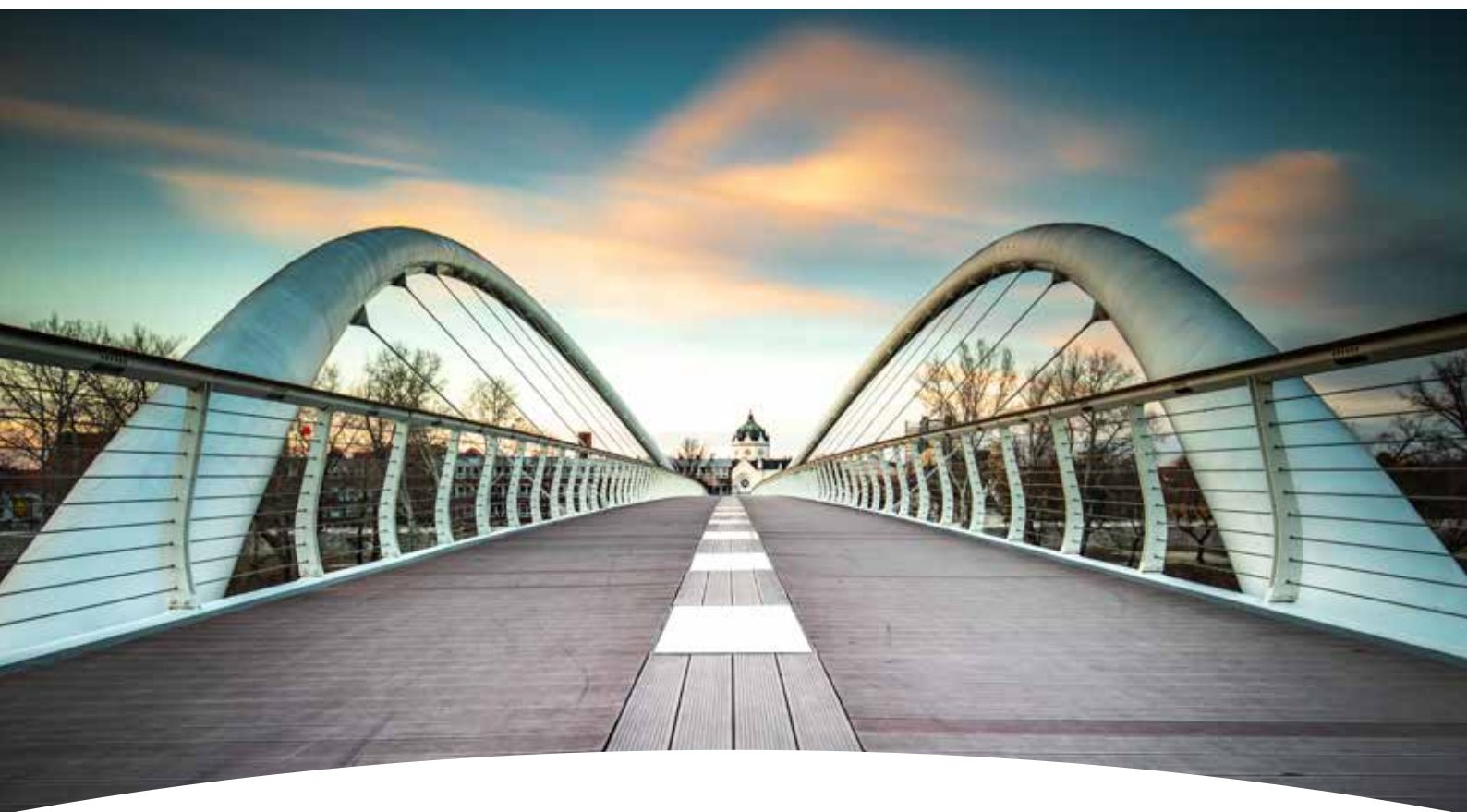




SZANÁLÁSI
ALAP



ANNUAL
REPORT
2021

RESOLUTION FUND OF THE YEAR 2021 BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF THE ANNUAL REPORT

Balance sheet of the Resolution Fund at 31 December 2021
Statistical number: 18618389-6619-919-01

BALANCE SHEET version „A“ – ASSETS				
No.		Description	Baseline year 31.12.2020	Year under review 31.12.2021
1	A	FIXED ASSETS	43 007 812	52 390 665
2	I.	INTANGIBLE ASSETS	0	0
3	I.1	Capitalised value of owners' contribution/restructuring	0	0
4	I.2	Rights representing pecuniary values	0	0
5	I.3	Intellectual property rights	0	0
6	I.4	Advances for intangible assets	0	0
7	I.5	Revaluation of intangible assets	0	0
8	II.	TANGIBLE ASSETS	0	0
9	II.1	Real estate and related rights representing pecuniary value	0	0
10	II.2	Machinery, equipment and vehicles	0	0
11	II.3	Assets under construction	0	0
12	II.4	Advances for assets under construction	0	0
13	II.5	Revaluation of tangible assets	0	0
14	III.	FINANCIAL INVESTMENTS	43 007 812	52 390 665
15	B	CURRENT ASSETS	30 403 352	41 934 424
16	I	STOCKS	0	0
17	I.1	Raw materials	0	0
18	I.2	Commercial goods	0	0
19	I.3	Mediated services	0	0
20	I.4	Advances for stocks	0	0
21	II.	RECEIVABLES	224 151	142 267
22	II.1	Receivables from member institutions	194	0
23	II.1.a	Receivables from fees	194	0
24	II.1.b	Receivables from lending	0	0
25	II.1.c	Other receivables from institutions	0	0
26	II.2	Other receivables	223 957	142 267
27	III.	SECURITIES	29 978 919	41 383 134
28	III.1	Government securities	29 978 919	41 383 134
29	III.2	Other securities	0	0
30	IV.	LIQUID ASSETS	200 282	409 023
31	IV.1	Cash and cheques	98	0
32	IV.2	Bank deposits	200 184	409 023
33	C	PREPAYMENTS AND ACCRUED INCOME	481 810	871 685
34		TOTAL ASSETS	73 892 974	95 196 774

data in th. of HUF

BALANCE SHEET version „A” – LIABILITIES				
No.		Description	Baseline year	Year under review
			31.12.2020	31.12.2021
35	D.	EQUITY	73 633 493	95 031 735
36	I.	REGISTERED CAPITAL	430 629	430 629
37	II.	CAPITAL RESERVES	55 316 240	73 202 864
38	III.	VALUATION RESERVES	0	0
39	IV.	PROFIT / LOSS FOR THE YEAR	17 886 624	21 398 242
40	E.	PROVISIONS	2 577	2 577
41	F.	LIABILITIES	254 681	160 259
42	I.	LONG-TERM LIABILITIES	0	0
43	I.1	Liabilities to the general government	0	0
44	I.2	Liabilities from bond issuance	0	0
45	I.3	Other long-term liabilities	0	0
46	II.	SHORT-TERM LIABILITIES	254 681	160 259
47	II.1	Liabilities from resolution activities	0	0
48	II.1.a)	Liabilities from redemption of assumed guarantee	0	0
49	II.1.b)	Liabilities from payable indemnification	0	0
50	II.1.c)	“Other liabilities from resolution-related expenditures”	0	0
51	II.2	Liabilities to institutions	0	0
52	II.3	Short-term borrowings	0	0
53	II.4	Other short-term liabilities	254 681	160 259
54	G.	ACRUALS AND DEFERRED INCOME	2 223	2 203
55		TOTAL LIABILITIES	73 892 974	95 196 774

data in th. of HUF

Profit and loss account for the financial year of the Resolution Fund running from 1 January 2021 to 31 December 2021
Statistical number: 18618389-6619-919-01

INCOME STATEMENT (TOTAL-COST METHOD) version ‘A’				
No.		Description	Baseline year	Year under review
			31.12.2020	31.12.2021
1	I.	Revenues from resolution	16 575 922	23 634 535
2	II.	Other revenues	560	151
3	III.	Revenues from financial transactions	1 632 114	2 120 114
4	IV	Expenditures on resolution	691	0
5	V.	Other expenditures	3	2
6	VI.	Expenditures on financial transactions	179 536	4 232 083
7	01	Expenditures on materials	92 210	73 590
8	02	Payroll and related expenditures	49 532	50 883
9	03	Depreciation	0	0
10	VII	Operating expenses (01+02+03)	141 742	124 473
11	A.	PROFIT/LOSS FOR THE YEAR (I+II+III-IV-V-VI-VII)	17 886 624	21 398 242

Budapest, 26th May, 2022

data in th. of HUF

CASH - FLOW STATEMENT						
No.	Description		Baseline year	Year under review	Change	Composition in year under review
			31.12.2020	31.12.2021	HUF'000	%
I. Cash flow from ordinary activities (lines 1-11)						
1	Profit / loss for the year	±	17 886 624	21 398 242	3 511 618	19,6%
1a	Modification of profit/loss	±	0	0	0	N/A
2	Depreciation charged	+	0	0	0	N/A
3	Impairment charged and reversed	±	-96 734	3 898 984	3 995 718	-4130,6%
4	Balance of provisions set up and used	±	0	0	0	N/A
5	Profit/loss of sale of fixed assets	±	0	0	0	N/A
6	Change of trade accounts payable	±	9 053	-12 800	-21 853	-241,4%
7	Change of other short-term liabilities	±	224 065	-81 622	-305 687	-136,4%
8	Change of accruals and deferred income	±	100	-20	-120	-120,0%
9	Change of receivables from member institutions	±	3 919	194	-3 725	-95,0%
9/a	Change of payables to member institutions	±	-316	0	316	-100,0%
10	Change of current assets (excluding trade accounts receivable and liquid assets)	±	-5 675 772	-2 711 210	2 964 562	-52,2%
11	Change of prepayments and accrued income	±	-55 555	-389 875	-334 320	601,8%
I.	TOTAL OPERATING CASH FLOW		12 295 384	22 101 893	9 806 509	79,8%
II. Change of funds from investment activities (lines 12-16)						
12	Procurement of fixed assets	-	-12 261 615	-21 893 152	-9 631 537	78,6%
13	Sale of fixed assets	+	0	0	0	N/A
14	Long-term loans provided, bank deposits, repayments,	+	0	0	0	N/A
15	Long-term loans provided, bank deposits	-	0	0	0	N/A
16	Dividends received	+	0	0	0	N/A
II.	TOTAL INVESTMENT CASH FLOW		-12 261 615	-21 893 152	-9 631 537	78,6%
III. Cash flow from financial transactions (lines 17-26)						
17	Accession fees received (other capital income)	+	344	0	-344	-100,0%
18	Revenues from share issuance (other capital income)	+	0	0	0	N/A
19	Revenues from the issuance of bonds and credit securities	+	0	0	0	N/A
20	Borrowing	+	0	0	0	N/A
21	Liquid assets received for good	-	0	0	0	N/A
22	Share withdrawal (other decrease of capital)	-	0	0	0	N/A
23	Repayment of bonds and credit securities	-	0	0	0	N/A
24	Loan instalments and payoff	-	0	0	0	N/A
25	Liquid assets transferred for good	-	0	0	0	N/A
26	Change in liabilities to founders / other long-term liabilities	+	0	0	0	N/A
III.	TOTAL FINANCIAL CASH FLOW		344	0	-344	-100,0%
27	Revaluation of foreign exchange cash and cash equivalents	+	0	0	0	N/A
IV.	CHANGE OF CASH AND CASH EQUIVALENTS IN BALANCE SHEET (+/- I. +/- II. +/- III. + 27)		34 113	208 741	174 628	511,9%

data in th. of HUF

Dr. Csaba KANDRÁCS
Member of the
Management Board
of the Resolution Fund

Róbertné MÁRTA
dr. Krisztina MOHÁCSI
Member of the Management Board
of the Resolution Fund

dr. Andras KÓMÁR
Member of the
Management Board
of the Resolution Fund

RESOLUTION FUND OF THE YEAR 2021

ADDITIONAL ANNEX OF THE ANNUAL REPORT

TABLE OF CONTENTS

1.	GENERAL SECTION	8
1.1.	Presentation of the Resolution Fund	8
1.2.	Establishment and tax situation of the Fund	9
1.3.	Member institutions of the Fund	9
1.4.	Scope of activity and tasks of the Fund	9
1.5.	Governing body and control of the Fund	10
1.5.1.	The Board of Directors	10
1.5.2.	Control of the Fund	10
2.	MAIN FEATURES OF THE FUND'S ACCOUNTING POLICY	11
2.1.	Legislative basis of accounting	11
2.2.	Decisions on reporting obligations	11
2.3.	Criteria for the classification and evaluation of assets and liabilities	13
2.3.1.	Valuation of Assets	13
2.3.2.	Valuation of Resources	14
2.3.3.	Description of the specific assessment procedures used in the report	15
2.3.4.	Description of depreciation and methods of recognition and reversal of impairment	15
3.	ADDITIONS AND EXPLANATIONS FOR EACH BALANCE SHEET ITEM	16
3.1.	Assets	16
3.1.1.	Coverage of fixed assets	17
3.1.2.	Current assets	18
3.1.2.1.	Stocks	18
3.1.2.2.	Receivables	18
3.1.2.3.	Securities	18
3.1.2.4.	Funds	19
3.1.3.	Change in impairment of Assets in the current year	19
3.1.4.	Accruals and deferrals	19
3.2.	Resources	20
3.2.1.	Equity	22
3.2.2.	Provisions	23
3.2.3.	Liabilities	23
3.2.4.	Accrual accruals	23
4.	ADDITIONS TO CERTAIN ITEMS IN THE PROFIT AND LOSS ACCOUNT	24
4.1.	Revenues	24
4.1.1.	Fee receipts	24
4.1.2.	Other revenues	24
4.1.3.	Revenue from financial operations	24
4.2.	Evolution of costs and expenses of the Fund	25
4.2.1.	Evolution of operating costs planned for 2021	27
4.2.2.	Evolution of other expenses	28
5.	COVID IMPACT DECLARATION	29
6.	SUBSTANTIAL EVENTS AFTER THE BALANCE SHEET DATE	30
	REPORTING OF THE RESOLUTION FUND	33
1.	Essential events in 2021 and future targets	33
2.	COVID hatás-nyilatkozat	33
3.	Substantial events after the balance sheet date	34
4.	Evolution of the Fund's assets and income situation	35
5.	Indicators characterising financial and financial situation	42
6.	Expected costs related to operation in 2022, budget of the Fund for 2022	43
7.	Activities of the Board of Directors	46

