revenue from such fees.

b) Annual premium payment
As specified by Sections 121 (1) and (2) of the Act, the upper limit for the statutory annual regular premium to be paid by members is 2 per mill of the deposit portfolio of the member institution insured by the Fund as of 31 December of the year preceding the relevant year. This statutory limit has not been fully used by the Fund yet.

The average premium rate for deposit insurance significantly decreased between 2000 and 2004, and it stagnated low in the following two years. As of this year, we have introduced a uniform 0.09 per mill premium rate based on the resolution of the NDIF Board of Directors. As a result, the average premium rate now corresponds to the premium rate.

The table below demonstrates in a breakdown by sector how the premium payable relates to the theoretical indemnification obligation in a given credit institution sector (specific premium).

Dynamics of the specific premiums in 2008

Table 6

Credit institution	Premium paid in 2007* (M HUF)	Premium paid in 2008* (M HUF)	Theoretical indemnification obligation /HUF 1000	
			2007	**2008**
Bank	1 417	878	0.34	0.20
Savings co-operative	350	113	0.48	0.09
Home savings bank	78	19	0.36	0.11
Credit co-operative	2.6	1	0.28	0.12
Grand total	**1 847**	**1012**	**0.35**	**0.18**

* The data do not contain deviations originating from preferential or increased premiums and from adjustments due to the preceding years.

c) Increased premiums and preferential premiums
Besides the regular yearly payment obligations, the Fund may also set increased and preferential rates. An increased premium can be charged if a member institution did not comply with the prescribed solvency ratio, or carried out particularly risky activities. (Sections 121 (6) and (7) of the Act). In 2008, no increased premium was set by the Board of Directors.

Preferential premiums are granted to member institutions that are members of voluntary deposit protection or institution protection funds licensed by the Supervision, referenced in subsection (1) of Section 121 of the Act. In 2008, none of our member institutions received preferential premiums.

1.4. Fund ratio

The fund ratio is the internationally accepted indicator of the asset position or "sufficiency" of deposit insurance institutions, which fund ratio compares the liquid assets of the Fund to the theoretical compensation obligations of the Fund towards member institutions, as of the same date.

The assets available for indemnifying depositors in the case of bankruptcy of a credit institution derive basically from two sources of revenue: deposit insurance premiums paid by member institutions in the relevant year and yields of accumulated premiums invested in government securities.

The Fund's assets available for indemnifying depositors were continuously growing, partly due to the investment yields in excess of inflation and partly to the fact that since 2000 there have been no bankruptcy proceedings against credit institutions in Hungary. The market value of the assets amounted to HUF 69 billion at the turn of 2007-2008.

The NDIF's fund ratio slightly rose compared to the previous year, to 1.19%, as a result of the fact that a considerable portion of all savings was not subjected to deposit insurance besides an increasing compensation obligation, and the assets of the NDIF also grew.

Dynamics of the fund ratio between 2003 and 2008

(as of the beginning of year, in HUF billion)

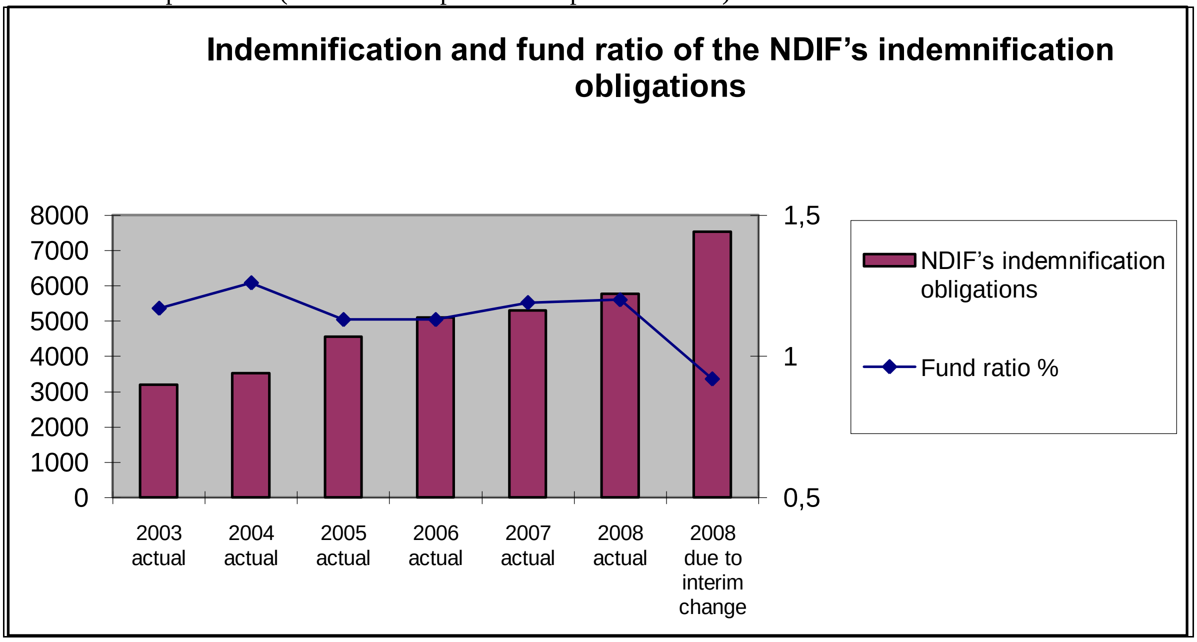
Table 7

Description	2003 actual	2004 actual	2005 actual	2006 actual	2007 actual	2008 actual	2008 due to interim change *
NDIF compensation obligation	3186	3521	4551	5104	5288	5761	7523
NDIF's assets*	37.4	44.3	51.5	57.8	63.1	69	71.6
Fund ratio %	**1.17**	**1.26**	**1.13**	**1.13**	**1.19**	**1.2**	**0.95**
Average premium rate (per mill)**	**0.21**	**0.20**	**0.20**	**0.19**	**0.18**	**0.09**	**0.09**

*The columns contain reference data for the substantial increase of indemnification obligations arising from raising the threshold of insurance indemnification to HUF 13 million due to the mid-year amendment of the Act. The Fund's indemnification obligation figure was produced based on the deposit figures available to us as of 31 December 2007. The figure for the NDIF assets dates from 31 December 2008.

**Market value including interest of the NDIF's liquid assets represented by securities – as at the end of the year preceding the relevant year (opening value in the relevant year)

*** The average premium rate figure – in contrast to the balance sheet data – does not contain the impact of the different premiums (increased and preferential premium rates).



1.5 Explanation to balance sheet items

1.5.1 Intangible assets

a) Content:

- software

b) Structure

Table 8

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Capitalized value of formation and transformation	0	0	0	0	0.00	0.00
Rights	0	0	0	0	0.00	0.00
Intellectual property	51 104	0	40 591	-10 513	79.43	100.00
- software	51 104		40 591	-10 513	79.43	100.00
Advance payments on intangible assets	0	0	0	0	0.00	0.00
Revaluation of intangible assets	0	0	0	0	0.00	0.00
Total:	**51 104**	**0**	**40 591**	**-10 513**	**79.43**	**100.00**

c) Priority changes in balances:

Table 9

Description / in HUF thousand	opening	additions	disposals	reclassifications +-	closing
GROSS VALUE	**108 853**		**868**	**0**	**107 985**
Capitalized value of formation and transformation					0
Rights	0	0	0	0	0
Intellectual property	108 853	0	868	0	107 985
- software	108 853		868		107 985
DEPRECIATION	**57 749**	**10 512**	**867**	**0**	**67 394**
Capitalized value of formation and transformation					0
Rights	0	0	0	0	0
Intellectual property	57 749	10 512	867	0	67 394
- software	57 749	10 512	867		67 394
Advance payments on intangible assets					0
NET VALUE	51 104	-10 512	1	0	40 591
Capitalized value of formation and transformation	0	0	0	0	0
Rights	0	0	0	0	0
Intellectual property	51 104	-10 512	1	0	40 591
- software	51 104	-10 512	1	0	40 591

Intangible assets – balance movements by type

Table 10

Description / in HUF thousand	2007	2008
Intangible assets		
ADDITIONS	4 161	0
- purchase	4 161	
DISPOSALS	9 571	10 512
- depreciation	9 571	10 512

Intangible assets – balance movements in depreciation as specified in the accounting act

Table 11

Description / in HUF thousand	opening	additions	disposals	reversal	closing
DECREASE IN DEPRECIATION	**57 749**	**10 512**	**867**	**0**	**67 394**
PROJECTED	57 749	10 512	867	0	67 394
- linear	57 749	10 512	867		67 394

1.5.2 Tangible assets

a) Content:

- rented buildings,
- equipment,
- IT,
- vehicles.

b) Structure:

Table 12

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for 2008
				in HUF thousand	%	%
Rights related to land and buildings	156	0	130	-26	83.33	0.77
- plot of land, land allotment	3		3	0	100.00	0.02
- buildings, parts of buildings	153		127	-26	83.01	0.75
Equipment, fittings, vehicles	18 294	0	16 708	-1 586	91.33	99.23
- office technology equipment	1 539		2 452	913	159.32	14.56
- vehicles	9 657		9 168	-489	94.94	54.45
- IT equipment	6 174		4 056	-2 118	65.69	24.09
- furniture	889		522	-367	58.72	3.10
- other	35		510	475	1457.14	3.03
Total:	**18 450**	**0**	**16 838**	**-1 612**	**91.26**	**100.00**

c) Priority changes in balances:

Table 13

Description / in HUF thousand	opening	additions	disposals	reclassifications +-	closing
GROSS VALUE	**67 268**	**5 846**	**7 732**	**0**	**65 382**
Rights related to land and buildings	4 700				4 700
Equipment, fittings, vehicles	62 568	2 923	4 809		60 682
Capital projects in progress		2 923	2 923		0
DEPRECIATION	**48 818**	**4 535**	**4 809**	**0**	48 544
Rights related to land and buildings	4 544	26			4 570
Equipment, fittings, vehicles	44 274	4 509	4 809		43 974
NET VALUE	**18 450**	**1 311**	**2 923**	**0**	**16 838**
Rights related to land and buildings	156	-26	0	0	130
Equipment, fittings, vehicles	18 294	-1 586	0	0	16 708
Capital projects in progress	0	2 923	2 923	0	0

Tangible assets – balance movements by type

Table 14

Description / in HUF thousand	2007	2008
Tangible assets		
ADDITIONS	**5 920**	**2 923**
- purchase	5 920	2 923
DISPOSALS	**6 491**	**4 535**
- sale	1 019	
- depreciation	5 472	4 535

Tangible assets – balance movements in depreciation as specified in the Accounting Act