1. GENERAL SECTION

1.1. PRESENTATION OF THE RESOLUTION FUND

Name of institution:	Resolution Fund (hereinafter referred to as the „Fund”)
Registered seat:	H-1092 Budapest Köztelek u. 6.
Website:	www.szanalasialap.hu
Establishments:	Act (Act XXXVII of 2014 on the further development of the system of institutions to strengthen the security of certain actors in the financial intermediation system, hereinafter referred to as “Cons. law”), the date of establishment: 21/07/2014
Form of the economic activity:	919 Other fund
Statistical number:	18618389-6619-919-01
Tax administration number:	18618389-2-43
The Fund’s managing banks are:	the Magyar Nemzeti Bank (hereinafter: “MNB”), UniCredit Bank , Magyar Államkincstár (Hungarian State Treasury).
Depository of the Fund: (from 3rd February 2015)	KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (hereinafter: „KELER”), which provides custodial activities for the Fund under Section 335 of Act CXX of 2001 on Capital Markets.
Fund Portfolio Manager:	Államadósságkezelő Központ Zártkörűen Működő Részvénytársaság (hereinafter: „ÁKK”).
The persons empowered to represent the Fund and sign the annual accounts shall be members of the Management Board, acting as authorised by the Management Board of the Fund:	dr. András KÓMÁR , Managing Director of the Országos Betétbiztosítási Alap (National Deposit Insurance Fund) (hereinafter: “OBA”). Address: H-1078 Budapest, Cserhát u. 17. II./17. Dr. Csaba KANDRÁCS , Vice President of the MNB. Address: H-1021 Budapest, Tárogató út 106 b. Dr. Krisztina MOHÁCSI MÁRTA RÓBERTNÉ , Head of Department of Legal and Regulatory Department of Resolution of the MNB Address: H-2330 Dunaharaszti, Hoitsy Pál u. 7.
Other members of the Management Board:	Gábor GION, State Secretary of the Ministry of Finance (until 25.05.2022)
The auditor of the Fund:	MAZARS Könyvszakértő és Tanácsadó Kft. (H-1139 Budapest, Fiastyúk u. 4-8 II. em.)
Auditor’s authorisation number:	002220
The person performing the audit:	Gabriella GÁBOR, member of the chamber auditor
Auditor’s authorisation number:	007036
The accountancy service provider:	Egon Balázs GOTTL, chief accountant of the OBA
Registration number:	172262
Place of preparation of the accounts:	The seat of the Fund: H-1092 Budapest, Köztelek u. 6.

1.2. ESTABLISHMENT AND TAX SITUATION OF THE FUND

With the entry into force of Cons. law, the Fund was established by the force of the law. According to point 16 of Schedule 5 to Act LXXXI of 1996 on Corporation Tax and Dividend Tax, the Fund does not qualify as a corporate taxpayer, under Paragraph 3 (5) of Act C of 1990 on local taxes (hereinafter referred to as “loc. taxes law”), the scope of the loc. taxes law does not apply to the Fund, and pursuant to Article 5 (r) of Act XCIII of 1990 on levies The Fund shall be granted full personal exemption. The subscribed capital of the Fund shall consist of the fees for accession of member institutions.

1.3. MEMBER INSTITUTIONS OF THE FUND

The Fund had 44 member institutions on 31 December 2021, of which 22 banks, 9 specialised credit institutions and 13 investment firms. There was no new accession during the year 2021. The names of the members of the Fund, the amounts of membership fees paid by members for the year 2021 are set out in **Annex 1**, and the full list of member institutions is set out in **Annex 2**. There were no changes in the list of member institutions between the balance sheet date (31.12.2021) and the balance sheet date (28 February 2022).

1.4. SCOPE OF ACTIVITY AND TASKS OF THE FUND

The most important rules for the operation of the Fund are laid down in Government Decree No. 214/2000 (XII. 11) on the specifics of the obligation to prepare and keep annual accounts of deposit insurance funds and institutional protection funds and the investor protection fund (hereinafter referred to as “Government Decree”) and in the Fund Rules.

The Fund shall be a fund financed from the contributions of member institutions to cover financing needs directly linked to resolution as defined in the Cons. law.

The Fund’s assets may be used for the following purposes:

- guarantee of the assets and liabilities of the institution under resolution, its subsidiaries, bridging institution or resolution trustee,
- lending to the institution under resolution, its subsidiaries, bridging institution or resolution trustee,
- the purchase of the assets of the institution under resolution,
- a capital contribution to a bridging institution or resolution trustee,
- a contribution to the institution under resolution for the purposes set out in Paragraphs 59-60 of Cons. law-59-60,
- OBA shall be in accordance with the Cons. law. Compensation payable under Paragraph 143 (5),
- owners or creditors shall be subject to the application of Santv. indemnification payable in accordance with Paragraph 98,
- fiscal neutrality Cons. law. ensuring compliance with Paragraph 128,
- lending on a voluntary basis to the resolution financing scheme of another EEA State;
- any combination of measures referred to in point (a) to (i),
- costs directly related to the operation of the Fund.

The Fund may also be used for the measures referred to in points (a) to (d) above in the application of the asset sale instrument in respect of the transferee.

1.5. GOVERNING BODY AND CONTROL OF THE FUND

1.5.1. THE BOARD OF DIRECTORS

Pursuant to Section 132 (1) of the Cons. law, the Fund is managed by a four-member Board of Directors.

The members of the Management Board:

- a person appointed by the Minister responsible for regulating the money, capital and insurance markets,
- two persons appointed by the Governor of the MNB acting within its resolution, one of whom is the Vice-Chairman supervising the task specified in Section 4 (8) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter referred to as the "MNB act"), the other the supervisor performing the task specified in Section 4 (9) of the MNB act <http://uj.jogtar.hu>
- Managing Director of the OBA.

1.5.2. CONTROL OF THE FUND

The financial and accounting audit of the Fund is carried out by the State Audit Office of Hungary.

2. MAIN FEATURES OF THE FUND'S ACCOUNTING POLICY

2.1. LEGISLATIVE BASIS OF ACCOUNTING

The Fund provides its books under Act C of 2000 on Accounting (hereinafter: Accounting act) and conducted in accordance with the regulations of the Government Decree.

2.2. DECISIONS ON REPORTING OBLIGATIONS

Based on the principles and valuation standards set out in the Accounting Act, the Fund developed the accounting policy most appropriate to its characteristics and circumstances, defining the methods and instruments of the implementation of the law. Accounting policy focuses on reporting obligations on real assets, financial and income situations, as the objective of the Accounting Act is to provide information with a reliable and fair view and the principles ensuring this, rules, and requirements.

According to the requirements of the Accounting Act, the Fund is one of the other entities whose special accounting and annual accounts are regulated by the Accounting Act and the Government Decree.

a) Form of reporting

The Fund shall draw up annual accounts as defined in Accounting TV, the layout of which shall be in accordance with the provisions of the Government Decree.

b) Dates relating to the preparation of the accounts

The balance sheet date shall be 31 December, the financial year shall be equal to the calendar year.

c) Preparation of the accounts

The language of the report is Hungarian.

d) Conduct of keeping the accounts

The Fund shall ensure, within the framework of dual accounting, that changes in assets and liabilities held by the Fund, the management, use, assets, and liabilities held, as well as transactions, that changes in assets and liabilities are realistically, continuously, in a closed system, be presented in a transparent manner.

According to the Accounting Act, economic events relating to the current year which become known after the balance sheet date but before the balance sheet date is drawn up shall also be recorded in the accounts. These include events that relate to the current year and change asset or liability items as of 31 December and become aware of the Fund prior to drawing up the annual accounts. The Fund prepares a profit and loss account (based on the total cost procedure) with the content specified in the Government Decree. The Fund shall record its operating expenses (Class 5), expenses (Class 8) and revenues (Class 9) broken down by chart of accounts.



e) Enforcement of accounting principles

The Fund shall implement the following accounting principles: the principle of pursuit, the principle of completeness, the principle of authenticity, the principle of consistency, the principle of continuity, the principle of compliance, the principle of prudence, the principle of gross settlement, the principle of individual valuation, the accrual principle, the principle of primacy over form, the principle of materiality, the principle of cost-benefit comparison.

f) Acceptance of the accounts

The Board of Directors of the Fund shall adopt the annual accounts and the auditor's report by 30 May following the current year and submit them to the State Audit Office of Hungary.

g) Ensuring comparability

The Resolution Fund was established on 21 July 2014. Comparability of annual accounts is ensured by the consistency of the structure, layout and content of the balance sheet and profit and loss account and of the valuation principles and procedures of the balance sheet items.

h) Items of exceptional size

Items of exceptional size can be:

- the Fund sells its own-developed but not recognised in value intellectual goods used for its activities at a value (without cessation of its own activities) which result in an increase in equity by more than 20 per cent;
- in the company owned, the Fund acquires a majority or a qualified majority influence with an increase in capital, acquisition of shareholdings, or the share of the capital increase, as a result of the acquisition, exceeds the size of a significant holding, in particular where the reverse value exceeds the amount of equity acquired by at least 20 per cent;
- on the dissolution of the owned company without successor, if the share of ownership in the discontinued company exceeded the significant shareholding and if the net asset value received from the discontinued company is substantially less (at least 20 per cent) than the share carrying amount;
- the amount of the surcharge made to the owned company during the financial year;
- in the case of a capital transfer of at least 20 per cent due to the settlement of losses in the owned company and the transfer of capital by means of divestiture, where the effect of the results-altering exceeds 20 per cent of the value of the investment;
- on transformation or acquisition, if the Fund has at least a significant shareholding in the company being converted, the amount of its investment and its impact on profit or loss will be amended by at least 20 per cent;
- when taking debt with the debtor, if the aggregate amount of debts taken over within the financial year exceeds 20 per cent of the capital in excess of the subscribed capital and if there is no capital in excess of subscribed capital;
- on the assumption of debt, from whom it is assumed, if the aggregate amount of debts assumed in the financial year exceeds 20 per cent of the total liabilities within the year, and if the effect of the combined amount of the debts assumed exceeds the resultant amount of the subscribed capital 20 per cent percentage;
- on waiver of claims, if the aggregate amount of receivables waived during the financial year exceeds 20 per cent of the capital in addition to the subscribed capital and if there is no capital in excess of subscribed capital;
- waiving liabilities, where the combined amount of liabilities waived during the financial year exceeds 20 per cent of the total liabilities within the year and if the effect of the combined amount of liabilities waived exceeds 20 per cent of the subscribed capital;
- on the final transfer of funds, if the combined value of the funds transferred under any title within the financial year exceeds 20 per cent of the capital in addition to the subscribed capital and if there is no capital in excess of subscribed capital;

- on receipt of funds without obligation to repay (including grants), if the combined value of the funds thus received, in any way, during the financial year exceeds 20 per cent of the subscribed capital;
- on the transfer of other assets without payment, where the carrying amount of other assets transferred within the financial year at the time of transfer exceeds 20 per cent of the capital in addition to the subscribed capital and if there is no capital in excess of subscribed capital at the end of the year;
- on receipt of other assets without charge, where the combined market value of the other assets thus received in the year exceeds 20 per cent of the subscribed capital;
- in the case of services provided without compensation, where the combined cost of services provided within the financial year exceeds 20 per cent of the year-end value of material expenditure;
- in the case of services used free of charge, where the combined market value of the services used during the year exceeds 20 per cent of the subscribed capital.

There were no items of exceptional size in 2021.

2.3. CRITERIA FOR THE CLASSIFICATION AND EVALUATION OF ASSETS AND LIABILITIES

Criteria for the classification of assets

As required by the Accounting Act, the Fund classifies as fixed assets that serve the activity on a permanent basis for at least one year, as current assets, assets that serve the activity within one year, so that the purpose of rotation government securities that are negotiable debt securities. Individual classification is carried out upon use and revision is carried out during the preparation of the balance sheet.

Criteria for the classification of sources

In accordance with the Accounting Act and the Government Decree, own resources are the amounts formed from the current year's earnings, foreign resources are funds and services received from external organisations (e.g. credit institutions) with a payment deadline exceeding one year or within one year or other liabilities are made up of amounts.

2.3.1. VALUATION OF ASSETS

Non-current assets and current assets shall be included in the balance sheet at their cost of acquisition (production). When reporting, their gross value shall be reduced by the amount of depreciations recognised individually for assets in the case of intangible and tangible assets and allowances for fixed financial assets. The Fund does not use the market valuation method for intangible assets, tangible assets and fixed financial assets, i.e. it does not recognise value adjustments. Items that form part of the cost (acquisition) value of assets are taken into account in the amount invoiced or levied when the economic event occurred (at the latest at the time of entry into service).

Inventories shall be included in the books on purchasing goods and may be reduced by the amount of the eligible impairment under the conditions specified in the valuation rules at the time of preparation of the accounts. In the event of liquidation of a member institution, the assets acquired by the Fund by enforcing a legal guarantee covering the guarantee of the Fund are also included in the inventories, if they are not used for its own activities, but will be sold. Assets thus acquired by the Fund shall be included in the books at the value specified in the proposal for distribution.

The receivables are recorded in the balance sheet in an accepted and recognised amount. Claims cannot be devalued; doubtful receivables shall be subject to impairment as defined in the accounting policy. Claims that have become irrecoverable shall be recognised as losses among other expenses. In justified cases, the Fund recognizes impairment for doubtful receivables and expected losses at the date (premiums receivable, trade receivables, amounts given as advances, other receivables). The obligation to recognise an impairment exists if it is foreseeable, it can be assumed that the receivable will not come in or will not be in the carrying amount. The amount of impairment shall be determined on the basis of the individual rating of buyers in arrears at the balance sheet date, on the basis of overdue and doubtful receivables and on the amounts given in advance. If, by the date of the balance sheet, the total amount of the receivable has been settled or settled by issuing an exchange and the bill has not expired, no impairment shall be recognised. For premiums receivables outstanding at the date, the Fund shall account for impairment on the basis of an individual assessment.

For the year-end valuation of securities, the balance sheet value is the carrying amount less the amount of allowable allowances under the Accounting Act. Debt securities with a maturity of more than one year, whether included in current assets or financial fixed assets, at cost or less impairment already recognised, plus the amount of impairment reversed shall be shown at the corresponding value.

Funds shall be recognised by the Fund at the same book value as bank statements and cash inventories.

Accrual is an asset item that corrects income and expenses for the current period in accordance with the accounting principle of maturity.

Accruals are shown in the accounts for the amounts resulting from the following events:

- revenues relating to the period closed with the balance sheet but are due only after the balance sheet date,
- costs and expenses that may be recognised for a period following the balance sheet date,
- amounts due to additional liabilities.

2.3.2. VALUATION OF RESOURCES

Equity is recognised in the balance sheet by the Fund as carrying amount.

Provisions shall be shown at carrying amount on the balance sheet. Provisions shall be made for expected liabilities if they arise from past or ongoing transactions already known or likely to arise in the financial year following the date, and no other collateral is available on the balance sheet. Examples of known or planned expenses of guarantees, options, guarantees, liabilities relating to unclosed litigation, etc. A provision may be made for future costs.

Liabilities shall be included in the balance sheet in the amount recognised by the Fund in the invoice or contract.

Accrual is a liability item that corrects income and expenses of the current period in accordance with the accounting principle of maturity. Accruals resulting from the following events are shown in the accounts as passive accruals:

- revenues received before the balance sheet date but constituting revenue for the following year,
- costs and expenses charged to the year closed with the balance sheet but incurred only after the balance sheet date,
- liabilities for the closed year known between the balance sheet date and the balance sheet date,
- the amount of subsidies received to compensate for costs and expenses not yet offset by cost or expense,
- deferred revenue recognised as revenue.

2.3.3. DESCRIPTION OF THE SPECIFIC ASSESSMENT PROCEDURES USED IN THE REPORT

Specific asset groups shall be valued at the Fund as follows:

- accrued interest included in the acquisition value of interest-bearing securities shall be booked as a reduction in revenue at the time of acquisition,
- for Hungarian government securities in the Fund's portfolio, impairment is recorded up to the nominal value, as they are guaranteed by the State for repayment.

Specific funding groups at the Fund shall be valued as follows:

- the Fund's profit or loss for the previous year(s) shall be transferred to the reserve within equity, in carrying amount,
- liabilities vis-à-vis member institutions are set on the balance sheet on the basis of bank statements.

Assets and liabilities not highlighted above are valued in accordance with the general provisions of the Accounting Act.

2.3.4. DESCRIPTION OF DEPRECIATION AND METHODS OF RECOGNITION AND REVERSAL OF IMPAIRMENT

Methods for depreciation

The Fund uses the following methods to depreciate depreciation:

- the basis for accounting for the planned depreciation is the capitalisation value of intangible assets and tangible assets;
- individually from the date of activation, using its intended description keys in a linear manner;
- the Fund accounts for the value of a small individual purchase asset below 100 thousand HUF in a single amount at the time of use.

Recognition and reversal of impairment

The Fund recognizes impairment when the carrying amount of the assets is permanently or permanently and significantly (the carrying amount per asset specified in the valuation rules) is higher than the market value of the asset under consideration and if the asset is the activity due to changes become redundant, damaged. The Significance threshold was set by the Fund at 10% of the book value. In case of a positive turn, in addition to revaluation, the reversal of impairment is possible up to the carrying amount, but up to the nominal value.

3. ADDITIONS AND EXPLANATIONS FOR EACH BALANCE SHEET ITEM

3.1. ASSETS

The balance sheet total of the Fund at the end of 2021 was 95 196 774 tHUF, 21 303 800 tHUF more than in the base year. The change was caused by the following factors.

- The increase in the stock of fixed financial assets, which was 9 382 853 tHUF.

The Fund also invested its assets in Hungarian government securities in 2021. The assets were held in part in the portfolio following the composition of the Max Composite (hereinafter CMAX) index (hereinafter: CMAX Portfolio) with the participation of ÁKK as a portfolio manager and KELER as a custodian, which the securities were included in current assets (securities), the Fund also purchased Hungarian government bonds and discount treasury bills held for maturity, which it registers in a securities account kept with the Hungarian State Treasury (MÁK) (hereinafter: the Individual Portfolio). Securities existing in the Individual Portfolio with a maturity of over the year are recorded in fixed financial assets and paper maturing within the year in current assets.

- The increase in current assets is 11 531 072 tHUF. In particular, claims decreased (81 884 tHUF), securities and funds increased (11 404 215 tHUF and 208 741 tHUF). Other claims include the amount resulting from the sale of securities realised at the end of the year but financially settled only in January 2022 (142 267 tHUF). Due to the reclassification of government bonds (fixed financial assets) in an individual portfolio that are maturing within the year at the end of the year, the securities increased by 9 085 319 tHUF.

- The active accruals increased by 389 875 tHUF, which is essentially due to an increase in the accrued interest rates on government securities.

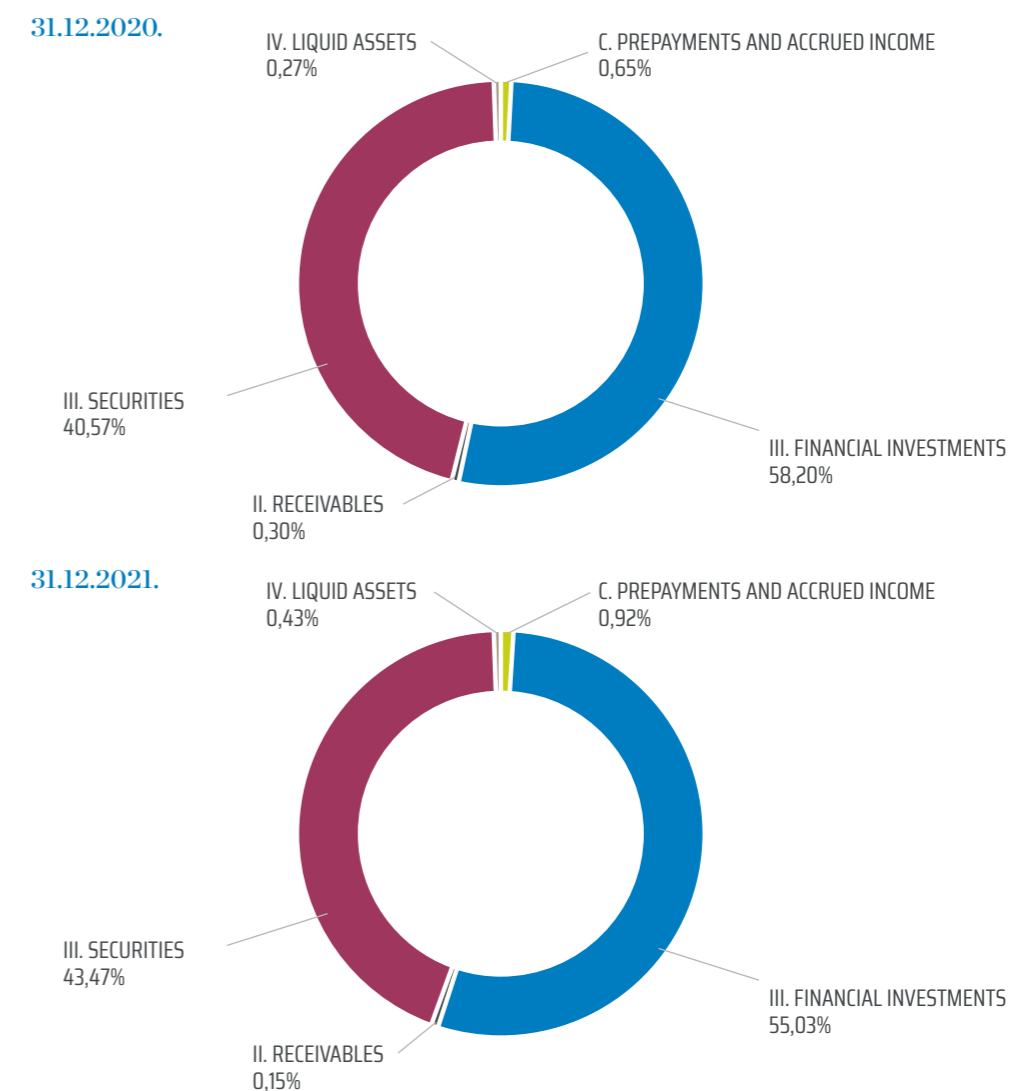
Table 1: Change in composition and stock of assets

Description	Baseline year		Year under review		Change	
	Distribution		Distribution		HUF'000	%
	31.12.2020	31.12.2021	31.12.2020	31.12.2021		
A. FIXED ASSETS	43 007 812	52 390 665	58,2	55,0	9 382 853	121,8
I. INTANGIBLE ASSETS	0	0	0,0	0,0	0	N/A
II. TANGIBLE ASSETS	0	0	0,0	0,0	0	N/A
III. FINANCIAL INVESTMENTS	43 007 812	52 390 665	58,2	55,0	9 382 853	121,8
SHARES	2 000 000	2 000 000	2,7	2,1	0	100,0
SECURITIES CLASSIFIED AS FIXED FINANCIAL ASSETS	41 007 812	50 390 665	55,5	52,9	9 382 853	122,9
B. CURRENT ASSETS	30 403 352	41 934 424	41,1	44,1	11 531 072	137,9
I. STOCKS	0	0	0,0	0,0	0	N/A
II. RECEIVABLES	224 151	142 267	0,3	0,1	-81 884	63,5
III. SECURITIES	29 978 919	41 383 134	40,6	43,5	11 404 215	138,0
IV. LIQUID ASSETS	200 282	409 023	0,3	0,4	208 741	204,2
C. PREPAYMENTS AND ACCRUED INCOME	481 810	871 685	0,7	0,9	389 875	180,9
TOTAL ASSETS	73 892 974	95 196 774	100,0	100,0	21 303 800	128,8

Source: Resolution Fund

data in th. of HUF

I. Figure: Composition of Assets 2020. on 31.12.2021 and 31.12.2021



Source: Resolution Fund

On the Instrument side of the balance sheet at the end of 2021, the decisive component was the stock of fixed financial assets.

3.1.1. COVERAGE OF FIXED ASSETS

The value of fixed assets at the end of the year is 52 390 665 tHUF, of which 2 000 000 tHUF is the shares of MSZVK Zrt., 50 390 665 tHUF is the carrying amount of government securities classified as fixed financial assets, at the carrying amount adjusted for impairment as detailed in point 3.1.3.

According to the Fund's accounting policy, impairments up to the nominal value have been recorded for Hungarian government securities with maturity over the year where the difference between market value and carrying amount, calculated on the exchange rate information available on the balance sheet date, is of a loss nature, derogation exceeds 10% of the carrying amount and may be classified as permanent or final. In the event of an opposite change, the allowance recognised is reversed.

If the security is no longer in stock at the end of the year, the allowance recognised shall be derecognised in exchange losses on the claim side. Among non-current financial assets, the carrying amount of government securities at the end of 2021 in the Individual Portfolio decreased by a total of 3 424 979 tHUF as a result of impairments accounted for against profit or loss for the current year in the Individual Portfolio. The Fund had neither intangible assets nor tangible assets in the year 2021.

Table 2: Securities recognised as non-current assets composition of its stock and development of asset value

Data: net purchase price (carrying amount) less impairment in tHUF

Value date	Fix interest bonds Unique	Discount treasury bills Unique	Government bonds total
OPENING VALUE (01.01.2021.)	41 007 812		41 007 812
Distribution	100,00%	0,00%	100,00%
CLOSING VALUE (31.12.2021.)	50 390 665		50 390 665
Distribution	100,00%	0,00%	100,00%

Source: Resolution Fund

data in th. of HUF

3.1.2. CURRENT ASSETS

Current assets of the Fund (41 934 424 tHUF) at the balance sheet date are the account money held with the MNB and on investment and business (operational) bank and securities accounts (409 023 tHUF), the carrying amount (net purchasing) of the securities 41 383 134 tHUF and other short-term receivables in the amount of HUF 142 267 tHUF. The Fund has terminated the pod money on 10.11.2021, its balance is zero.

3.1.2.1. STOCKS

The Fund did not have any inventories at the turning date.

3.1.2.2. RECEIVABLES

At the end of 2021, the claims consist of the purchase price of the securities sold in December financially only in January of the following year (142 267 tHUF).

3.1.2.3. SECURITIES

The value of the securities recorded among current assets at the end of the year is 41 383 134 tHUF and 11 404 215 tHUF higher than at the end of 2020. The securities include the year-end holdings of government bonds and discount treasury bills in the CMAX Portfolio and discount treasury bills classified as current assets in the Individual Portfolio at the carrying amount adjusted for impairment in accordance with point 3.1.3. According to the Fund's accounting policy, impairments up to face value have been recognised for government bonds with maturity over the year where the difference between market value and carrying amount calculated on exchange rate information available on the balance sheet date is of a loss nature, the discrepancy exceeds 10% of the carrying amount and may be classified as permanent or final.