Table 15

Description / in HUF thousand	opening	additions	disposals	reversal	closing
DECREASE IN DEPRECIATION	**48 818**	**4 535**	**4 809**	**0**	**48 544**
PROJECTED	48 818	4 535	4 809	0	48 544
- linear	47 563	4 524	4 725		47 362
- single-amount	1 255	11	84		1 182

Tangible assets – indicators

Table 16

Description	2007 %	2008 %	Change %
Proportion of assets:	26.11	29.13	111.57
Asset ratio:	0.03	0.02	66.67
Attrition level:	27.43	25.75	93.89
Coverage ratio of tangible assets:	374148.55	425295.23	113.67
Efficiency ratio of tangible assets:	9163.45	6173.19	67.37

1.5.3 Financial investments

a) Content:
- shares,
- housing loans represented.

b) Structure:

Table 17

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Non-current lendings	1 103	0	378	-725	34.27	100.00
- interest free loans	1 103		378	-725	34.27	100.00
Total:	**1 103**	**0**	**378**	**-725**	**34.27**	**100.00**

c) Priority changes in balances. balance certificates:

Change in depreciation in accordance with the Accounting Act:

Table 18

Description / in HUF thousand	opening	additions	disposals	reclassifications +-	closing
GROSS VALUE	**3 063 047**	**0**	**725**	**0**	**3 062 322**
Non-current investments	3 061 944				**3 061 944**
Non-current lendings	1 103		725		**378**
DEPRECIATION	**3 061 944**	**0**	**0**	**0**	**3 061 944**
Non-current investments	3 061 944				**3 061 944**
NET VALUE	**1 103**	**0**	**725**	**0**	**378**
Non-current lendings	1 103	0	725	0	378

Financial investments – balance movements by type

Table 19

Description / in HUF thousand	2007	2008
Financial investments		
ADDITIONS	0	0
DISPOSALS	931	725
- reclassification (-)	931	725

1.5.4 Inventories

a) Content:
- goods

b) Structure:

Table 20

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Raw materials	0	0	0	0	0.00	0.00
Goods						
- commercial goods	100	0	100	0	100.00	100.00
Total:	**100**	**0**	**100**	**0**	**100.00**	**100.00**

1.5.5 Receivables

a) Content:
- receivables from member institutions,
- receivables from credit institutions,
- other receivables

b) Structure:

Table 21

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year %
				in HUF thousand	%	
Receivables from member institutions	**74 637**	**0**	**23 306**	**-51 331**	**31.23**	**95.67**
= receivables transferred due to deposit withdrawals	336 790		262 126	-74 664	77.83	1076.05
= depreciation of receivables transferred due to deposit withdrawals	-264 436		-238 820	25 616	90.31	-980.38
- premiums receivable on onerous obligations	375 252			-375 252	0.00	0.00
- depreciation of premiums receivable on onerous obligations	-375 252			375 252	0.00	0.00
= accessory costs due to deposit withdrawals	29 372		16 690	-12 682	56.82	68.51
= depreciation of accessory costs due to deposit withdrawals	-27 089		-16 690	10 399	61.61	-68.51
Other receivables from credit institutions	**0**	**0**	**0**	**0**	**0.00**	0.00
- due to guarantee and redemption of onerous obligations	349 694			-349 694	0.00	4.33
- depreciation due to guarantee and redemption of onerous obligations	-349 694			349 694	0.00	8.17
Other receivables:	**4 406**	**0**	**1 054**	**-3 352**	**23.92**	**4.33**
- Accounts receivable	4		72	68	1800.00	3.85
- Interest-free housing loans	931		726	-205	77.98	2.98
- receivables from MNB (Hungarian National Bank) on account of credit institutions	3 332		0	-3 332	0.00	0.00
- reclassified tax payment obligations	86		211	125	245.35	0.87
- other receivables	53		45	-8	84.91	0.19
Total:	**79 043**	**0**	**24 360**	**-54 683**	**30.82**	**100.00**

Receivables – balance certificates

Table 22

Description / in HUF thousand	2007	2008
Trade debtors	74 637	23 306
- settled up to the report date	74 637	
- from the outstanding balance	0	23 306
= not disputed		23 306
- from the outstanding balance	0	23 306
= moths 0-3		23 306
Receivables from associated enterprises	2 283	0
- settled up to the report date	2 283	
Various other receivables	72 354	23 306
- from the outstanding balance	72 354	23 306

c) Priority balance certificates:

Change in depreciation in accordance with the Accounting Act:

Table 23

Description / in HUF thousand	Accounting Act opening	additions	disposals	reversal	Accounting Act closing
Receivables from member institutions	264 436		25 616		238 820
Other receivables from credit institutions	752 035		735 345		16 690
Total	**1 016 471**	**0**	**760 961**	**0**	**255 510**

Amount of receivables to be collected per member institution:

Table 24

Description in HUF thousand	receivable amount	onerous obligations	depreciation opening	depreciation closing	closing book value
Heves és Vidéke Tksz.	262 126	0	262 126	238 820	23 306
Heves és Vidéke Tksz.	16 690	0	16 690	16 690	0
Rákóczi Hitelszövetkezet	0	0	10 399	0	0
Rákóczi Hitelszövetkezet	0	0	0	0	0
Iparbankház Rt.	0	0	2 310	0	0
Iparbankház Rt.	0	0	375 252	0	0
Iparbankház Rt.	0	0	349 694	0	0
Total:	**278 816**	**0**	**1 016 471**	**255 510**	**23 306**

Amount of guarantee and onerous obligations per member institution:

Table 25

Description in HUF thousand	receivable amount	onerous obligations	depreciation opening	depreciation closing	closing book value
Iparbankház Rt.	2 310		2 310		
Iparbankház Rt.	375 252	375 252	375 252		
Iparbankház Rt.	349 694	349 694	349 694		
Total:	**727 256**	**724 946**	**727 256**	**0**	**0**

Receivables transferred to the Fund per member institution:

Table 26

Description	Frozen deposits	Disbursements in the relevant year			Amount of disbursements		
in HUF thousand	amount	total	principal	interest	total	principal	interest
Heves és Vidéke Takarékszövetkezet	1 389 090	0	0	0	262 126	262 126	0
Iparbankház Rt.	0	0	0	0	0	0	0
Rákóczi Hitelszövetkezet	0	0	0	0	0		0
Total:	**1 389 090**	**0**	**0**	**0**	**262 126**	**262 126**	**0**

1.5.6 Securities

a) Content:
- government bonds.
- discount treasury bills (T-bills)
- MNB bonds.

b) Structure:

Table 27

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year %
				in HUF thousand	%	
Government securities	66 774 938	0	68 999 270	2 224 332	103.33	100.00
- domestic government securities	66 774 938	0	68 999 270	2 224 332	103.33	100.00
= Hungarian government bonds	57 356 812		65 831 936	8 475 124	114.78	95.41
= discount treasury bills	9 418 126		3 167 334	-6 250 792	33.63	4.59
Total:	**66 774 938**	**0**	**68 999 270**	**2 224 332**	**103.33**	**100.00**

Securities – balance movements

Table 28

Description / in HUF thousand	opening	additions	disposals	closing
GROSS VALUE	**66 774 938**	**149 955 040**	**147 730 708**	**68 999 270**
Government securities	66 774 938	149 955 040	147 730 708	**68 999 270**
- domestic government securities	66 774 938	149 955 040	147 730 708	**68 999 270**
= Hungarian government bonds	57 356 812	129 617 656	121 142 532	**65 831 936**
= discount T-bills	9 418 126	20 337 384	26 588 176	**3 167 334**
DEPRECIATION	**0**	**0**	**0**	**0**
NET VALUE	**66 774 938**	**149 955 040**	**147 730 708**	**68 999 270**
Government securities	66 774 938	149 955 040	147 730 708	68 999 270
- domestic government securities	66 774 938	149 955 040	147 730 708	68 999 270
= Hungarian government bonds	57 356 812		121 142 532	65 831 936
= discount T-bills	9 418 126		26 588 176	3 167 334

Securities – balance movements by type

Table 29

Description / in HUF thousand	2007	2008
Securities		
ADDITIONS	345 249 440	149 955 040
- purchase	345 249 440	149 955 040
DISPOSALS	339 724 480	147 730 708
- sale	339 724 480	147 730 708

c) Priority balance certificates:

Change in depreciation in accordance with the Accounting Act: -.

Differences between purchase and face values:

Table 30

Description in HUF thousand	Purchase value on acquisition	Face value on acquisition	2008 market value	2008 audited value
Hungarian government bonds	65 831 936	65 831 936	65 831 936	65 831 936
Discount treasury bills	3 167 334	3 167 334	3 167 334	3 167 334
Total:	**68 999 270**	**68 999 270**	**68 999 270**	**68 999 270**

Securities – indicators

Table 31

Description	2007 %	2008 %	Change %
Proportion of securities:	99.82	99.92	100.10
Ratio of securities:	96.56	96.24	99.67
Short-term liquidity III:	53173.23	85060.41	159.97

1.5.7 Liquid assets

a) Content:
- cash,
- bank accounts.

b) Structure:

Table 32

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Cash	155	0	54	-101	34.84	0.19
Bank deposits	38 134	0	28 900	-9 234	75.79	99.81
Total	**38 289**	**0**	**28 954**	**-9 335**	**75.62**	**100.00**

1.5.8 Prepaid expenses

a) Content:
- due to revenues,
- due to expenses.

b) Structure:

Table 33

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Total accrued income	2 191 722	0	2 556 369	364 647	116.64	98.99
- accrued income	19		1 703	1 684	8963.16	0.07
- accrued interest	2 191 703		2 554 666	362 963	116.56	98.92
Prepayment of costs and expenses	1 777	0	26 174	24 397	1472.93	1.01
- prepaid costs	1 777		26 174	24 397	1472.93	1.01
Total	**2 193 499**	**0**	**2 582 543**	**389 044**	**117.74**	**100.00**

1.5.9 Provisions

No provisions were accumulated.

1.5.10 Long-term liabilities

The Fund does not have any long-term liabilities.

1.5.11 Short-term liabilities

a) Content:
- liabilities towards depositors,
- other liabilities.

b) Structure:

Table 34

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Liabilities towards member institutions	**0**	**0**	**0**	**0**	**0.00**	**0.00**
Short-term credits	**0**	**0**	**0**	**0**	**0.00**	**0.00**
Liabilities towards depositors	**78 053**	**0**	**78 053**	**0**	**100.00**	**96.18**
- other deposit insurance liabilities	78 053		78 053	0	100.00	96.18
Liabilities towards the State	**0**	**0**	**0**	0	**0.00**	0.00
Other short-term liabilities	**47 599**	**0**	**3 099**	**-44 500**	**6.51**	**3.82**
- Trade creditors	39 791		3 080	-36 711	7.74	3.80
- Liabilities towards the central budget	7 808	0	0	-7 808	0.00	0.00
= Personal income tax (SZJA)	3 745			-3 745	0.00	0.00
= Social security (TB)	3 525			-3 525	0.00	0.00
= other taxes	538			-538	0.00	0.00
- Other short-term liabilities			19	19	0.00	0.02
Total:	**125 652**	**0**	**81 152**	**-44 500**	**64.58**	**100.00**

Short-term liabilities – balance movements

Table 35

Description / in HUF thousand	2007	2008
Liabilities towards member institutions		
Short-term credits		
-outstanding up to the report date	78 053	78 053
Liabilities towards depositors		
- settled up to the report date	47 599	3 099
- other deposit insurance liabilities	78 053	
Liabilities towards the State		

Accrued expenses

a) Content:

- costs,
- due to deferred revenues.

b) Structure:

Table 36

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Total accrued income	0	0	0	0	0.00	0.00
Accrued costs and expenses	266	0	671	405	252.26	100.00
- accrued costs	266		671	405	252.26	100.00
Deferred revenues	200	0	0	-200	0.00	0.00
- reception of assets without compensation	200			-200	0.00	0.00
Total	**466**	**0**	**671**	**205**	**143.99**	**100.00**

1.5.12 Equity

a) Content:
- registered capital,
- reserves,
- profit/loss for the relevant year.

b) Structure:

Table 37

Description in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Registered capital	886 082	0	886 082	0	100.00	1.24
Reserves	62 265 377	0	68 144 325	5 878 948	109.44	95.16
Revaluation reserve	0	0	0	0	0.00	0.00
Retained profit for the relevant year	5 878 949	0	2 580 804	-3 298 145	43.90	3.60
Total	**69 030 408**	**0**	**71 611 211**	**2 580 803**	**103.74**	**100.00**

Equity – calculation of the fixed reserve

Table 38

Legal titles / in HUF thousand	2007	Change	2008
Reserves	41 888 805		41 888 805
Other changes during the relevant year	20 376 572	5 878 948	26 255 520
Disposable reserve	62 265 377	5 878 948	68 144 325

c) Balance movements:

Calculation of the fixed reserve: -.

Change in equity:

Table 39

Description / in HUF thousand	Registered capital	Reserves	Profit/loss for the relevant year
Opening figure	886 082	62 265 377	
Additions	0	5 878 948	
- capital increase on incorporation			
- retained profit of the previous year carried forward		5 878 948	
Closing figure	886 082	68 144 325	2 580 804

1.6 Explanation to the items of the profit and loss statement

Profit and loss account per operating activity:

Table 40 (data in HUF thousand)

	Description	Deposit Insurance		Asset management		Operation		Total	
		2007	2008	2007	2008	2007	2008	2007	2008
1	Premium revenue from member institutions	1 676 099	1 010 461	0	0	0	0	1 676 099	1 010 461
2	Premium revenue from claims collected on behalf of depositors	0	0	0	0	0	0	0	0
3	Commission revenue from disbursement of deposits insured with state guarantee	0	0	0	0	0	0	0	0
4	Revenue from financial transactions	14 557	28 981	0	0	0	0	14 557	28 981
I	**Revenues from deposit insurance (01+02+03+04)**	**1 690 656**	**1 039 442**	**0**	**0**	**0**	**0**	**1 690 656**	**1 039 442**
II	**Other revenues**	**199 317**	**11 802**	**0**	**0**		**0**	**199 317**	**11 802**
III	**Revenues from other than deposit insurance**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
IV	**Revenues from financial transactions**	**0**	**0**	**4 922 319**	**4 611 580**	**0**	**0**	**4 922 319**	**4 611 580**
V	**Extraordinary revenues**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5	Expenses related to the disbursement of frozen deposits	0	0	0	0	0	0	0	0
6	Expenses related to receivables collected on behalf of depositors	0	0	0	0	0	0	0	0
7	Expenses incurred on disbursement of deposits guaranteed by the state	0	0	0	0	0	0	0	0
8	Other expenses of deposit insurance	0	0	0	0	0	0	0	0
VI	**Expenses of deposit insurance (05+06+07+08)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
VII	**Other expenses**	**0**	**3 332**	**0**	**0**	**2 006**	**169**	**2 006**	**3 501**
VIII	**Expenses of other than deposit insurance**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
IX	**Expenses of financial transactions**	**0**	**0**	**721 566**	**2 846 812**	**0**	**18**	**721 566**	**2 846 830**
X	**Extraordinary expenses**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
9	Material-type expenses	0	0	0	0	59 677	73 742	59 677	73 742
10	Personnel expenses	0	0	0	0	135 051	143 155	135 051	143 155
11	Depreciation write-off	0	0	0	0	15 043	14 792	15 043	14 792
XI	**Operating costs (09+10-11)**	**0**	**0**	**0**	**0**	**209 771**	**231 689**	**209 771**	**231 689**
A	**RETAINED PROFIT FOR THE YEAR (I+II+III+IV+V-VI-VII-VIII-IX-X-XI)**	**1 889 973**	**1 047 912**	**4 200 753**	**1 764 768**	**-211 777**	**-231 876**	**5 878 949**	**2 580 804**

1.6.1 Revenues from deposit insurance and other revenues

a) Content:
- premium revenue from member institutions,
- other income derived from deposit insurance,
- other income.

b) Structure:

Table 41

Description / in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year %
				in HUF thousand	%	
Premium revenue from member institutions	**1 676 099**	**0**	**1 010 461**	**-665 638**	**60.29**	**96.12**
- standard premium revenue	1 845 857		1 010 461	-835 396	54.74	96.12
- increased premium revenue				0	0.00	0.00
- premium reimbursement	-169 758			169 758	0.00	0.00
Premium revenue from claims collected on behalf of depositors	**0**	**0**	**0**	**0**	**0.00**	**0.00**
Commission revenue from disbursement of deposits insured with state guarantee	**0**	**0**	**0**	**0**	**0.00**	**0.00**
Other revenue from deposit insurance	**14 557**	**0**	**28 981**	**14 424**	**199.09**	**2.76**
- revenue from sale of assets received in return for claims				0	0.00	0.00
- reversal of depreciation related to deposit insurance				0	0.00	0.00
- HFSA (PSZÁF) fines	14 557		5 675	-8 882	38.98	0.54
- other revenue from deposit insurance			23 306	23 306	0.00	2.22
Other revenues	**199 317**	**0**	**11 802**	**-187 515**	5.92	1.12
Total	**1 889 973**	**0**	**1 051 244**	**-838 729**	**55.62**	**100.00**

1.6.2 Operating costs, expenses

a) Content:
- cost types,
- other expenses.

b) Structure:

Table 42

Description / in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year
				in HUF thousand	%	%
Cost types						
- materials	59 677	0	73 742	14 065	123.57	31.35
= cost of materials	4 071		4 375	304	107.47	1.86
= material type of services used	52 321		65 979	13 658	126.10	28.05
= other services	3 285		3 388	103	103.14	1.44
- payroll expenses	135 051	0	143 155	8 104	106.00	60.87
- depreciation	15 043	0	14 792	-251	98.33	6.29
Other expenses	2 006	0	3 501	1 495	174.53	1.49
Total	**211 777**	**0**	**235 190**	**23 413**	**111.06**	**100.00**

1.6.3 Results of financial activities

a) Content:
- revenue from financial transactions,
- expenses of financial transactions.

b) Structure:

Table 43

Description / in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year %
				in HUF thousand	%	
Revenues from financial activity						
Interest received	8 235		8 058	-177	97.85	0.18
Revenues from financial transactions	4 914 084	0	4 603 522	-310 562	93.68	99.83
- profit on Hungarian government bonds	4 914 084	0	4 603 522	-310 562	93.68	99.83
= exchange gains on Hungarian government bonds	776 772		875 329	98 557	112.69	18.98
= profit from interest on Hungarian government bonds	3 286 218		3 366 663	80 445	102.45	73.01
= exchange gains on discount treasury bills	851 094		361 530	-489 564	42.48	7.84
Total:	**4 922 319**	**0**	**4 611 580**	**-310 739**	**93.69**	**100.00**
Financial expenses						
Interests paid and similar expenses	10		11	1	110.00	0.00
Expenses of financial transactions	650 925	0	2 836 343	2 185 418	435.74	99.63
- exchange rate loss on investments in foreign currency	34		78	44	229.41	0.00
- loss on Hungarian government securities	650 891	0	2 836 265	2 185 374	435.75	99.63
= exchange rate loss on Hungarian government bonds	650 891		2 832 943	2 182 052	435.24	99.51
= exchange rate loss on discount treasury bills	0		3 322	3 322	0.00	0.12
Other financial expenses	70 631		10 476	-60 155	14.83	0.37
Total:	**721 566**	**0**	**2 846 830**	**2 125 264**	**394.53**	**100.00**
Balance	**4 200 753**	**0**	**1 764 750**	**-2 436 003**	**42.01**	

1.6.4 Extraordinary profit/loss

No extraordinary profit/loss was represented.

1.7 Supplementary data

The following supplement is provided to a more complete evaluation of the Annual Report:

1.7.1 Headcount, payroll accounting

Average statistical headcount:

Table 44

headcount	2007	2008
Physical	0	0
White-collar	7	7
Total headcount:	**7**	**7**

Priority payroll-related expenses:

Table 45

HUF thousand / year	2007	2008
- incentives	5685	6510
- social	3461	3567
- cost refund	1305	1464
- other	4548	4169
Total payroll-related expenses	14 999	15 710
Social security expenses	28 132	29 846
- paid by the employer	2754	2881

1.7.2 Rights and obligations with an expiry over 5 years

1.7.3 Business reporting obligations

Applicable

1.8 The Fund's assets, financial and earnings positions

1.8.1 Description of the securities portfolio and evaluation of the assets managers' activity

Book value of the (opening) security portfolio as of the beginning of the relevant year amounted to HUF 66 774 938 thousand, while at the end of year, the (closing) security portfolio represented in the balance sheet was HUF 68 999 270 thousand. Of the above sum, HUF 65 831 936 thousand represented closing balances for Hungarian government bonds and HUF 3 167 334 thousand for discount treasury bills. The volume of the managed securities portfolio grew by 3.3% in the year under review.