In the event of an opposite change, the allowance recognised is reversed. If the security is no longer in stock at the end of the year, the allowance recognised shall be derecognised in exchange losses on the claim side.

The carrying amount of outstanding securities held in current assets at the end of 2021 fell by a total of 474,005 tHUF due to new impairments accounted for profit or loss for the current year in the CMAX Portfolio. In 2021, the impairment derecognition for papers sold during the year from impairments recognised in previous years was 48 115 tHUF, which reduced currency losses. As explained above, the total impairments reducing the value of holdings of securities held in current assets at 31.12.2021 shall be 544 072 tHUF.

Table 3: Securities recognised as current assets composition of its stock and development of asset value

Data: net purchase price (carrying amount) less impairment in t HUF

Value date	Fix interest bonds CMAX	Fix interest bonds Unique	Discount treasury bills CMAX	Discount treasury bills Unique	Government bonds total
OPENING VALUE (01.01.2021.)	19 440 051	2 954 395	399 952	7 184 521	29 978 919
Distribution	64,85%	9,85%	1,33%	23,97%	100,00%
CLOSING VALUE (31.12.2021.)	31 426 505	9 085 319	479 469	391 841	41 383 134
Distribution	75,94%	21,95%	1,16%	0,95%	100,00%

Source: Resolution Fund

data in th. of HUF

3.1.2.4. FUNDS

Among the funds (409 023 tHUF) on the balance sheet date on 31.12.2021, 398,442 t HUF (HUF account) in bank accounts with MNB on 31.12.2021, 10 517 tHUF in the UniCredit Bank HUF account and 64 tHUF in the Securities Account held with KELER.

3.1.3. CHANGE IN IMPAIRMENT OF ASSETS IN THE CURRENT YEAR

Impairment of Assets by balance sheet category in 2021 was as follows.

Table 4: Change in impairment of assets

Description	Value	
	Financial Investments	Securities (Current Assets)
OPENING VALUE	-	118 182
New impairment loss +	3 424 979	474 005
Impairment loss write-off -	-	-48 115
Reversed impairment loss -	-	-
IMPAIRMENT CHANGE IN THE YEAR	3 424 979	425 890
CLOSING VALUE	3 424 979	544 072

Source: Resolution Fund

data in th. of HUFt

Impairments accounted for receivables and other assets are not recorded.

3.1.4. ACCRUALS AND DEFERRALS

Active accruals are entered in the balance sheet at carrying amount and are detailed in Table 5. In 2021, the accumulated interest and return on time of the government bonds portfolio amounting to a total of 868 251 tHUF is a significant amount. The amount accrued as other interest due is the interest incurred due to the delay in the payment of the membership fee in December 2021 (145 tHUF).

Table 5: Changes in accruals

Prepayments and accrued income	31.12.2020.	31.12.2021.
Accumulated interest on government bonds held	462 046	865 056
Time proportionate yield of discount treasury bills	16 527	3 195
Other interest	174	145
Liability insurance	2 783	3 061
Domain hosting	1	1
Digital signature encryption	279	227
TOTAL	481 810	871 685

Source: Resolution Fund

data in th. of HUF

3.2. RESOURCES

On the Resource side of the balance sheet, the profit for the current year 2021 increased Equity by 21 398 242 tHUF to 95 031 735 tHUF. The amount of the provisions of 2 577 tHUF, formed by the Fund in 2018, remained unchanged in 2021. The Fund had no long-term obligation. Short-term liabilities (160 259 tHUF) decreased by 94 422 tHUF, and passive accruals decreased by HUF 20 tHUF.

Table 6: Changes in the composition and stocks of Resources

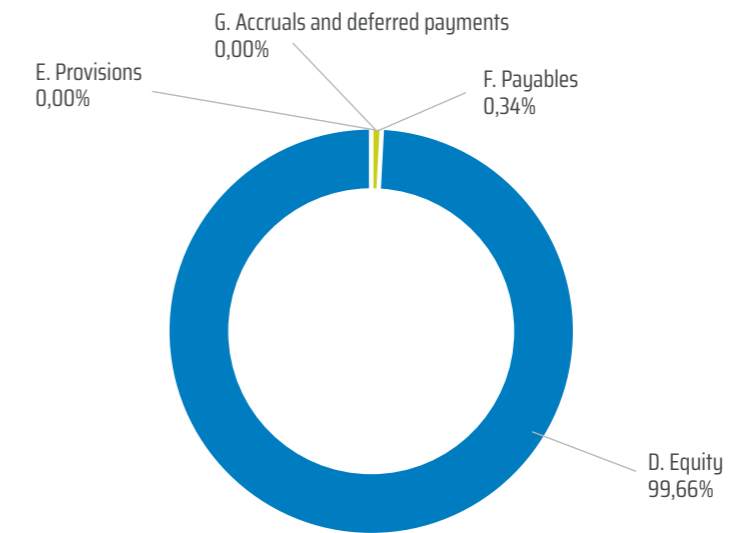
Description	Baseline year		Year under review		Change	
			Distribution %	Distribution %	HUF'000	Base-line=100 %
	31.12.2020	31.12.2021	31.12.2020	31.12.2021		
D. Equity	73 633 493	95 031 735	99,66	99,83	21 398 242	129,06
E. Provisions	2 577	2 577	0,00	0,00	0	100,00
F. Payables	254 681	160 259	0,34	0,17	-94 422	62,93
G. Accruals and deferred payments	2 223	2 203	0,00	0,00	-20	99,10
TOTAL LIABILITIES	73 892 974	95 196 774	100,00	100,00	21 303 800	128,83

Source: Resolution Fund

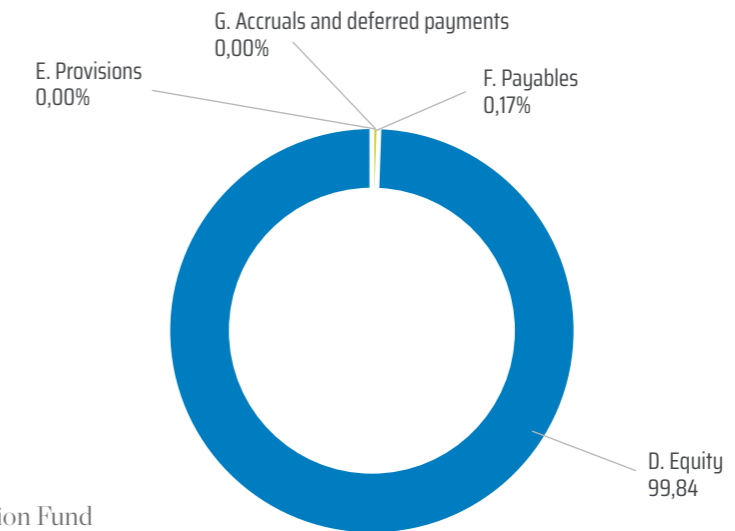
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Figure 2: Composition of Liabilities on 31.12.2020 and 31.12.2021

31.12.2020.



31.12.2021.



Source: Resolution Fund



3.2.1. EQUITY

The Fund's equity increased by 21 398 242 tHUF from 31 December 2020 to 31 December 2021.

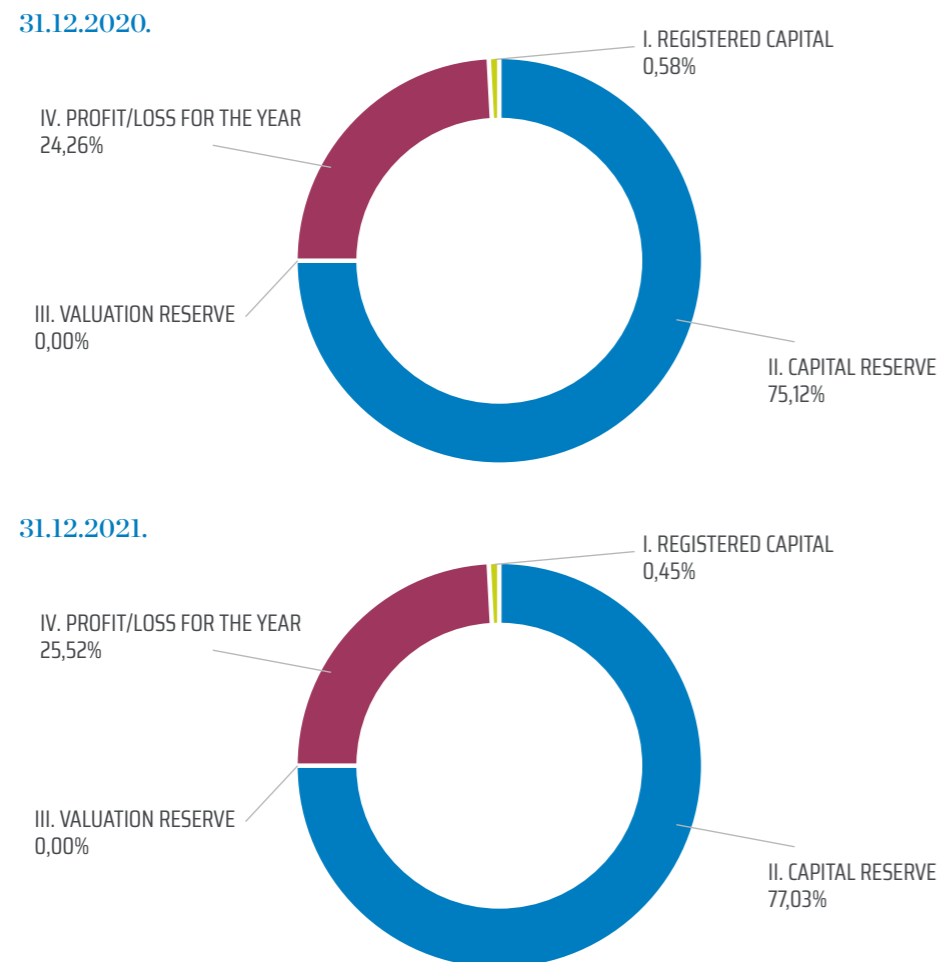
Table 7: Change in composition and stocks of equity

Description	Baseline year	Year under review	Distribution	Distribution	Change	
			%	%	HUF'000	%
	31.12.2020	31.12.2021	31.12.2020	31.12.2021		Base-line=100
I. REGISTERED CAPITAL	430 629	430 629	0,58	0,45	0	100,00
II. CAPITAL RESERVE	55 316 240	73 202 864	75,12	77,03	17 886 624	132,34
III. VALUATION RESERVE	0	0	0,00	0,00	0	0,00
IV. PROFIT/LOSS FOR THE YEAR	17 886 624	21 398 242	24,30	22,52	3 511 618	119,63
D. EQUITY	73 633 493	95 031 735	100,00	100,00	21 398 242	129,06

Source: Resolution Fund

data in th. of HUF

Figure 3: Composition of Equity on 31.12.2020 and 31.12.2021



Source: Resolution Fund

Subscribed capital

The subscribed capital shall consist of the accession fees paid by the member institutions. Pursuant to Section 137 of the Cons. law, the institution joining the Fund is required to pay a one-time connection fee. No new institutions joined the Fund in 2021. The subscribed capital of the Fund as of 31 December 2021 is 430 629 th. HUF and remained unchanged compared to the previous year.

Backup

The profit or loss of the previous year(s) for the current year, in carrying amount, shall be transferred to the reserve.

Value reserve

The Fund does not apply the fair measurement, no value adjustment has been recognised, no valuation reserve has been established.

Result for the current year

Result for the current year is 21 398 242 tHUF. According to the Government Decree, the total amount of the profit of the Fund is recorded as an increase in the reserve in the year following the financial year.

3.2.2. PROVISIONS

In 2018, the Fund made a provision of 2 577 tHUF for the disputed operating costs related to office rental. The conditions for derecognition of a provision were not met at the time of the balance sheet.

3.2.3. LIABILITIES

Long-term liabilities

The Fund has no long-term liabilities as of 31.12.2021.

Development of short-term liabilities

Within the short-term liabilities of the Fund (160 259 tHUF) on 31.12.2021, 142 261 tHUF financial payment obligation for the purchase of CMAX securities in December 2021 was fulfilled on 03.01.2022, the supplier obligation of 16 193 tHUF and the honorary fees of December 2021 in January 2022 paid 1 805 tHUF tax and contributions. Supplier debts, taxes and budget liabilities are recorded at the same book value in accordance with the vendor invoices and declarations. Supplier debt outstanding at the balance sheet date shall consist of supplier accounts for the year 2021 received up to the date of the balance sheet. There was no obligation to institutions.

3.2.4. ACCRUAL ACCRUALS

The passive accruals include the uninvoiced audit fee for 2021, 2 203 tHUF.

4. ADDITIONS TO CERTAIN ITEMS IN THE PROFIT AND LOSS ACCOUNT

4.1. REVENUES

The remuneration related to resolution activities amounted to 23 634 535 tHUF, other revenue 151 tHUF, and revenue from financial transactions amounted to 2 120 114 tHUF.