The following table shows the impact of asset management on the retained profit for the relevant year:

Table 46 **(data in HUF thousand)**

PROFIT/LOSS COMPONENT	REVENUE	EXPENSES	PROFIT/LOSS
Exchange gains/losses on Hungarian government bonds	856 453	2 832 943	-1 976 490
Interest gains on Hungarian government bonds	3 366 663	0	3 366 663
Exchange gains/losses on discount government securities	361 530	3 322	358 208
Yield of MNB bonds	18 875	0	18 875
Commission on portfolio management	0	0	0
Custodian fee	0	10 476	-10 476
Total	**4 603 521**	**2 846 741**	**1 756 780**

In the domestic government securities market, which still represents an exclusive field of investment for the Fund, the year 2008 was perhaps the most difficult year up to date. The global financial crisis brought enormous fluctuation in the Hungarian markets: the stock exchange index dropped to its half, the forint fluctuated within a HUF 60 band against the euro, and the yields of government securities fluctuated within a 6% band. In early 2008, yields in the domestic securities market rose to a significant extent. The first quarter of the year saw a great upsurge of yields, then the market stabilised in the next six months, followed by a decrease again at the end of autumn, which was to be corrected in the last weeks of the year.

High volatility, a decrease in the price of risky investments - accompanied with a dramatic fall of yields of securities - characterised the last quarter of 2008. Real economic performance also deteriorated in the last three months. Looking at the annual performance indicators, with its 8.45% increase, the RMAX index considerably outperformed the MAX index which showed a 2.59% rise.

All in all, 2008 represented to date the most difficult year in the domestic government securities market. The situation consolidated by the end of the year with the securities showing a positive value.

Three of our portfolio managers reached a gross yield of 2.5% on the entire portfolio. In 2008, asset management activities increased the retained earnings by HUF 1 757 million.

Earnings derived from portfolio management were reduced by the remuneration paid to a custodian, which included the custody fees paid to KELER.

In the relevant year, Pioneer achieved a yield of 2.85 %, while CIB did 2.23%, OTP 2.46%, and MAX-C 3.30% in the corresponding period.

Similarly to the previous years, our portfolio managers considered investments into foreign government bonds too risky, and did not invest into the foreign government securities permitted by investment directives.

1.8.2 Summary evaluation of the profit

In the relevant year, the NDIF earned a profit of HUF 2 580 804 thousand, which is HUF 3 298 million lower than the retained earnings for the year 2007. The key components of the change are presented in the following table.

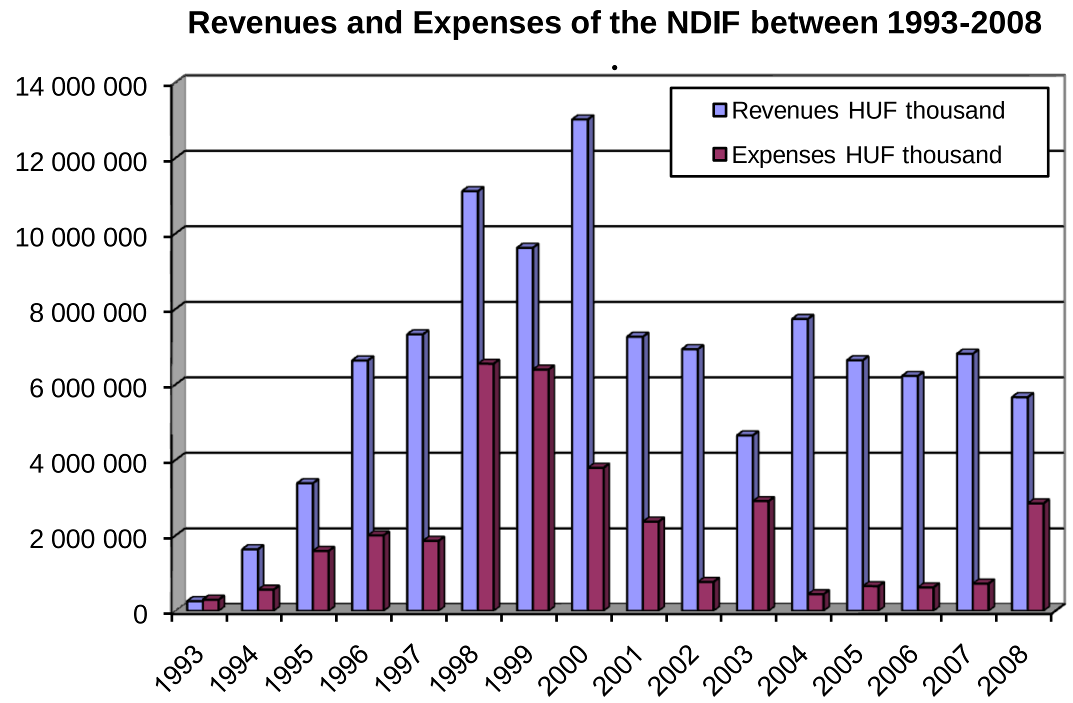
Table 47

Description / in HUF thousand	2007	Effect of revision	2008	Change		Composition for the relevant year %
				in HUF thousand	%	
Revenue from deposit insurance	1.690.656	0	1.039.442	-651.214	61.48	40.28
Other revenues	199.317	0	11.802	-187.515	5.92	0.46
Revenues from financial transactions	4.922.319	0	4.611.580	-310.739	93.69	178.69
Total revenues	**6.812.292**	**0**	**5.662.824**	**-1.149.468**	**83.13**	219.42
Expenses of deposit insurance	0	0	0	0	0.00	0.00
Other expenses	2.006	0	3.501	1.495	174.53	0.14
Expenses of financial transactions	721.566	0	2.846.830	2.125.264	394.53	110.31
Total expenses	**723.572**	**0**	**2.850.331**	2.126.759	393.92	110.44
Operating costs	209.771	0	231.689	21.918	110.45	8.98
Total expenses and operating costs	**933.343**	**0**	**3.082.020**	2.148.677	330.21	119.42
Retained profit	**5.878.949**	**0**	**2.580.804**	**-3.298.145**	**43.90**	**100.00**

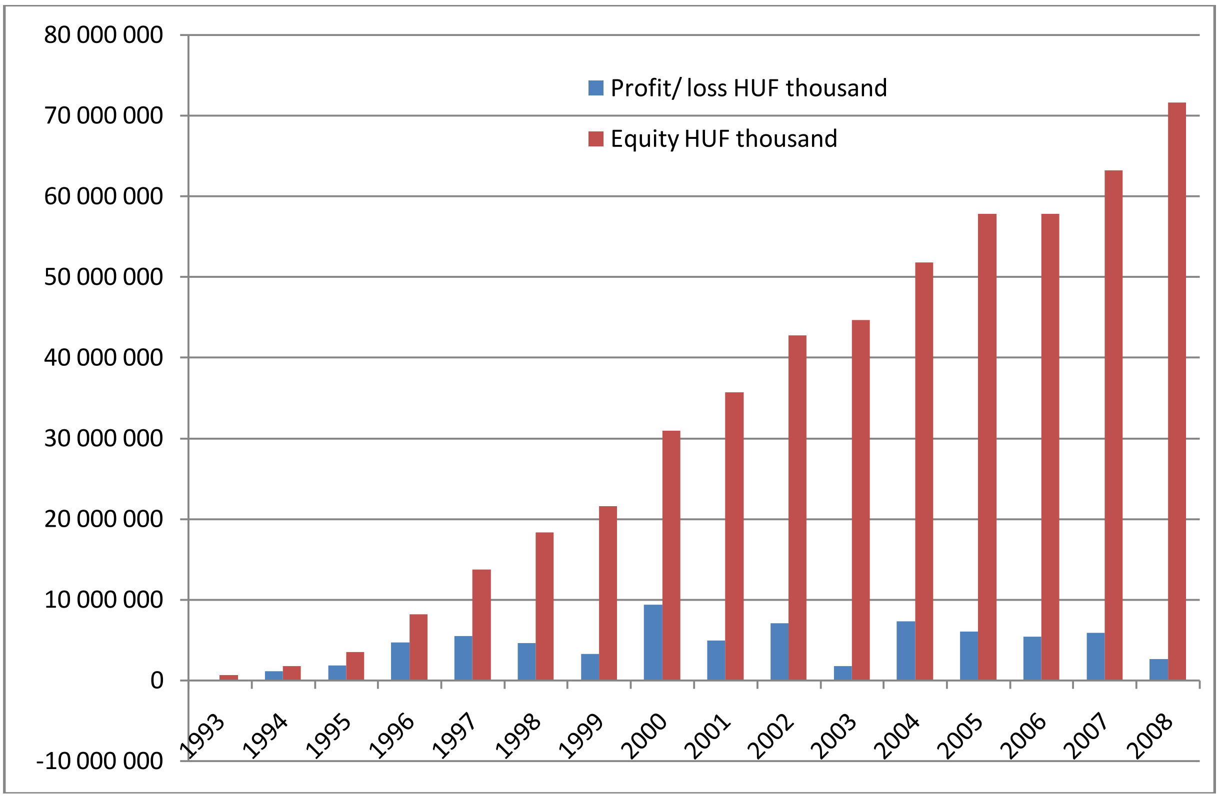
The retained profit is lower than that of the previous year, due to the declining payments by member institutions and the **rising expenses of financial activities**. (It included within the latter, **the exchange rate loss on government bonds in the amount of HUF 2 833 million.**).

The 40 % decrease in the revenues from deposit insurance is insignificant compared to the results of financial activity and to other revenues. The reason is the diminished premium rates. Premium allowances were not received. Revenues from fines imposed by the HFSA do not even attain 40% of that of the previous year. Revenues from financial activities were down by almost 6% compared to the previous year. Expenses of financial activities showed an almost fourfold increase owing to the above-described exchange rate losses.

The following graph illustrates total income and total expenses of the NDIF, as shown in the balance sheets representing the years between the foundation of the Fund in 1993 up to 2008.



1.8.3 Trends of the Fund's equity and profits from foundation up to date



When examining this graph, it must be taken into consideration that the equity contains accumulated profits of the preceding years, as well as those of the relevant year, therefore the equity growth is influenced by the fluctuation of profit.

The fluctuation of profit seen from 1998 until 2004 represents the dynamics of recovery prospects related to the liquidation of Realbank Rt, while for the succeeding years, it derives mainly from changes in the yields of the government securities market.

1.9 Explanations for the major differences between projected and actual data for 2008

Premium revenues from member institutions exceeded the projections by 4.2%.

Other deposit insurance revenues outperformed the projected figures by almost three times. Among these, the portion of supervisory fines due to the NDIF, which are difficult to project, fell considerably below the projected figure (by 57%, i.e. HUF 5 675 thousand in contrast to HUF 10 000 thousand).