Table 8: Presentation of Revenue

Description	Baseline year	Year under review	Distribution	Distribution	Change	
			%	%	HUF'000	Baseli- ne=100
	31.12.2020	31.12.2021	31.12.2020	31.12.2021		
Revenues from resolution	16 575 922	23 634 535	91,04	91,77	7 058 613	142,58
Other revenues	560	151	0,00	0,00	-409	26,96
Revenues from financial transactions	1 632 114	2 120 114	8,96	8,23	488 000	129,90
TOTAL	18 208 596	25 754 800	100,00	100,00	7 546 204	141,44

Source: Resolution Fund

data in th. of HUF

4.1.1. FEE RECEIPTS

The remuneration related to resolution activities was the proceeds of the fees paid by the member institutions of 23 634 535 tHUF, which is 7 058 613 tHUF higher than in 2020. The fee revenue shall be based on the remuneration determination of the MNB acting in its resolution function for the year 2021, which was taken over by the Fund on 29 April 2021. The member institutions paid the fees semi-annually by June 15, 2021 and December 15, 2021, with the payment deadline according to Section 138 (2) of the Cons. law. The membership fees of the Connectors 2021 will be definitively set in the final membership fee of 2022, which was received from MNB on 29.04.2022, there was no new connector.

4.1.2. OTHER REVENUES

On this line, interest on late payments, penalties and roundings were recorded. The interest income for late payment of the fees due in 2021 amounted to an unpaid total of 145 tHUF, and revenue due to the settlement of tax overpayments amounted to 6 tHUF.

4.1.3. REVENUE FROM FINANCIAL OPERATIONS

Revenue from financial operations totals 2 120 114 tHUF, the profits on government securities with accrued interest and other current account interest.

Table 9: Breakdown of revenue from financial operations

Description	Baseline year	Actuals	Change	
	31.12.2020	31.12.2021	HUF'000	Actual / Baseli- ine %
Gains on government securities	2 111	5 759	3 648	272,8
Exchange rate gains on futures transactions	1 630 003	2 114 355	484 352	129,7
Reversed impairment loss on Hungarian government bonds	0	0	0	N/A
Received dividend	0	0	0	N/A
REVENUES FROM FINANCIAL TRANSACTIONS	1 632 114	2 120 114	488 000	129,9

Source: Resolution Fund

data in th. of HUF

Among the realised gains and interest on government bonds within the revenue of financial transactions, the exchange rate gains realised on the sale of Hungarian Government Bonds (52 150 tHUF), the yield on Discount Treasury bills (DKJ) (19 937 tHUF), accounted for during the purchase and sale of Government Bonds (booked) and accrued interest at the end of the period (total 2 042 268 tHUF).

Accrued interest shall include accrued interest on portfolio holdings, accounted for by accrual, pro rata temporis, interest paid and received on purchases of securities during the current period and accrued on 31 December of the preceding year and January 2021 Interest returned on the Ist. Here we show the impairment of CMAX papers cleared in previous years and derecognised in the current year, on the demand side of exchange rate losses (48 115 tHUF). The interest received is 5 759 tHUF in the amount of interest received on bank accounts.

4.2. EVOLUTION OF COSTS AND EXPENSES OF THE FUND

The total expenditure of the Resolution Fund for 2021 amounted to 4 356 558 tHUF, including expenditure on financial transactions amounted to 4 232 083 tHUF, other expenses 2 E, and operating expenses amounted to 124 473 tHUF. No expenditure related to resolution activities was incurred.

Table 10: Presentation of the evolution of expenditure

Description	Baseline year	Actuals	Change	
	31.12.2019	31.12.2020	HUF'000	Actual/Baseline %
Expenditures related to resolution	691	0	-691	0,0
Other expenditures	3	2	-1	66,7
Expenditures of financial transactions	179 536	4 232 083	4 052 547	2 357,2
01) Expenditures on materials	92 210	73 590	-18 620	79,8
02) Payroll and related expenditures	49 532	50 883	1 351	102,7
03) Depreciation	0	0	0	N/A
Operating expenses (01+02+03)	141 742	124 473	-17 269	87,8
TOTAL EXPENDITURES	321 972	4 356 558	4 034 586	1 353,1

Source: Resolution Fund

data in th. of HUF

Within expenses, the increase in expenditure on financial transactions as detailed in the table is 4 052 547 tHUF. The increase is mainly due to new impairments recorded in 2021, as well as higher currency losses.

The reduction in operating costs and other expenses (17 269 tHUF) was caused by the following positive and negative effects (major):

- according to the increase in the minimum wage used as the basis for calculating the fees, the combined effect of the increase in the fees and the reduction of the associated social contribution tax (increase of 1 362 tHUF),
- the total material costs decreased by 18 620 tHUF, including the reimbursement of the OBA service linked to the operational operation of the Resolution Fund by 11 861 tHUF, infrastructure expenditure by 7 562 tHUF. A significant role in the reduction of infrastructure expenditure was the cessation of office leases and the related expenditure ceased to occur in 2021, and bank costs were reduced by the elimination of foreign exchange accounts. The portfolio management fees also show a decrease, but this does not represent real savings, as in 2020 the depositary subsequently billed the fees of previous years in the amount of 5 634 tHUF, which increased the costs for 2020.

Table 11: Breakdown of financial expenses

Description	Baseline year	Actuals	Change	
	31.12.2020	31.12.2021	HUF'000	Actual/Baseline %
Negative interest paid on HUF account, other paid financial interest	1	0	-1	N/A
Exchange rate losses on Hungarian government bonds	179 535	333 099	153 564	185,5
Impairment loss on Hungarian government bonds	0	3 898 984	3 898 984	N/A
FINANCIAL EXPENDITURES	179 536	4 232 083	4 052 547	2 357,2

Source: Resolution Fund

data in th. of HUF

Overall, the financial result for 2021 was (-) a loss of 2 111 969 tHUF as the difference in revenue and expenditure from financial transactions.

4.2.1. EVOLUTION OF OPERATING COSTS PLANNED FOR 2021

The operating costs were 124 473 tHUF in 2021. The evolution of the actual costs of the Resolution Fund for 2021 was compared to the 2021 plan. Overall, operational costs incurred on an ongoing basis combined with other expenses are 91.1% of the planned year 2021.

1. Personnel costs

Staff costs (50 883 tHUF):

- a) the honorary prizes (44 053 tHUF),
- (b) representation expenditure (2 tHUF),
- (c) and their contribution (6 828 tHUF),

the planned costs for 2021 have been met at 98,0%. Amounts incurred on the budget line are shown in the Profit and Loss Account as personnel expenses.

2. Labour costs linked to the operational operation of the Resolution Fund

Pursuant to Article 132 (7) of Act XXXVII of 2014 on the further development of the institutional system to strengthen the security of certain actors of the financial intermediation system, the Fund does not have an autonomous working organisation, the operational tasks are carried out separately by the work organisation of the NDIF under the direction of its Executive Director.

Under the Cooperation Agreement between the Resolution Fund and the NDIF in force in 2021, the costs incurred on the basis of the performance of the tasks incurred under the agreement for 2021 were invoiced and reimbursed to the OBA.

The labour costs associated with the operational operation of the Resolution Fund (44 060 th. HUF) shall be the amount of costs transferred by the OBA to the Fund on the basis of the cooperation agreement between the OBA and the Resolution Fund, plus VAT, after the tasks completed and the work performance accounted for in 2021. Expenditure (80,7%) is at a lower level than planned.

3. Auditor, internal audit fee

The queue contains only the fee for the audit. The internal audit of the Fund was carried out by the internal auditor of the NDIF in 2021, and the costs incurred were passed on to the Fund within the framework of the NBA service.

4. Stationery, infrastructure costs, IT costs

The expenditure accounted for in the cost group is 29 532 tHUF, which is 98,1% of the annual projected amount. Expenditure is detailed in the Annex to the Business Report. In addition to the planned portfolio management, website maintenance and other communication costs were fulfilled, below the other cost lines.

5. Other operating costs

In this cost group, the cost of liability insurance (3 890 tHUF) was recorded.



4.2.2. EVOLUTION OF OTHER EXPENSES

As other expenses, a rounding difference of 2 tHUF was recognised.

Table 12: Continuing operating costs

Description	2021. Yearly plan tHUF	2021. Yearly Actual tHUF	2021. Actual/Plan (%)
1) Personnel expenses: remuneration of Board members	51 836	50 881	98,2%
2) Labour costs relating to the operation of the Resolution Fund	54 630	44 060	80,7%
3) Remuneration of the auditor and internal controller	3 175	3 175	100,0%
4) Office equipment, infrastructure expenses, IT expenses	23 134	22 467	97,1%
5) Other costs of operation	3 790	3 890	102,6%
Total regularly incurred costs of operation	136 565	124 473	91,1%

Source: Resolution Fund

data in th. of HUF

5. COVID IMPACT DECLARATION

As of March 2020, the circumstances and risks affecting the continuation of the activities of the Fund and its assets will be continuously reviewed in the context of the pandemic situation due to COVID-19. The pandemic situation was substantially alleviated by the date of the balance sheet, and in 2021, due to the pandemic, no more serious circumstances threatening the legal operation or the property situation arose. The NDIF working organisation carrying out the operational tasks of the Fund has restructured its processes and continuously performed them, largely in the context of remote work from home.

Based on our current information and plans, events due to COVID-19 have no significant or significant negative impact on the Fund and thus do not render uncertain of the Fund's ability to conduct business. We can fulfill our obligations in the next 12 months, with an adequate level of cash flow and funding sources available. We do not consider the revaluation of assets and the accounting of depreciation beyond plan to be justified. The Fund does not have a bank loan, a moratorium on loan repayment does not apply to it.



6. SUBSTANTIAL EVENTS AFTER THE BALANCE SHEET DATE

On February 24, 2022, the Russian-Ukrainian War broke out. With the coronavirus pandemic pushed back to March, war has been the dominant macroeconomic factor over the course of the past period¹. With its outbreak, yields and spreads increased significantly, as well as stock indices fell and, like regional currencies, the exchange rate of the forint weakened.

The initial shock was followed by a rapid but partial correction, and the attention of investors and market participants turned to longer-term effects (economic slowdown, accelerating inflation). Worldwide inflation is on an accelerating trend due to the continuing loose monetary and fiscal conditions, strong demand and capacity constraints, as well as rising energy and commodity prices, reinforced by the impact of the Russo-Ukrainian war.

Inflation in Hungary is rising rapidly. Core inflation accelerated to 9.1% and the headline inflation rate accelerated to 8.5% in January, in addition to price capping. Over the past period, the Monetary Council has increased the central bank base rate from 3.40% to 5.40%; the rate on the week-long deposit, which may differ from the central bank base rate since November, has risen from 5.35% to 6.45%.

Hungarian industrial production expanded in the first two months of the year on the basis of monthly indices. Compared to the same month last year, the growth was 7.1% in January and 4.5% in February.

The unemployment rate fell from 4.2% in January 2022 to 3.6% in March. The wage dynamics accelerated to 31.7% in February from 9.7% in December, but this is due to a significant one-off effect (arms money). At the same time, wage dynamics accelerated significantly (from 9.7% to 14.5%) for regular allowances excluding bonuses.

Macro-equilibrium indicators have developed unfavorably over the past period. The accrual (ESA) deficit was 6.8% of GDP in 2021, which is more favourable than planned. The current account closed with a deficit of EUR 4.7 billion in 2021; the capital surplus amounted to EUR 3.9 billion. As the equity balance surplus fell short of the current account deficit, the country's net financing capability turned negative for the first time since 2008. Foreign trade also ended January and February with deficits.

The forint was corrected from a level close to 382 HUF/euro at the end of April until the end of April to the level of 377 HUF/EUR. At the beginning of the period, the forint weakened close to the level of 400 HUF/euro, but this was followed by a rapid correction, and the exchange rate of the forint fluctuated in the range between 370 and 380 Ft/Euro levels without a marked trend during the period. The forint yield curve continued to shift upward during the period under review. Reference yields increased by 141 basis points at 3 months, 52-62 basis points for 6 and 12 months and 3-62 basis points and 116-167 basis points on longer maturities. The average auction yield increased by 101 to 106 base points at the end of the period at 3 and 12 months and by 143-209 basis points on maturity over the year.

However, on the basis of our current information and plans, macroeconomic events have no significant or significantly negative direct impact on the Fund and thus do not render the Fund's ability to conduct business uncertainty. The amount of fees to be paid to the Fund was already determined by the Resolution Directorate of the MNB in 2022 in the light of the above.

On 3 March 2022, the Sberbank Magyarország Zrt. (hereinafter: "Sberbank") was revoked, the liquidation of Sberbank began, the compensation of depositors began. In the compensation arm, the Resolution Fund is not involved.

Budapest, 26th May, 2022

Dr. Csaba KANDRÁCS
Member of the
Management Board
of the Resolution Fund

Róbertné MÁRTA
dr. Krisztina MOHÁCSI
Member of the Management Board
of the Resolution Fund

dr. Andras KÓMÁR
Member of the
Management Board
of the Resolution Fund



¹ TÁK macro data (28.04.2022)



RESUSTION FUND 2021. ANNUAL BUSINESS REPORT

REPORTING OF THE RESOLUTION FUND

1. ESSENTIAL EVENTS IN 2021 AND FUTURE TARGETS

The future priority objective is that the Fund's assets reach, in accordance with legal requirements, not later than 31 December 2028, at least 1% of the holdings of insured deposits with credit institutions authorised in Hungary (target level) not exceeding the indemnity limit by 31 December 2028 at the latest. On 31.12.2021, the target level was 1499 billion HUF. The Fund's assets, excluding its share in MSZVK Zrt., calculated on the basis of the market value of the non-current assets and the securities between current assets, amounted to 86.51 billion HUF, with a recharge level of 0.58%.

In December 2020, the Board of Directors of the Resolution Fund adopted and updated the Fund's 3-year work plan in December 2021, in which, in addition to the operation of the Resolution Fund, it also set out specific basic tasks for the OBA working organisation for the period 2021-2022-2023. The focus of the work plan was on resolution financing capacity and crisis resistance.

The State Audit Office of Hungary (hereinafter: ACO) in 2020 launched an audit entitled "Financial-accounting audit of the Resolution Fund", which ended in 2021. The final feedback was received by¹ the Resolution Fund on 21 May 2021, which included a final report and a press release. The final report did not make any disclaimer, the main statement of the SAO states that "The Resolution Fund established a framework for regulated management and its management was orderly. It has fulfilled its annual reporting obligation in accordance with legal requirements."

2. COVID IMPACT DECLARATION

As of March 2020, the circumstances and risks affecting the continuation of the activities of the Fund and its assets will be continuously reviewed in the context of the pandemic situation due to COVID-19. The pandemic situation was substantially alleviated by the date of the balance sheet, and in 2021, due to the pandemic, no more serious circumstances threatening the legal operation or the property situation arose. The NDIF working organisation carrying out the operational tasks of the Fund has restructured its processes and continuously performed them, largely in the context of remote work from home.

¹ <https://www.asz.hu/storage/files/files/jelentes/2021/21047.pdf?ctid=762>

Based on our current information and plans, events due to COVID-19 have no significant or significant negative impact on the Fund and thus do not render uncertain of the Fund's ability to conduct business. We can fulfill our obligations in the next 12 months, with an adequate level of cash flow and funding sources available. We do not consider the revaluation of assets and the accounting of depreciation beyond plan to be justified. The Fund has no bank credit and has not been subject to a moratorium on loan repayments.

3. SUBSTANTIAL EVENTS AFTER THE BALANCE SHEET DATE

On February 24, 2022, the Russian-Ukrainian War broke out. With the coronavirus pandemic pushed back to March, war has been the dominant macroeconomic factor over the course of the past period². With its outbreak, yields and spreads increased significantly, as well as stock indices fell and, like regional currencies, the exchange rate of the forint weakened.

The initial shock was followed by a rapid but partial correction, and the attention of investors and market participants turned to longer-term effects (economic slowdown, accelerating inflation). Worldwide inflation is on an accelerating trend due to the continuing loose monetary and fiscal conditions, strong demand and capacity constraints, as well as rising energy and commodity prices, reinforced by the impact of the Russo-Ukrainian war.

Inflation in Hungary is rising rapidly. Core inflation accelerated to 9.1% and the headline inflation rate accelerated to 8.5% in January, in addition to price capping. Over the past period, the Monetary Council has increased the central bank base rate from 3.40% to 5.40%; the rate on the week-long deposit, which may differ from the central bank base rate since November, has risen from 5.35% to 6.45%.

Hungarian industrial production expanded in the first two months of the year on the basis of monthly indices. Compared to the same month last year, the growth was 7.1% in January and 4.5% in February.

The unemployment rate fell from 4.2% in January 2022 to 3.6% in March. The wage dynamics accelerated to 31.7% in February from 9.7% in December, but this is due to a significant one-off effect (arms money). At the same time, wage dynamics accelerated significantly (from 9.7% to 14.5%) for regular allowances excluding bonuses.

Macro-equilibrium indicators have developed unfavorably over the past period. The accrual (ESA) deficit was 6.8% of GDP in 2021, which is more favourable than planned. The current account closed with a deficit of 4.7 billion EUR in 2021; the capital surplus amounted to 3.9 billion EUR. As the equity balance surplus fell short of the current account deficit, the country's net financing capability turned negative for the first time since 2008. Foreign trade also ended January and February with deficits.

The forint was corrected from a level close to 382 HUF/euro at the end of April until the end of April to the level of 377 HUF/EUR. At the beginning of the period, the forint weakened close to the level of 400 HUF/euro, but this was followed by a rapid correction, and the exchange rate of the forint fluctuated in the range between 370 and 380 Ft/Euro levels without a marked trend during the period.

The forint yield curve continued to shift upward during the period under review. Reference yields increased by 141 basis points at 3 months, 52-62 basis points for 6 and 12 months and 3-62 basis points and 116-167 basis points on longer maturities. The average auction yield increased by 101 to 106 base points at the end of the period at 3 and 12 months and by 143-209 basis points on maturity over the year.

However, on the basis of our current information and plans, macroeconomic events have no significant or significantly negative direct impact on the Fund and thus do not render the Fund's ability to conduct business uncertain. The amount of fees to be paid to the Fund was already determined by the Resolution Directorate of the MNB in 2022 in the light of the above.

On 3 March 2022, the license of Sberbank Magyarország Zrt. was revoked, the liquidation of Sberbank and the indemnification of the depositors began. In the compensation arm, the Resolution Fund is not involved.

4. EVOLUTION OF THE FUND'S ASSETS AND INCOME SITUATION

The balance sheet total of the Fund at the end of 2021 was 95 196 774 tHUF, 21 303 800 tHUF more than in the base year. On the Resource side of the balance sheet, the profit for the current year 2021 increased Equity by 21 398 242 tHUF to 95 031 735 tHUF. The amount of the provisions of 2 577 tHUF, formed by the Fund in 2018, remained unchanged in 2021. Liabilities decreased by 94 422 tHUF and accruals of 20 tHUF for passive accruals. The primary reason for the reduction of liabilities occurred at the end of the year of the securities, but financially only the change in the liability due to the ordered purchase of the following year in January, as it amounted to 223 951 tHUF on 31.12.2020 and 142 267 tHUF on 31.12.2021.

Table 1: Changes in assets and liabilities

Description	Baseline year	Year under review	Distribution	Distribution	Change	
	31.12.2020	31.12.2021	%	%	HUF'000	%
			31.12.2020	31.12.2021		Base-line=100
A. FIXED ASSETS	43 007 812	52 390 665	58,2	55,0	9 382 853	121,8
I. INTANGIBLE ASSETS	0	0	0,0	0,0	0	N/A
II. TANGIBLE ASSETS	0	0	0,0	0,0	0	N/A
III. FINANCIAL INVESTMENTS	43 007 812	52 390 665	58,2	55,0	9 382 853	121,8
SHARES	2 000 000	2 000 000	2,7	2,1	0	100,0
SECURITIES CLASSIFIED AS FIXED FINANCIAL ASSETS	41 007 812	50 390 665	55,5	52,9	9 382 853	122,9
B. CURRENT ASSETS	30 403 352	41 934 424	41,1	44,1	11 531 072	137,9
I. STOCKS	0	0	0,0	0,0	0	N/A
II. RECEIVABLES	224 151	142 267	0,3	0,1	-81 884	63,5
III. SECURITIES	29 978 919	41 383 134	40,6	43,5	11 404 215	138,0
IV. LIQUID ASSETS	200 282	409 023	0,3	0,4	208 741	204,2
C. PREPAYMENTS AND ACCRUED INCOME	481 810	871 685	0,7	0,9	389 875	180,9
TOTAL ASSETS	73 892 974	95 196 774	100,0	100,0	21 303 800	128,8
D. EQUITY	73 633 493	95 031 735	99,6	99,8	21 398 242	129,1
I. REGISTERED CAPITAL	430 629	430 629	0,6	0,5	0	100,0
II. CAPITAL RESERVES	55 316 240	73 202 864	74,8	76,8	17 886 624	132,3
III. VALUATION RESERVES	0	0	0,0	0,0	0	N/A
IV. PROFIT / LOSS FOR THE YEAR	17 886 624	21 398 242	24,2	22,5	3 511 618	119,6
E. PROVISIONS	2 577	2 577	0,0	0,0	0	100,0
F. LIABILITIES	254 681	160 259	0,4	0,2	-94 422	62,9
G. ACCRUALS AND DEFERRED INCOME	2 223	2 203	0,0	0,0	-20	99,1
TOTAL LIABILITIES	73 892 974	95 196 774	100,0	100,0	21 303 800	128,8

Source: Resolution Fund

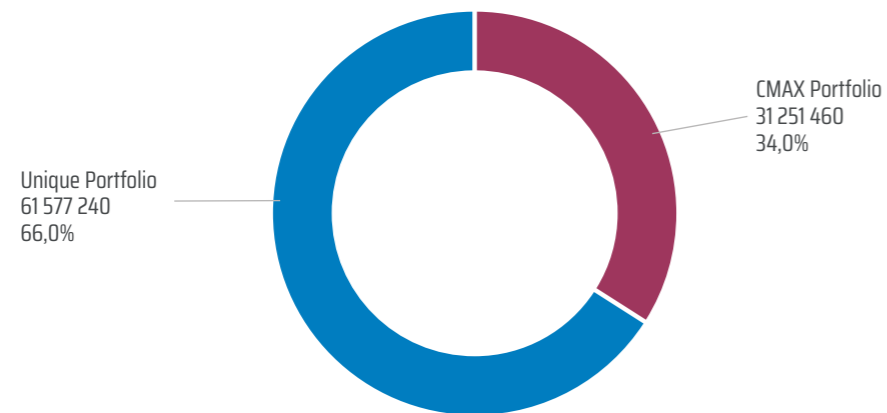
data in th. of HUF

The Fund invests its assets in Hungarian government securities and discount bills, of which it forms two sub-portfolios. He kept part of the government securities in the CMAX Portfolio, following the composition of the CMAX index, for which he uses the assistance of the CCK as a portfolio manager and KELER as custodian. Following the amendment of its Investment Rules on 3 April 2019, the Fund buys the other part of the government securities for maturity purposes, which are registered in a securities account with the Hungarian State Treasury (Individual Portfolio). The Fund does not apply fair valuation and therefore no valuation difference is recognised or accrued.

In the books, government securities are recorded at the purchase price, adjusted for impairment, less interest in the purchase price. At the end of the year, the portfolio stock was not transferred. There was no investment in foreign government debt in the reference year.

At the end of 2021, the Fund held 33,7 per cent of government securities in the CMAX Portfolio and 66.3 per cent in the Individual Portfolio (nominal value). At the end of the year, the portfolio stock was not transferred. There was no investment in foreign government debt in the reference year.

Figure 1: Distribution of CMAX Portfolio and Individual Portfolio by face value at 31 December 2021 (tHUF;%)



Source: ÁKK, Resolution Fund

The Resolution Fund does not apply fair valuation, it records government bonds in the books at the purchase price less impairment.

Table 2: Change in carrying amount of securities held

	Securities volume		Amount	Share of total
Opening value (01.01.2021.)	CMAX Portfolio	Fixed interest bonds	19 440 051	98,0%
		Discount treasury bills	399 951	2,0%
		Total	19 840 002	100,0%
	Egyedi Portfolio	Fixed interest bonds	43 962 207	86,0%
		Discount treasury bills	7 184 522	14,0%
		Total	51 146 729	100,0%
	Total Portfolio	Fixed interest bonds	63 402 258	89,6%
		Discount treasury bills	7 584 473	10,7%
		Total	70 986 731	100,0%
Closing value (31.12.2021.)	CMAX Portfolio	Fixed interest bonds	31 426 503	98,5%
		Discount treasury bills	479 470	1,5%
		Total	31 905 974	100,0%
	Egyedi Portfolio	Fixed interest bonds	59 475 984	99,3%
		Discount treasury bills	391 841	0,7%
		Total	59 867 825	100,0%
	Total Portfolio	Fixed interest bonds	90 902 487	99,1%
		Discount treasury bills	871 311	0,9%
		Total	91 773 799	100,0%

* in the case of CMAX BAMOSZ valuation, in the case of Unique Portfolio gross purchase price published by MÁK

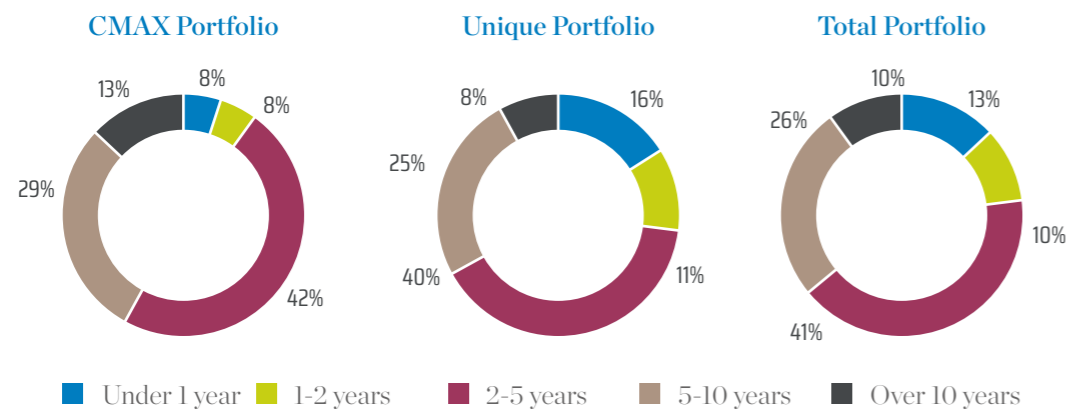
Source: Resolution Fund

data in th. of HUF



The residual maturity distribution of each sub-portfolio and the total portfolio is shown in the following diagram (gross market value). Both CMAX and Individual Portfolio accounted for the largest share of paper with a residual maturity of 2 to 5 years. In the Individual Portfolio, the outstanding government bonds of over 10 years was 8%, compared with 13% for the CMAX Portfolio and 10% in the total portfolio.