Other revenues included HUF 241 thousand invoiced to employees for mobile phones, HUF 60 thousand from the sale of tangible assets, and HUF 79 thousand as late payment interest received on insurance premiums – of which the proceeds from sale of tangible assets were not planned. Other late payment revenues were as planned, i.e. HUF 429 thousand (or rather as indicated by the liquidator), resulting from the settlement of lender claims of category "d" of Rákóczi Hitelszövetkezet. The amount of HUF 10 399 thousand from the liquidation of Rákóczi Hitelszövetkezet also represents revenue from the reversal of depreciation due to its recovery.

Significant revenue resulted from the settlement of our lender claims of category "f" represented under other revenues, an amount of **HUF 85 million** received in connection with the completion of **Rákóczi Hitelszövetkezet**'s liquidation. The depreciation reversed in the course of liquidating **Heves és Vidéke Takarékszövetkezet** represented similarly considerable – unprojected – revenue amounting to **HUF 23.3 million,** according to the liquidator's declaration.
Realbank and Iparbankház were deleted from the commercial register. The former had already been removed from our books, while removal of the latter took place in 2008. Depreciation had already been written off earlier.

It is expedient to examine *revenues and expenses from financial transactions* together, because we planned expected portfolio results on estimating both revenues and expenses. The following assumptions were made on planning financial operations:

- the market value of the annual average portfolio amounted to HUF 70 billion, including reinvested portfolio yields in addition to the premium payment received;
- payments due to bankruptcy of credit institutions and the consequent disinvestments were not taken into consideration.
- deposits to be fixed with MNB were planned for an average deposit balance of HUF 115 million and a deposit interest of 7.5%.

In addition to the above-mentioned assumptions, we planned a yield of 7.3%, based on the yield expectations of our portfolio manager. The actual portfolio yield finally reached 2.66%. The fact that the market value of the annual average portfolio balance was ultimately less favourable than projected, as well as the amount of premiums paid and the reinvested yield together contributed to an 87% total realisation of financial operations, including portfolio management.
Within *expenses of financial transactions,* the first item represented is an exchange loss on Hungarian government bonds, which generated HUF 2 833 thousand as opposed to the projected HUF 600 thousand. The – unprojected - exchange loss on discount treasury bills was HUF 3 322 thousand. The second projected item is a commission for portfolio management and custodian activity; in the former case the failure to realise the commission for portfolio management is due to underperformance compared to the benchmark.

Other expenses derived from deposit insurance had not been planned, and, accordingly, no such payments were made.

Other expenses were planned to include the costs of assumed private use of company phones, removal of book values of liquidated tangible assets, as well as the vehicle tax, and were realised at 24%.

Operation costs were *10%* below the estimated level.

The material-type expenses stayed 31.6% below the estimated figure. In addition to economical management, this results from the fact that a few expense items could be carried forward to 2009 for objective reasons.

2. Supplementary information and reference data

2.1. The institutional communications of NDIF

Except one event, no incident in the member institutions' and the Fund's activity gave rise to increased media appearance for the domestic deposit insurance last year. The money market crisis, which hit the peak in October 2008, enhanced the interest of the general public towards deposit insurance. The NDIF management responded to this increased interest by continuously being available for the press, giving 25 interviews in 10 days, and by providing professional and reassuring answers to the increased number of customer telephone calls, which are inevitable under such circumstances. We provided the competent department of the HFSA with background information, which summarised the frequently asked questions and answers.

During the year, one press conference was held and three press releases were issued. The press conference took place on 4 April, apropos of the NDIF's 15th anniversary. On this occasion, we organised a press conference and a reception with the participation of the Chairman of the Supervisory Board to the HFSA in the headquarters of the Supervisory Authority. The press releases we published gave a report on the framework agreement signed between the NDIF and the Czech deposit insurance fund on 30 January 2008, as well as on the visit paid by the Deputy Governor of the Japanese deposit insurer in February and by the General Manager of the Taiwanese deposit insurer in June to Budapest.

It deserves mentioning how the rise of deposit insurance coverage limit with effect from October 15 2008 – from HUF 6 million to HUF 13 million – and the cancellation of the depositors' co-insurance portion were communicated. Within hours, the NDIF staff modified the information material for customers on deposit insurance, which is accessible both in printed form and electronically, and provided assistance to bank administrators in familiarising themselves with the changes.

2.2. Events related to liquidation in progress

2.2.1. Heves és Vidéke Takarékszövetkezet 'under liquidation' ("UL")

Concerning the liquidation of Heves és Vidéke Takarékszövetkezet "UL", commenced in November 1993, the key event in 2008 was the NDIF's involvement in the subsequent indemnification of owners of Base Shareholding Certificates II and Reserve Shareholding Certificates issued by Heves és Vidéke Takarékszövetkezet "UL" pursuant to a final court ruling.

Based on information received from Concordat Felszámoló Kft, the list of lender claims must be revised in the wake of subsequent indemnification, and when it is completed, presumably in the second quarter of 2009, and the liquidator intends to submit a closing balance sheet and a proposal for property apportionment.

Since the commencement of the liquidation up until the balance sheet rule-off date, the NDIF has paid an indemnification of HUF 262 126 706, which is registered by the liquidator in category "d". In addition, representation of declared accessory costs of HUF 16 690 000 was confirmed by the liquidator.

We make mention of the fact that in its letter date on 8 January 2008, the liquidator informed the NDIF that – as opposed to its former statements – a 10-15% recovery of loss is expected on the NDIF's creditor claim classified in category "d".

2.2.2. Rákóczi Hitelszövetkezet "UL"

Until the balance sheet date, the NDIF paid indemnification of HUF 292 613 917 – declared to the liquidator as category „d". Our receivables in category „f" amount to HUF 12 666 189.

Interim balance sheet No. IV and the related proposal for property apportionment produced by Hitelintézeti Felszámoló Kht (Credit Institution Liquidator PLC) were approved by the Metropolitan Court as of 27 December 2007.

According to information received from the liquidator, in 2009, Rákóczi Hitelszövetkezet "UL" is expected to pay to its acknowledged and registered creditors HUF 45 000 000, based on the closing balance sheet, for late interest receivables classified as category "g" under Section 57 (1) of the Bankruptcy Act.

2.2.3. Subsequent indemnification of owners of Basic Proprietary Share Certificates II and Reserve Shareholding Certificates issued by Heves és Vidéke Takarékszövetkezet "UL", ordered by the Ministry of Finance

At the request of the Ministry of Finance and pursuant to the assignment contract signed on 31 July 2006, the Fund participated in the subsequent indemnification of owners of Basic Proprietary Share Certificates II and Reserve Shareholding Certificates issued by Heves és Vidéke Takarékszövetkezet "UL", ordered by a final court ruling.

Originally, the Ministry of Finance intended to administer payments until 31 March 2007, however, due to a repeated recovery of documents involved in the earlier indemnification procedures, the final deadline for the payments had to be altered on multiple occasions. The assignment contract concerning the indemnification procedure finally terminated as of 30 June 2008.

Four-hundred and three claims were submitted to the NDIF, including a total of HUF 45 510 338 paid in indemnification to 319 persons.

Eighty-four claims submitted could not be satisfied. There were several reasons for that: the special depository instruments on Basic Proprietary Share Certificates II and Reserve Shareholding Certificates, which constituted the basis for payment, were not available to the NDIF, because neither the customers nor the liquidator of the Takarékszövetkezet were able to provide them; the special depository instrument was not the present Basic Proprietary Share Certificates II or Reserve Shareholding Certificates, which constitute the basis of the present indemnification; the claimant had no right of indemnification, or the owner of the spcial depository instrument has deceased, but despite its effort the NDIF failed to obtain the documents required for payment.

Finally, no claim was filed for 128 instruments, although the NDIF sent letters to the known owners at the commencement of the procedure. In a delivery-acceptance procedure, the Fund handed over to the Ministry of Finance the documents, which formed the basis of disbursements, together with an itemised list as well as the instruments on Basic Proprietary Share Certificates II and Reserve Shareholding Certificates yet to be disbursed due to the reasons described above, as well as the list of the persons called upon to file a claim.

The NDIF staff summarised the experience of indemnification carried out at the request of the Ministry of Finance in the so-called "White Paper", which was acknowledged by the Board of Directors in its Resolution No. 30/2008 (XI:7.).

2.3. Legal matters

2.3.1. Legal proceedings

In the legal proceedings instituted against the NDIF final judgement was passed in two proceedings in 2008 and at the time when the report was prepared. Both were closed with a favourable judgement for the NDIF. In the legal proceedings still pending, probably no payment obligations will be established for the NDIF in 2009 either.

2.3.2. Other liabilities

Except for the customary liabilities (trade creditors and similar), we are not aware of any other claims against the Fund.

In 2008, the Fund did not issue any guarantee declarations that could give rise to payment obligations.

2.4. IT developments in 2008

Accomplished hardware acquisitions included replacement of two photocopiers and the air conditioning equipment of the sever rooms, as well as purchase of one notebook and two external storages. In addition, we carried out the planned overhaul of our uninterrupted power-supplies, and extended the licence of our antivirus software.

2.5. International activity

The NDIF management assumed an increasingly active role in the year 2008, which was rather eventful for the deposit insurance sector at the time of the global financial crisis. The result achieved further added to the reputation and recognition of the domestic deposit insurance.

IADI (International Association of Deposit Insurers) held its 7th annual general meeting in Washington at the end of October 2008, which was attended by the NDIF's Chief Economist. The body approved the annual report and balance sheet for the year 2007/2008, as well as the business plan for the following year.

The professional conference held subsequent to the general assembly addressed the role of deposit insurance in promoting financial stability, and offered a high-standard programme to the attendants. The NDIF's representative was the acting chairman of a panel dealing with practical questions.
This was also an opportunity to announce that in 2008, the title "Deposit Insurer of the Year" and the accompanying prize was awarded to our American partner institution (the FDIC), as a result of a secret voting.

The *Executive Council of IADI* held meetings in February, June and at the AGM in October, which the Chief Economist of the NDIF attended as a member, similarly to our participation in the IADI Research and Guidance Committee.

At the February meeting, three major events took place, which included:

- Co-operation of the international and the European associations,
- International recommendations for efficient deposit insurance systems (Core Principles),
- Modification of the management structure (appointment of a new general secretary; introducing the position of vice-chairman, separation of the powers of the Treasurer and the chairman of the Financial Committee.

The June meeting addressed the following issues as priority:

- Expected timetable related to the introduction of international deposit insurance recommendations (Core Principles),
- Joint meeting of the boards of the international and the European associations.

The meeting in October mainly discussed the preparations for the General Meeting, the draft resolutions on the agenda, including preparations made for the election of officers.