Figure 2: Distribution by residual maturity of the CMAX Portfolio, Individual Portfolio and total portfolio by nominal value at 31 December 2021

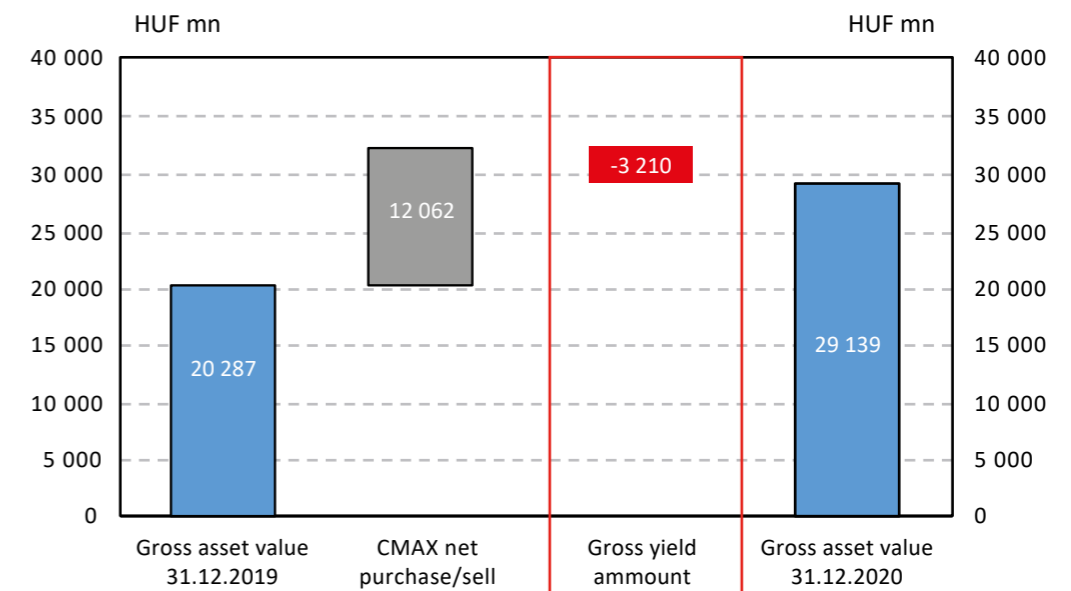


Source: ÁKK, Resolution Fund

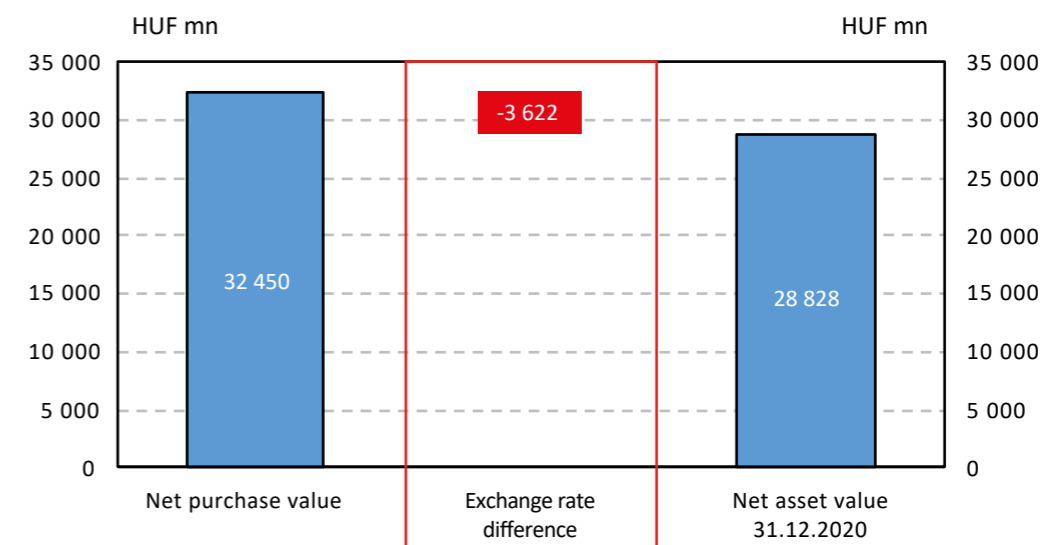
In 2021, the market value of the CMAX Portfolio declined in parallel with the level of the CMAX index reaching a historic negative peak at the end of December 2021. The CMAX Portfolio generated a gross loss of 3 210 th. HUF in one year, corresponding to an annual return of -11,02%. The net market value of the CMAX Portfolio was less than its net cost at 31 622 th. HUF on 31 December 2021.

Figure 3: Performance of the CMAX Portfolio

CMAX Portfolio market value gains/losses Q42020-Q42021



CMAX Portfolio net asset value compared to net purchase value



Note: Gross asset value based on BAMOS valuation
Source: ÁKK, Resolution Fund

In 2021, CMAX Portfolio incurred portfolio management fees of 10 382 th. HUF and 4 868 th. HUF depository fees, which together (15 250 th. HUF) accounted for 0.05% of the average gross stock.

Table 3: Costs related to the CMAX Portfolio

	Cost	Ratio to average gross asset value
ÁKK portfolio management fee	10 382	0,0347%
KELER deposit management fee	684	0,0023%
Other KELER fees and commissions	4 184	0,0140%
Total	15 250	0,0510%

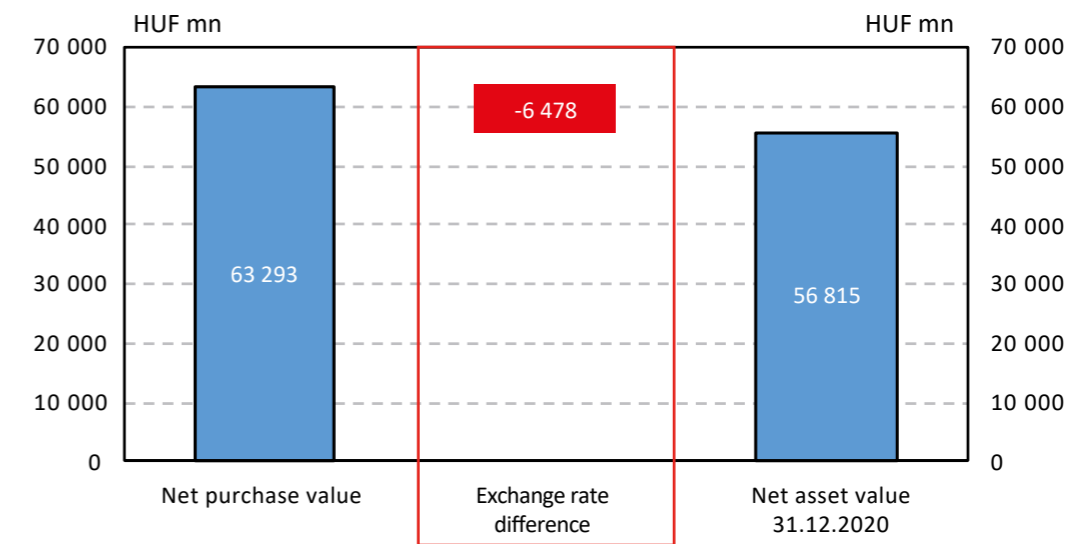
Source: Resolution Fund

data in th. of HUF

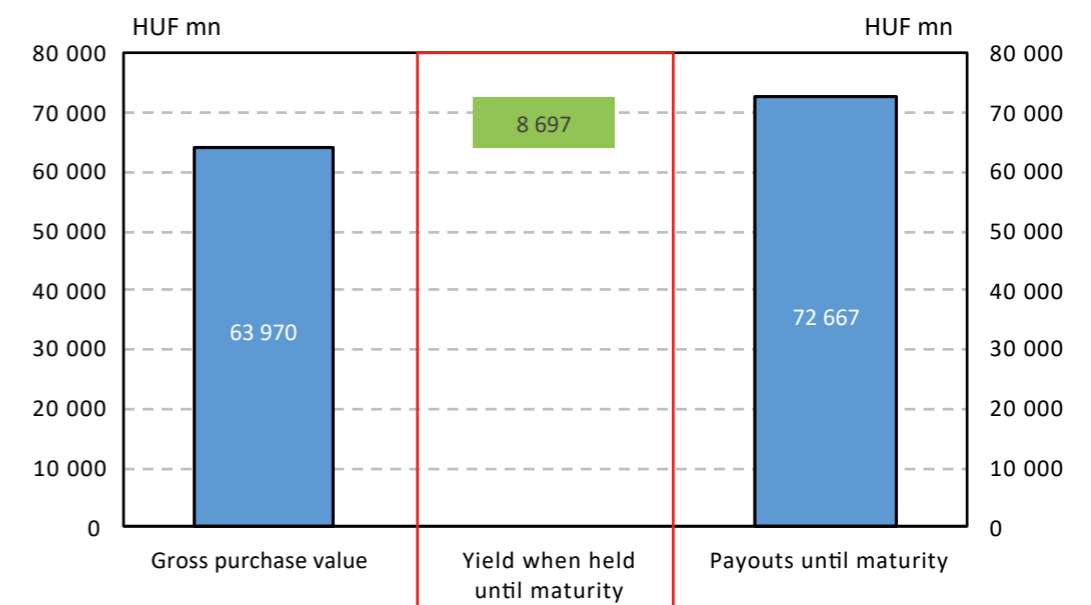
The net market yield of the Individual Portfolio purchased for the purpose of maturity is negative at 31 December 2021 compared to the value at the time of purchase (-6 477 571 th. HUF). This is due, on the one hand, that the sale price of MÁK is higher than that at which MÁK takes back the securities, and on the other hand, the Fund has occasionally purchased the majority of government bonds above the nominal value, i.e. 100 per cent net rate, for which losses compared to market yields at purchase due to higher interest payments, and due to the steadily deteriorating exchange rate over the last year, the exchange rate on 31 December is significantly lower than at the time of purchase, and therefore the net market value was also less than the cost. In the case of holding until maturity, which is intended for the Resolution Fund, a gross return of 8 696 831 th. HUF is expected to be paid.

Figure 4: Performance of the Custom Portfolio

Unique Portfolio net exchange rate difference compared to purchase value



Yield on Unique Portfolio when held until maturity 2021Q4



Note: net asset value based on the net purchase price published by MPs

Source: Resolution Fund

No fees are attached to the Unique Portfolio, the management of the MAP-Securities Account is free of charge.



5. INDICATORS CHARACTERISING FINANCIAL AND FINANCIAL SITUATION

Current assets increased in the Fund's asset assets and equity ratio, and non-current assets decreased. While the ratio of equity to the balance sheet total (capital strength) remained substantially unchanged, the liability ratio improved. The share of earnings for the current year within equity decreased further. The Fund's liquidity ratio remains high and its return on equity and assets is practically the same, although both decreased compared to the previous year. The share of operating expenses in 2021 is 0.53 of membership fee revenues, 0.48 of total revenues, 0.58% of profit. The ratio of total expenses is 16.92 of revenues, 20.36% of profit.

Table 4: Indicators characterising financial and financial situation

Indicator	Baseline year 31.12.2020	Current year 31.12.2021	Change Previous year=100%
Share of fixed assets = Fixed assets x 100 Total assets	58,20%	55,03%	94,56%
Share of current assets = Current assets + prepayments x 100 Total assets	41,80%	44,97%	107,58%
Equity ratio = Equity Balance sheet total	99,96%	99,83%	100,18%
Balance sheet profit/loss to equity ratio= Profit/loss for the year x 100 Equity	24,29%	22,52%	92,70%
Share of liabilities = Liabilities x 100 Balance sheet total	0,34%	0,17%	48,84%
Coverage of fixed assets = Equity x 100 Fixed assets	171,21%	181,39%	105,95%
Current assets to equity ratio = Current assets x 100 Equity	40,94%	43,96%	107,36%
Liquidity ratio = Current assets x 100 Short-term liabilities	11937,82%	26166,66%	219,19%
Return on assets = Pre-tax profit/loss x 100 Total assets	24,21%	22,48%	92,86%

6. EXPECTED COSTS RELATED TO OPERATION IN 2022, BUDGET OF THE FUND FOR 2022

The main prerequisites and procedures used in drawing up the budget were as follows:

- Resolution No. 9/2014 (VII. 28) of the Board of Directors of the Resolution Fund on the guidelines on the eligibility of operating costs of the Fund, other decisions of the Board of Directors of the Fund,
- the status of the legislation in force for 2022;
- forecasts of changes in the financial-economic environment, in particular the MNB's Inflation Report of 23 September 2021, Declaration by the President of the MNB, Minutes of the Monetary Council in June and October 2021 and the ÁKK for OBA and SZA 2021, accounts for the 2nd quarter,
- plans of expected revenue and expenditure, internal analyses and risks related to their realisation (cautious estimation),
- the use of the asset and fee revenue path set out in the Board of Directors of the Resolution Fund of 16 April 2021 for fee receipts,
- tasks and chargeable costs laid down in the cooperation agreement between the OBA and the Resolution Fund,
- in the plan numbers of financial income and expenses, the estimated risk of exchange-rate effects assuming a passive investment strategy,
- when designing the value of goods and services, existing contracts, draft contracts, available offers or analyses, inflationary risk,
- the budget has been drawn up on an accrual basis, using the overall cost procedure also used for reporting, taking into account the accounting principle of accruals,
- the Fund assumes, in respect of its tasks in 2022, that
 - no resolution is ordered and a task requiring external funding is not undertaken,
 - on the basis of the rules governing the operation of the Resolution Fund, the OBA's work organisation must perform a number of basic tasks in "peacetime" (e.g. asset management, annual reporting, review of regulations, reporting obligations, preparation and documentation of board meetings, website management, document management, management of official controls, building international relations), while the management board or its chairman may give a target task to the OBA working organization, which is worth making a reserve when determining the annual allocation.

1. Operation costs

1.1 Personnel costs: remuneration of members of the Management Board

The remuneration of the members of the Management Board was planned on the basis of the compulsory minimum wage (minimum wage) and the expected amount of public burden for 2022 (200.000 HUF/month and 13,5% social contribution tax) in 59 664 th. HUF.

1.2 Labour costs linked to the operational operation of the Resolution Fund

The operational tasks of the Resolution Fund will be carried out by the OBA in 2022, while the OBA provides the personal and objective-technical conditions for the performance of the tasks. The legal basis for passing on and payment of costs is Article 226/A (1) - (2) of Act CCXXXVII of 2013 on credit institutions and financial undertakings, XXXVII of 2014 on the further development of the institutional system to strengthen the security of certain actors in the financial intermediation system. Act 132 (7) and the Cooperation Agreement between the Resolution Fund and the

NDIF for the performance of tasks for 2021. Based on the new hourly rate in the agreed version of the Cooperation Agreement, the projected amount of the cost to be passed on in 2022, including VAT, is **53 273 th. HUF**.

The remuneration for the tasks performed by OBA under the agreement will be passed on plus the agreed hourly rate and VAT (the OBA is subject to VAT). The total amount to be passed on is planned under 'Labour costs linked to the operational operation of the Resolution Fund', costs passed on to the budget between material expenditure (*office supplies, computing materials, telephone costs, printing and photocopying*) and accounting accounting does not appear in 2022.

1.3 Auditor's fee

It contains the amount under the current contract (**3 175 th. HUF**). The rate may change after the conclusion of the contract.

1.4 Stationery, infrastructure costs, IT costs

A breakdown of the costs (total **27 094 th. HUF**) is set out in Annex 3.

- *Forms, printing publications*, we planned **20 th. HUF** as a budget amount.
- *No rental and operating fees were planned.*
- We designed **420 th. HUF** for *filing costs*.
- For the *post office and courier service*, we planned **650 th. HUF** for 2022.
- We planned **20 th. HUF** as a budget amount for *taxi costs*.
- The maintenance fee of the website is **1 347 th. HUF**.
- Among the *communication costs*, we planned **300 th. HUF** for the annual accounts and business reports at the level of the 2021 plan.
- In line with *legal services and expert fees* (**5 767 th. HUF**), the fee of the outsourced accounting and payroll administration was planned to be **4 767 th. HUF**. In addition, a reserve of 1 m. HUF has been set for legal service fees (if such services are needed).
- The planned cost line for the *translation* of the annual accounts into English and other necessary translations was planned for 50% of the planned amount at the level of the 2021 plan, which is **150 th. HUF**.
- The costs associated with *Netlock encryption* (**334 th. HUF**) were planned at the level of the 2021 plan, taking into account the possibility of further digital signature expansions.
- In the line of *bank charges and portfolio management fees*, the planned amount of the portfolio management fee is **17 875 th. HUF**, the bank costs were calculated at **220 th. HUF**.
- We designed **50 th. HUF** for *official fees*, **100 th. HUF** for *representation expenses* (including taxes), **60 th. HUF** for *other materials*.

1.5 Other operating costs

For other operating costs, the foreign travel and accommodation cost and conference fee were not planned, here we planned the liability insurance costs of the members of the directors, with the insurance premiums concluded for the period September 2021 – September 2022 (**4 169 th. HUF**).

2. Costs related to MSZVK Zrt.

No costs or revenues were planned for 2022.

3. Revenue, expenses

Among the memorandum items in Annexes 3 and 4, revenue and expenditure are planned as follows.

- The *fee revenue* (**25 885 680 th. HUF**) was planned taking into account the fee course included in the MNB's April 2021 prospectus.
- *Financial income* (**1 966 750 th. HUF**) and *expenses* (**2,515 307 th. HUF**) were calculated on the basis of realised gains, losses, impairments and returns calculated on a cautious estimate of government securities, where exchange rate effects are estimated, with the presumption that: that there will be no dissolution of the Fund's committed assets and that the government bonds held in the Individual Portfolio will remain the property of the Fund throughout the year and their fixed interest will be realised. In the case of expenses, the worst scenario was calculated on the basis of the accounting approach, especially this can be seen in the development of impairments. In financial income and expenses, the impairment of securities shall be recognised taking into account the current accounting policy of the Fund. The amount of impairment training, derecognition or reversal shall be calculated on the basis of actual exchange rate data at the time of the balance sheet, the expected data calculated in the plans are estimated. Due to the variable yield prospects (and the associated additional impairment development), we also foresaw a negative financial result (-566 th. HUF) for 2022, which is mainly due to the persistently and significantly (10%) market prices below the purchase value. At the same time, on the basis of interest income generated during the turnover of securities to maturity, as well as on exchange rate gains on additional securities purchased under favourable exchange conditions, we expect a positive financial result again in 2023 at the latest.



- Current account income is the projected interest on the average amount of funds in the MNB account.
- Dividends to be paid to the Fund were not planned in 2022. Based on the financial plans of MSZVK Zrt. and the information provided by the MNB, the planned dividend income in the previous year is not expected.
- *Another income*, the revenues from late interest rates were determined at **100 th. HUF** at the level of the 2021 plan.

4. Summary

The 2022 budget plan of the Resolution Fund expects revenue of **27 852 530 th. HUF**, **2 662 683 th. HUF** expenses, including **147 375 th. HUF**, operational costs and **25 189 847 th. HUF** planned profit for the current year.

7. ACTIVITIES OF THE BOARD OF DIRECTORS

In 2021, the Management Board of the Resolution Fund took 26 decisions. Decisions of the Management Board were taken on major matters required by Santv and concerning the organisation and operation of the Fund, including:

- adopt a revision or amendment (if necessary) of certain rules of the Fund;
- the adoption of the mission, vision and declaration of value of the Fund;
- designation of the Data Protection Officer of the Fund;
- the adoption of the annual accounts of the Fund for the year 2020 and the choice of the auditor for the Fund financial year 2021;
- the adoption of the Fund's internal audit reports and related action plans;
- the decision to develop the public website of the Fund;
- the adoption of the Fund's 2022 Public Procurement Plan; and
- adopting the Fund's 2022 Management Board and Internal Audit Work Plan.

Budapest, 26th May, 2022

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Dr. Csaba KANDRÁCS
 Member of the
 Management Board
 of the Resolution Fund

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Róbertné MÁRTA
dr. Krisztina MOHÁCSI
 Member of the Management Board
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Annex I: Evolution of annual fee payments to the Resolution Fund for 2021

Number	Name of member institution	2021 yearly fee
1	Bank of China (Közép-Kelet-Európa) Zrt.	227 764
2	Bank of China Limited Magyarországi Fióktelepe**	433 212
3	BUDAPEST Hitel- és Fejlesztési Bank Zrt.	1 323 188
4	CEE Active Asset Management Zrt.	200
5	CIB Bank Zrt.	1 645 339
6	CODEX Értéktár Zrt.	200
7	Commerzbank Zrt.	400 222
8	CONCORDE Értékpapír Zrt.	5 415
9	DUNA TAKARÉK BANK Zrt.	2 527
10	eBrókerház Befektetési Szolgáltató Zrt.	200
11	EQUILOR Zrt.	722
12	ERSTE BANK HUNGARY Zrt.	1 970 634
13	Erste Befektetési Zrt.	0
14	ERSTE Jelzálogbank Zrt.	45 741
15	ERSTE Lakástakarék Zrt.	722
16	Fundamenta-Lakáskassza Zrt.	148 226
17	GRÁNIT Bank Zrt.	500 411
18	HOLD Alapforgalmazó Zrt.	200
19	Integrációs Szervezet (konszolidált)***	1 343 827
20	Interactive Brokers Central Europe Zrt.****	361
21	K&H Bank Zrt.	2 162 988
22	K&H Értékpapír Zrt.****	451
23	K&H Jelzálogbank Zrt.	82 521
24	KDB Bank Európa Zrt.	491 742
25	KELER Zrt.	116 932
26	MagNet Bank Zrt.	9 386
27	Magyar Cetelem Bank Zrt.	9 386
28	Merkantil Bank Zrt.	305 472
29	MKB Bank Nyrt.	1 691 201
30	OTP Bank Nyrt.	5 137 317
31	OTP Jelzálogbank Zrt.	475 951
32	OTP Lakástakarék Zrt.	5 051
33	Polgári Bank Zrt.	361
34	Raiffeisen Bank Zrt.	1 977 750
35	Random Capital Zrt.	361
36	Sberbank Magyarország Zrt.	315 828
37	SINUS-FAIR Corporate Zrt.	200
38	Sopron Bank Zrt.	2 527
39	SPB Zrt.	361
40	UniCredit Bank Hungary Zrt.	2 736 404
41	UniCredit Jelzálogbank Zrt.	62 872
42	Vertis Zrt.	361
	TOTAL	23 634 535

Source: Resolution Fund

data in th. of HUF

*Currently, the following institutions of the Savings Group are members of the Resolution Fund, which pay fees on a consolidated basis: MTB Zrt., Takarékbank Zrt., TakarékJelzálogbank Nyrt.

Annex 2: Resolution Fund member institutions on 31 December 2021

I. BANKS (22):

1.	Bank of China (Hungaria) Zrt.
2.	Bank of China Limited Magyarországi Fióktelepe
3.	Budapest Bank Zrt.
4.	CIB Bank Zrt.
5.	Commerzbank Zrt.
6.	DUNA TAKARÉK BANK Zrt.
7.	ERSTE BANK HUNGARY Zrt.
8.	GRÁNIT Bank Zrt.
9.	KDB Bank Európa Zrt.
10.	K&H Bank Zrt.
11.	MagNet Bank Zrt.
12.	Magyar Cetelem Zrt.
13.	Merkantil Bank Zrt.
14.	MKB Bank Nyrt.
15.	MTB Zrt.
16.	OTP Bank Nyrt.
17.	Polgári Bank Zrt.
18.	Raiffeisen Bank Zrt.
19.	Sberbank Magyarország Zrt.
20.	SOPRON Bank Burgenland Zrt.
21.	Takarékbank Zrt.
22.	UniCredit Bank Zrt.

5.	K&H Jelzálogbank Zrt.
6.	OTP Jelzálogbank Zrt.
7.	OTP Lakástakarék Zrt.
8.	Takarék Jelzálogbank Nyrt.
9.	UniCredit Jelzálogbank Zrt.

III. INVESTMENT FIRMS (13):

1.	CEE Active Asset Management Zrt.
2.	CODEX Értéktár Zrt.
3.	Concorde Értékpapír Zrt.
4.	eBrókerház Zrt.
5.	EQUILOR Zrt.
6.	Erste Befektetési Zrt.
7.	HOLD Alapfőgazdálkodó Zrt.
8.	Interactive Brokers Central Europe Zrt.
9.	K&H Értékpapír Zrt.
10.	Random Capital Zrt.
11.	SINUS-FAIR Corporate Zrt.
12.	SPB Zrt.
13.	Vertis Zrt.

II. SPECIALISED CREDIT INSTITUTIONS (9)

1.	ERSTE Jelzálogbank Zrt.
2.	ERSTE Lakástakarék Zrt.
3.	Fundamenta-Lakáskassza Zrt.
4.	KELER Zrt.

Annex 3: Operational expenditure of the Resolution Fund 2022

Description	2022 Plan, thousand HUF	2022 Plan / 2021 Plan %
1) Personnel expenses: remuneration of Board members	59 664 000	115,1
2) Labour costs relating to the operation of the Resolution Fund	53 273 000	97,5
3) Remuneration of the auditor and internal controller	3 175 000	100,0
4) Office equipment, infrastructure expenses, IT expenses	27 093 750	117,1
5) Other costs of operation	4 169 000	110,0
Total regularly incurred costs of operation	147 374 750	107,9
Itemized breakdown of cost group defined in Section 4		
a) Office equipment	0	N/A
b) forms, printed publications, technical books, official gazette, subscription fees of industry periodicals	20 000	1000,0
c) IT materials	0	N/A
d) office, warehouse, room and other rents and operating expenses	0	N/A
e) document storage	420 000	100,0
f) mailing costs, courier service fees	650 000	100,0
g) taxi expenses	20 000	100,0
h) telephone expenses	0	N/A
i) printing and photocopying expenses	0	N/A
j) website maintenance	1 347 450	148,9
k) other communication expenses	300 000	100,0
l) legal services, other expert fees	5 767 300	124,8
m) translation	150 000	50,0
n) program expert services (Netlock)	334 000	100,0
o) program upgrade fees	0	N/A
p) bank charges, portfolio management fees, = of which bank charges relating to the foreign currency account	17 875 000	116,8
= bank charges of HUF account	220 000	33,8
= portfolio management fees	17 655 000	120,5
q) duties, transaction levies, administrative fees	50 000	50,0
r) property insurance premium	0	N/A
s) computer insurance	0	N/A
t) entertainment costs	100 000	100,0
u) other materials and service expenses	60 000	100,0
Total expenses of operation listed in Section 4)	27 093 750	117,1
Itemized breakdown of cost group defined in Section 5		
a) costs of conferences in Hungary/abroad	0	N/A
b) travel expenses	0	N/A
c) membership fees in professional organizations	0	N/A
d) liability insurance of Board members	4 169 000	110,0
e) cost of patenting the Resolution Fund logo	0	N/A
Total expenses of operation listed in Section 5)	4 169 000	110,0

Source: Resolution Fund

data in th. of HUF

Annex 4: Revenue and expenditure of the Resolution Fund 2022, expected profit

Definition	20221 Plan	2022 Plan	2022 Plan/ 2021 Plan %
Fee income	17 300 000 000	25 885 680 000	149,6
Other income	100 000	100 000	100,0
Financial income	1 755 610 000	1 966 750 000	112,0
Total income	19 055 710 000	27 852 530 000	146,2
Definition	20221 Plan	2022 Plan	2022 Plan/ 2021 Plan %
Total continuously arising costs related to operation	136 565 400	147 374 750	107,9
Other costs and expenditures (state guarantee, MSZVK costs, losses on loans, rounding)	1 000	1 000	100,0
Operating costs and other expenditures total	136 566 400	147 375 750	107,9
Total financial expenditure	1 150 000 000	2 515 307 000	218,7
Total expenditures and operating costs	1 286 566 400	2 662 682 750	207,0
Actual year earnings	17 769 143 600	25 189 847 250	141,8

Source: Resolution Fund

data in th. of HUF





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