Last year's most forward-looking event for deposit insurance was that the report of the Financial Stability Forum (FSF), published on 7 April 2008, stressed the importance of deposit insurance systems in preserving depositors' confidence. The report – among others – also pointed out that an international benchmark is yet to be developed for measuring the efficiency of the systems and for observing them. The draft drawn up by IADI may serve as a basis for recommendations – similar to the supervisory guidelines issued by the Basel Committee (G10)

- which are internationally accepted as well. As a result, the decision of the G10 was that a joint working group with the IADI should review the 21 core principles one-by-one, and if possible, reach a consensus to ensure that they are adopted within the possible shortest time. We consider it an honour for the NDIF that - together with a Canadian, American and Japanese expert - the Fund's Chief Economist was among the four members of the working group appointed by the IADI. The working group held co-ordinations on three occasions. At the last meeting in December, a compromised draft was prepared, which is likely to be accepted – after reconciliation within the G10 - at the meeting of the Basel Committee in March 2009.

The *IADI European Regional Committee* had three meetings. First, a meeting was held in Prague on 31 January 2008, which was also attended by the Managing Director, the Chief Legal Council and the Chief Economist of the NDIF. The key agenda item was to establish and represent a joint European position concerning the strategic issues affecting the IADI's future.
The last meeting of the year was convened for 28 October where the members elected the Fund's Chief Economist as chairman of the committee unanimously at the proposal of the resigning Czech chairman.

The Educational Committee of the IADI holds management trainings for member states – twice a year - each year with a different subject, at different venues. In 2008, a training course was organised with the title of "Crisis Management – Principles and the Best Practice". The Fund's Chief Economist was requested by the organisers to prepare a case study linked to the subject, using a pre-determined method, and to present it at the venue of the training. The selected case was the crisis management of Realbank between 1998 and 1999.

At the request of the general manager of our Taiwanese partner institution and at the cost of the host institution, the Fund's Chief Economist – hand in hand with three other foreign rapporteurs – gave a presentation to Taiwanese bank managers on the changes of EU's legal environment of the financial acquis at the conference entitled "Global Financial Market Conditions and Challenges".

An important event of the **European Forum of Deposit Insurers (EFDI),** comprising European deposit insurance institutions, was the general assembly convened on 22 June 2008 in Dublin. In line with the traditions, it was followed by a professional conference on 23 September 2008, organised jointly with the FDIC, under the title of "Financial Integration and Safety Net".
The general assembly addressed issues related to the organisational life of the EFDI and to co-operation with the IADI and the FDIC.
Within the conference, experts of the EFDI and the FDIC discussed the questions of cross-border financial activity related to deposit insurance and the impacts of these questions associated with regulation and supervision. The Managing Director, the Chief Legal Council and the Chief Economist of the NDIF attended the event, and the latter gave a presentation entitled "Efficient Indemnification Payment".

A key function of the EFDI is close professional cooperation with the European Commission, particularly in a year as packed with events as was the year 2008. Within the EFDI, a dedicated working group is involved in coordinating professional issues resulting from EU membership. This working group met in April to review the activities of the working groups, formed at the request of the EU Commission, following the revision of Directive 94/19/EC of the European Commission. At the meeting, the leaders of six working groups reported on the work done so far. The meeting was attended by the NDIF's Chief Economist who gave an account of the draft report that addressed the shortening of the lead time for indemnification of depositors. The representative of the EU Commission spoke in praise of the work performed so far by the working groups and underlined that, also in view of the present financial crisis, the Commission greatly relied on the results of their activity.

The EFDI Board of Directors, in which the NDIF's Chief Economist participates as a member, met altogether five times.

Last but not least, it is worth mentioning that the framework agreement signed with the Czech deposit insurance fund on 30 January 2008 represented another outstanding stage in the Fund's international relations. With the agreement, the deposit insurance institutions of the two EU member states established partnership based on mutual services, based on the agreement concluded with the French partner institution a year ago. The essence is that should a member institution of the Czech deposit insurer, i.e. a Czech bank, become insolvent, then the NDIF participates in the indemnification of Hungarian depositors of the Hungarian branch – for a fee – on behalf of the Czech deposit insurer. Two assumptions follow:

- exchange of information on the role and experience of the two institutions in terms of their member institutions and their branches. and
- in the event of a bank bankruptcy, actual participation in receiving and handling depositor claims, as well as close cooperation in the indemnification procedure whereby the Hungarian depositors are paid by the Czech partner institution.

For exchanging professional experience, our institution was visited on 11 February 2008 by Mr. Mutsuo Hatano, Deputy, Governor of the Deposit Insurance Corporation of Japan, who is also vice-chairman of the IADI .
In April, we received a delegation of the Montenegrin deposit insurance institution led by Director Predrag Markovic for a two-day professional consultation.
A delegation of the Central Deposit Insurance Corporation of Taiwan, led by President and CEO Howard Wang, paid a visit to the Fund on 29 June 2008. The brief visit was the second meeting of the signatories to the Memorandum of Understanding dated 24 June 2005.

2.6. Tasks defined by the Board of Directors of the NDIF, and their implementation

In 2008, the Board of Directors adopted 41 resolutions on items required by the Act and on major issues affecting the Fund's organisation and operation at five meetings, including the following:

- approve and submit a report and a budget for the relevant year to the competent organizations;
- set up work-plans for the internal auditor and the IT security controller, adopt their reports;
- modify and announce the Rules on Premium Payment,
- elect an auditor,
- decisions aimed at upgrading the disbursement system,
- decisions related to the audit of the State Audit Office,
- adopt the Rules on Investments,
- modify the Regulation of Organisation and Operation, the Rules of Procedure for the Board of Directors, the Cash Management Rules,
- renew the "Co-operation Agreement" concluded with the Hungarian Financial Supervisory Authority,
- select portfolio managers based on tenders,
- decisions passed on maintaining relations with the European Union and participation in international organisations;
- IT developments.

Decisions made by the Board of Directors have been implemented in line with their respective provisions.

3. Business plan

3.1. Expectations of savings and the yield of government securities for 2009

In 2009, public finance deficit is expected to fall considerably below the Maastrich criterion in Hungary. The strict monitoring of the IMF agreement also makes it probable that the 2.6 % deficit target is achieved. The economic downswing and lower inflation, which is likely to be greater than calculated when planning the budget, represent an income risk, and cannot be offset by higher than expected wages due to the decreasing employment.

Budgetary reserves will presumably not provide full coverage for all the above. If necessary, deficit can be reduced e.g. by (temporarily) raising the excise tax on fuel and by partially blocking certain expenditure appropriations justified by lower inflation. Meanwhile, a rapid improvement of external balance is also indispensable, since it has become very difficult and expensive to have access to foreign funds. In reality, the resource gap itself may force out a reduction of external deficit.

The performance of the Hungarian economy is going to be almost 2.5-3% lower in 2009. Industrial production is expected to be down by 3%. The setback, which has been seen in the construction industry for two years, is going to continue (although it will decrease to 3%). The shortage of sources of credit will put a brake on state, business and private investments.

The narrowing demand will further sharpen competition which was characteristic for a large part of the economy up to now. It is likely to result in bankruptcy in small, capital-scarce enterprises, whereas a part of the enterprises well provided with capital (e.g. banks) will probably be involved in buying up on a global scale. The extent of gridlock is going to increase due to the lack of capital. Ratios of exchange will improve by approximately 1% in 2009.

About a 4% rise in gross wages is expected in the competitive sector and a 1% drop in the central budgetary sector, which means - in the aggregate – a slight, almost 1% decrease of real wages. Inflation will be rapidly reducing in early 2009, primarily as a result of declining global energy and agricultural prices, and in annual average a 2.8% price rise (around 2.5% at the end of the year) is expected.

Consumers' readiness to save will rise. This is partly forced out – due to the difficulty and costliness of borrowing – and partly caused by lack of interest. Decline of consumption will probably be much higher than for real wages (about 3%).

Capital projects are expected to keep on declining, and will be roughly at the 2004 level. The reason is recession and the lack of sources of credit (or unrealistically expensive credits). The amount of net EU-transfers will rise from EUR 1.5 billion in 2008 to EUR 2.5 billion in 2009.

Rare uncertainty and diminishing liquidity are still characteristic of the securities market at the beginning of 2009. Risk avoidance because of the global financial crisis is pushing bond returns upward, whereas the recession and low inflation would permit lower level of interest. The question is in which direction government securities will move as a result of the two factors.

The conflict of demand and supply may however ease in 2009, as the portfolio change in the private pension fund has been completed, and this sector may re-emerge as buyer in the market. Foreign portfolio significantly diminished, and therefore a foreign portfolio decrease similar to that of 2008 is not expected. With the increase in household savings (due to stricter conditions for borrowing), domestic banks can invest a portion of the surplus funds in government securities.

As soon as the central bank reduces the base rate to about 7-7.5%, which may occur by mid-2009, the yields of government securities may also be down to 7-8%.

Out of precaution about the many uncertainty factors, we expect a level of gross yield well below the previous year's for our investments into government securities in 2009 – together with our portfolio managers. The annual yield of the Fund's financial investments was planned to be around the lower limit of the yield level received from our portfolio managers, i.e. at 2.08%.

3.2. Major goals for 2009

In 2008, the National Deposit Insurance Fund pursued its activities within an unchanged framework of operation and in line with the amended Act on Credit Institutions and Financial Enterprises, which entered into force on 1 January 2006, as well as with the Regulation of Organisation and Operation in force.

Particular attention was paid to completing the development of and ensuring continuous updates to the disbursement system and to the prompt and effective implementation of the tasks arising from the amendment of the above Act, which entered into force on 15 October 2008. We have actively participated in the review of the EU directive on deposit insurance commenced in 2006 and in the formulation and co-ordination of the Core Principles of effective deposit insurance systems.

In 2008, the State Audit Office audited the operation of the NDIF in accordance with the provisions of the Act. It concluded that "the NDIF's operation was in conformity with the legal provisions (Act on Credit Institutions and Financial Enterprises), in the course of its activities it complied with the prescriptions for the collection of funds, for disbursements and for the management of disposable financial resources. The NDIF's Board of Directors and Managing Director performed the scope of activities specified for them, and implemented the recommendations made by the internal control with one exception (formulation of the rules for investments)

Based on the recommendation of the State Audit Office, the NDIF's management formulated the Rules for Investments and adopted it at the meeting of the Board of Directors on 7 November 2008.

The assignment contract concluded with the Ministry of Finance to indemnify the owners of Base Shareholding Certificates II and Reserve Shareholding Certificates of Heves és Vidéke Takarékszövetkezet "under liquidation" was properly closed. The experience gained concerning the indemnification was summarised and can be utilised for other similar cases.

In 2009**,** the priroity objective of the NDIF's management continues to be to increase the Fund's reimbursement capability. With this aim in view, testing on live data commenced after the completion of the reimbursement system development in 2008, and it will continue throughout 2009. If necessary, we will immediately and continuously utilise the test results for correcting the disbursement system.

The European Union made amendments to the deposit insurance rules in several important aspects in connection with the financial crisis which took a turn for the worse in 2008. The significantly shortened lead time for indemnification represents new challenges to EU deposit insurers, including the NDIF, and an essential simplification to depositors. Subject to the translation of the amended Deposit Insurance Directive currently underway, indemnification of depositors will become obligatory within 20 working days instead of the present 90 days, latest following 31 December 2010.

In order to accelerate and enhance the efficiency of the indemnification process, we are planning to conclude a Co-operation Agreement with the National Bank of Hungary.

For the very same reason, we endeavour to utilise the existing agreement with the Hungarian Financial Supervisory Authority in the possible broadest extent.

A key objective remains to prepare for indemnification tasks related to Hungarian branches of credit institutions seated in another EU member state and to foreign branches of credit institutions seated in Hungary. Among deposit insurance institutions of the potentially concerned EU member states, we signed an agreement with the French deposit insurer in May 2007 and with the Czech partner institution in January 2008 for technical co-operation in the event of a possible indemnification.

We are currently conducting negotiations with the deposit insurers of four other countries whose banks have a branch in Hungary.

It remains to be an important goal to actively participate in the work of international deposit insurance institutions. Both the European (EFDI) and the international (IADI) associations are relying on the NDIF's experience, professional contribution and active personal involvement.

In 2009, similarly to previous years, a **chief objective** is to ensure efficient and cost-effective operation.

3.3. Explanations to the lines of the budget plan for 2009

(numbering according to the balance sheet lines)

data in HUF thousand

	Description	2008 Projected	2008 Actual	2008 actual / projected	2009 projected	2009 projected/ 2008 actual	2009 projected/ 2008 projected
01.	Premium revenues from member institutions	969 307	1 010 461	104.2%	*2 510 995*	248.50%	259.05%
04.	Other revenues from deposit insurance	10 000	28 981	289.8%	10 000	34.51%	100.00%
I.	Revenues from deposit insurance (01+04)	979 307	1 039 442	106.1%	2 520 995	242.53%	257.43%
II.	Other revenues	4 079	11 802	289.3%	45 275	383.62%	1109.95%
III.	Income from other than deposit insurance	0			0		
IV.	Revenues from financial transactions	5 271 800	4 611 580	87.5%	1 777 777	38.55%	33.72%
V.	Extraordinary revenues	0			0		
	TOTAL REVENUES (I+II+III+IV+V)	**5 275 879**	**5 662 824**	**107.3%**	**4 344 047**	76.71%	82.34%
05.	Expenses related to the disbursement of frozen deposits	0			0		
08.	Other expenses of deposit insurance				0		
VI.	Expenses of deposit insurance (05+08)	0	0		0		
VII.	Other expenses	710	3 501	493.1%	732	20.91%	103.10%
VIII.	Expenses of other than deposit insurance	0	0		0		
IX.	Expenses of financial transactions	676 540	2 846 830	420.8%	1 569 561	55.13%	232.00%
X.	Extraordinary expenses	0	0				
	TOTAL EXPENSES (VI+VII+VIII+IX+X)	**677 250**	**2 850 331**	**420.9%**	**1 570 293**	55.09%	231.86%
09.	Material-type expenses	90 324	73 742	81.6%	94 386	127.99%	104.50%
10.	Personnel expenses	147 783	143 155	96.9%	155 172	108.39%	105.00%
11.	Depreciation write-off	20 061	14 792	73.7%	16 328	110.38%	81.39%
XI.	TOTAL OPERATING COSTS (09+10+11)	258 168	231 689	89.7%	265 886	114.76%	102.99%
	TOTAL EXPENSES (VI+VII+VIII+IX+X+09+10+11)	**935 418**	**3 082 020**	**329.5%**	**1 836 179**	59.58%	196.30%
	Retained profit	**4 340 461**	**2 580 804**	**59.5%**	**2 507 868**	97.17%	57.78%

01. Premium revenues from member institutions (Projected: HUF 2 510 995 thousand)

According to a decision approved by the NDIF's Board of Directors, no deposit premium classes are distinguished in the premium policy for 2009, and the premium rate is a flat 0.2 per mill of the total premium base. Accordingly, premium revenue of the NDIF is expected around HUF 2 511 million. No institution protection fund submitted a declaration needed for premium allowance until the report preparation date, therefore no premium allowance is considered for the year 2009 for any of the groups of member institutions.

Expected premium base and premium revenue for 2009

	Description	**Total (in million HUF)**
1.	Premium base calculated from the preliminary deposit data received from the Supervision as of 31 December 2008	12 554 973
2.	The planned premium revenue received as the product of the calculated premium base and the expected average premium rate (0.2‰)	2 511
3.	Impact of the expected use of the preferential premium rate on decreasing the revenue	0
4.	Total projected premium revenue for 2009 (2-3)	2 511

II. Other revenues (projected: HUF 45 275 thousand)

This line mainly represents the transferred costs of private use of company mobile phones and late payment interest revenues The latter amounts to HUF 45 million deriving from the settlement of claims of category "f" based on the declaration issued by the liquidator of Rákóczi Hitelszövetkezet..

IV. Revenues from financial transactions (projected: HUF 1 777 777 thousand)

On budgeting revenues from financial transactions – similarly to previous years – yield expectations of our portfolio managers and the expected average tied-up capital represented the pivot points. In the calculations, we assumed that:

- the market value of the annual average tied-up portfolio balance is going to be HUF 70.5 billion, also considering the projected yield and the yield re-invested in the portfolio;
- no disinvestment will take place arising from payments of indemnification;
- portfolio managers achieve a 2% yield in average on the securities portfolio;
- profit realised on forward deals will be HUF 1 698 843 thousand;
- calculating a deposit interest rate of 9.5%, the interest income from deposit fixed with the MNB O/N will be HUF 8 500 thousand.

VII. Other expenses (projected: HUF 732 thousand)

Costs of private use of company mobile phones and any cases of vehicle insurance and vehicle and property taxes were planned as other expenses.

IX. Expenses of financial transactions (projected: HUF 1 569 561 thousand)

The expenses of financial transactions were projected based on the preliminary yield expectations of portfolio managers, and taking the above-mentioned assumptions into account. We also considered the fees and commissions associated with portfolio management on this line.

XI. Operating costs (projected: HUF 265 886 thousand)

Operating costs were projected 2.99% and 14.76% higher compared to the projected figure of 2008 and the actual figure of 2008, respectively. This stems from the fact that the actual figure in 2008 was 10.3% lower than projected, due to economical financial management and to costs projected but not incurred. No similar savings seem probable in 2009 – at least when considering the increasing inflation rate expectations; this is why alignment with the previous year's projection figures is seen justified.

09. Material-type expenses (projected: HUF 94 386 thousand)

The rise in *material-type expenses* amounts to 4.5% and 27.99% against the projected figure and the actual figure for 2008, respectively (due to the 81.6% actual/projected index). The increase principally derives from the rise in expert fees (projected amount: HUF 22 659 thousand) – namely, the study to be prepared by the International Training Center for Bankers entitled "Analysis of foreign exchange risk for deposit insurance in Hungary"; and it comprises programme expert services. HUF 5 518 thousand was planned for accounting services and HUF 10 712 thousand for the follow-up fee of the disbursement system.
The fees of internal auditing included in the projection were represented as HUF 2 169 thousand, legal expert fees as HUF 15 810 thousand, and the fee of IT security audit as HUF 3 003 thousand.

The material type expenses projected for foreign missions in 2009 (travel expenses. material expenses, accommodation, conference fees) amounted to HUF 8 941 thousand including per diem.
Our planned expenses related to international relations were distributed as follows:

- travel expenses: HUF 4.30 M
- material expenses: HUF 0.50 M
- costs of accommodation: HUF 2.36 M
- per diem: HUF 1.60 M

HUF 180 thousand was planned for conference fees, and HUF 2 175 thousand for our membership in two professional organisations.

10. Personnel expenses (projected: HUF 155 172 thousand)

For the year 2009, increases of 5.0% and 8.4% were planned for personnel expenses against the projected and actual figures for 2008, respectively, considering a 5% rise in the limits for wages/salaries and cafeteria.

data in HUF thousand

Description	2008 actual	2009 projected
Wages cost	94 717	99 535

HUF 19 356 thousand was projected for *other personnel expenses* (cafeteria, voluntary pension funds), and HUF 36 281 thousand for *wage-related contributions*.

Considering the headcount, we planned a total of HUF 4 051 thousand for cafeteria limit (3 x HUF 565 thousand + 4 x HUF 589 thousand) with a 5% rise compared to the previous year.

11. Depreciation write-off (projected: HUF 16 328 thousand)

Depreciation write-off was planned by calculating the annual amortisation of existing assets, as well as the depreciation of the planned capital projects.

Budapest, 5 March 2009

Szekács Péter

Dr. Péter Székács
Managing Director

Appendix

Membership premium paid by the member institution (in HUF)

Name of member institution	Premium for 2008
Allianz Bank Zrt.	435 942
Banco Popolare Hungary Bank Zrt.	1 189 804
Bank of China (Hungária) Zrt.	612 474
Bank Plusz Bank Zrt.	1 466
Budapest Hitel és Fejlesztési Bank Nyrt.	36 749 806
CIB közép-Európai Nemzetközi Bank Zrt.	118 570 216
Citibank Zrt.	31 005 705
Commerzbank Zrt.	6 934 086
Credigen Bank Zrt.	47
Deutsche Bank Zrt.	4 503 722
Axa Bank Zrt.	1 386 015
Erste Bank Hungary Nyrt.	61 681 510
FHB Kereskedelmi Bank Zrt.	285 478
Hanwha Bank Magyarország Zrt.	211 773
ING Bank Zrt.	6 940 337
Kinizsi Bank Zrt.	1 926 892
K&H Bank Zrt.	92 597 215
KDB Bank Magyarország Zrt.	5 012 657
Magyar Cetelem Bank Zrt.	0
Magyar Export-Import Bank Zrt.	0
MKB Bank Zrt.	86 784 047
Magyar Takarékszövetkezeti Bank Zrt.	2 705 544
Magyarországi Volksbank Zrt.	18 383 797
Merkantil Bank Zrt	3 179 146
Magyar Fejlesztési Bank Zrt.	182 717
OTP Bank Nyrt.	236 858 924
Porsche Bank Hungária Zrt	729 592
Raiffeisen Bank Zrt.	96 590 321
Sopron Bank Zrt.	1 094 638
Unicredit Bank Hungray Zrt.	60 403 644
WestLB Hungaria Bank Zrt.	1 345 159
Total banks	**878 302 674**

Name of member institution	Premium for 2008
Abasár és Vidéke Takarékszövetkezet	500 308
Agria Bélapátfalva Takarékszövetkezet	344 620
Alba Takarékszövetkezet	1 018 336
Alsónémedi és Vidéke Takarékszövetkezet	1 535 414
Apátfalvi Takarékszövetkezet	239 901
Ásványrárói Takarékszövetkezet	322 025
Bácska Takarékszövetkezet	719 005
Bak és Vidéke Takarékszövetkezet	878 090
Bakonyvidéke Takarékszövetkezet	369 260
Balaton-felvidéki Takarékszövetkezet	433 489
Balatonföldvár és Vidéke Takarékszövetkezet	496 986
Balmazújváros és Vidéke Takarékszövetkezet	655 202
Bátaszék és Vidéke Takarékszövetkezet	434 008
Biatorbágy és Vidéke Takarékszövetkezet	-968 208
Biharkeresztes és Vidéke Körzeti Takarékszövetkezet	197 238
Biharnagybajom és Vidéke Takarékszövetkezet	101 571
Bokod és Vidéke Takarékszövetkezet	312 566
Boldva és Vidéke Takarékszövetkezet	382 055
Bóly és Vidéke Takarékszövetkezet	877 153
Borotai Takarékszövetkezet	544 426
Bükkalja Takarékszövetkezet	487 979
Cserhátvidéke Körzeti Takarékszövetkezet	375 999
Dél-Balaton Takarékszövetkezet	430 589
Dél-Pest Megyei Takarékszövetkezet	661 369
Dél-Zalai Egyesült Takarékszövetkezet	549 555
Drávamenti Takarékszövetkezet	1 129 697
Drégelypalánk és Vidéke Takarékszövetkezet	231 544
Dunaföldvár és Vidéke Takarékszövetkezet	1 213 220
Dunakanyar Takarékszövetkezet	981 067
Dunapataj és Vidéke Takarékszövetkezet	199 167
Ecseg és Vidéke Takarékszövetkezet	299 505
Eger és Környéke Takarékszövetkezet	805 933
Endrőd és Vidéke Takarékszövetkezet	1 618 981
Ercsi és Vidéke Körzeti Takarékszövetkezet	186 958
Érd és Vidéke Takarékszövetkezet	1 027 971
Érsekvadkert és Vidéke Takarékszövetkezet	198 663
Észak Tolna Megyei Takarékszövetkezet	441 697
Esztergomi Takarékszövetkezet	939 489
Fáy András Takarékszövetkezet	234 365
Fegyvernek és Vidéke Körzeti Takarékszövetkezet	395 783
Felsőzsolca és Vidéke Takarékszövetkezet	498 222
Fókusz Takarékszövetkezet	1 412 320
Forrás Takarékszövetkezet	658 092
Forró és Vidéke Takarékszövetkezet	236 294
Füzesabony és Vidéke Takarékszövetkezet	996 314

Name of member institution	Premium for 2008
Gádoros és Vidéke Takarékszövetkezet	779 664
Gyöngyös-Mátra Takarékszövetkezet	1 065 986
Gyulai Takarékszövetkezet	424 357
Hajdúdorog és Vidéke Takarékszövetkezet	310 587
Hajós és Vidéke Takarékszövetkezet	244 428
Halászi Takarékszövetkezet	2 562 016
Hartai Takarékszövetkezet	181 621
Hatvan és Vidéke Takarékszövetkezet	868 855
HBW Express Takarékszövetkezet	1 741 272
Hévíz és Vidéke Takarékszövetkezet	560 226
Hodász-Porcsalma Takarékszövetkezet	200 395
Hajdú Takarékszövetkezet	1 254 212
Jászárokszállás és Vidéke Körzeti Takarékszövetkezet	644 898
Jász-Takarékszövetkezet	728 778
Jógazda Szövetkezeti Takarékpénztár	715 539
Kaba és Vidéke Takarékszövetkezet	295 976
Kápolnásnyék és Vidéke Takarékszövetkezet	749 705
Kaposmenti Takarékszövetkezet	348 800
Kéthely és Vidéke Takarékszövetkezet	635 942
Kevermes és Vidéke Takarékszövetkezet	446 136
Kisdunamenti Takarékszövetkezet	404 683
Kiskundorozsmai Takarékszövetkezet	190 446
Kiskunfélegyházi Takarékszövetkezet	559 499
Kis-Rába menti Takarékszövetkezet	585 103
Kiszombor és Vidéke Takarékszövetkezet	332 465
Komádi és Vidéke Körzeti Takarékszövetkezet	206 580
Kondorosi Takarékszövetkezet	621 495
Körmend és Vidéke Takarékszövetkezet	267 103
Környe és Vidéke Takarékszövetkezet	708 416
Kunszentmárton és Vidéke Takarékszövetkezet	1 077 819
Lakiteleki Takarékszövetkezet	519 995
Lébény-Kunsziget Takarékszövetkezet	369 310
Létavértes és Vidéke Takarékszövetkezet	641 782
Lövő és Vidéke Takarékszövetkezet	824 471
Mecsekvidéke Takarékszövetkezet	751 808
Mezőkeresztes és Vidéke Takarékszövetkezet	858 175
Mohács és Vidéke Takarékszövetkezet	1 809 081
Monor és Vidéke Takarékszövetkezet	1 938 374
Mórahalom és Vidéke Takarékszövetkezet	443 500
Nagyatád és Vidéke Takarékszövetkezet	693 748
Nagybajom és Vidéke Takarékszövetkezet	990 859
Nagyecsed és Vidéke Takarékszövetkezet	198 728
Nagykáta és Vidéke Takarékszövetkezet	763 526
Nagyréde és Vidéke Körzeti Takarékszövetkezet	111 808
Nemesnádudvar és Vidéke Takarékszövetkezet	250 461
Nyírbélteki Körzeti Takarékszövetkezet	379 852

Name of member institution	Premium for 2008
Nyúl és Vidéke Takarékszövetkezet	848 856
Orgovány és Vidéke Takarékszövetkezet	3 752 283
Örkényi Takarékszövetkezet	986 657
Pannon Takarékszövetkezet	1 210 378
Pannonhalma és Vidéke Takarékszövetkezet	618 184
Partiscum XI. Takarékszövetkezet	720 173
Pécel és Vidéke Takarékszövetkezet	671 943
Pilisvörösvár és Vidéke Takarékszövetkezet	1 936 142
Pocsaj és Vidéke Takarékszövetkezet	891 140
Polgári Takarékszövetkezet	1 868 755
Rábaközi Takarékszövetkezet	623 411
Rajka és Vidéke Takarékszövetkezet	2 019 602
Rakamaz és Vidéke Körzeti Takarékszövetkezet	687 782
Répcelak és Vidéke Takarékszövetkezet	471 818
Rétköz Takarékszövetkezet	469 905
Ricse és Vidéke Takarékszövetkezet	80 683
Rónasági Takarékszövetkezet	1 245 460
Rum és Vidéke Takarékszövetkezet	769 532
Sajóvölgye Takarékszövetkezet	1 109 504
Sárbogárd és Vidéke Takarékszövetkezet	353 892
Savaria Takarékszövetkezet	1 793 841
Siklós és Vidéke Takarékszövetkezet	2 471 473
Solt és Vidéke Takarékszövetkezet	144 930
Soltvadkert és Vidéke Takarékszövetkezet	2 347 328
Szabadszállás és Vidéke Takarékszövetkezet	316 809
Szabolcs Takarékszövetkezet	1 531 676
Szarvas és Vidéke Körzeti Takarékszövetkezet	574 661
Szatmár-Beregi Takarékszövetkezet	698 929
Szatymaz és Vidéke Takarékszövetkezet	338 666
Szécsény és Környéke Takarékszövetkezet	171 443
Szeghalom és Vidéke Takarékszövetkezet	698 989
Szegvár és Vidéke Takarékszövetkezet	1 522 298
Székkutas és Vidéke Takarékszövetkezet	537 119
Szendrő és Vidéke Takarékszövetkezet	202 145
Szentgál és Vidéke Takarékszövetkezet	476 467
Szentlőrinc-Ormánság Takarékszövetkezet	968 886
Szerencs és Környéke Takarékszövetkezet	337 787
Szigetvári Takarékszövetkezet	3 334 507
Szőreg és Vidéke Takarékszövetkezet	1 022 045
Takarék Szövetkezeti Hitelintézet	638 810
Tata és Vidéke Takarékszövetkezet	781 472
Téti Takarékszövetkezet	645 828
Tiszaföldvár és Vidéke Takarékszövetkezet	465 265
Tiszafüred és Vidéke Takarékszövetkezet	992 771
Tiszakécskei Takarékszövetkezet	203 833
Tiszavasvári Takarékszövetkezet	827 254

Name of member institution	Premium for 2008
Tokaj és Vidéke Takarékszövetkezet	661 596
Tompa és Vidéke Takarékszövetkezet	108 315
Turai Takarékszövetkezet	587 990
Újszász és Vidéke Körzeti Takarékszövetkezet	437 281
Vámosgyörk és Vidéke Takarékszövetkezet	128 328
Vámospércs és Vidéke Takarékszövetkezet	403 602
Veresegyház és Vidéke Takarékszövetkezet	1 197 085
Vértes Takarékszövetkezet	698 529
Veszprémvarsány és Vidéke Takarékszövetkezet	146 378
Völgység-Hegyhát Takarékszövetkezet	2 050 243
Zalavölgye Takarékszövetkezet	486 059
Zemplén Takarékszövetkezet	430 084
Zirci Takarékszövetkezet	1 107 127
Zomba és Vidéke Takarékszövetkezet	829 341
Total savings co-operatives	**111 515 988**
Fundamenta-Lakáskassza Zrt.	9 527 594
OTP Lakástakarékpénztár Zrt.	9 773 773
Total house savings banks	**19 301 367**
Általános Közlekedési Hitelszövetkezet	174 475
Mecsekkörnyék Hitelszövetkezet	140 775
Széchenyi István Hitelszövetkezet	552 052
Szentesi Hitelszövetkezet	323 642
Tiszántúli Első Hitelszövetkezet	149 520
Total credit co-operatives	**1 340 464**
Total	**1 010 460 493**