



## Facts about the Hild Life Annuity Programme

**The Competition Council of the Hungarian Competition Authority (GVH) established in its decision that Örökjárdék Ingatlanbefektető Zrt. (Örökjárdék Property Investment Co.) and Hild Ingatlanbefektető Kft. (Hild Property Investment Ltd.) deceived the consumers with the information about their “Hild Life Annuity Programme”. Therefore the two undertakings were fined HUF 13 million (approx. EUR 51.6 thousand). After the decision was published the undertakings made a press release containing several inaccurate statements. In order to provide a clear picture to the public, the GVH lays special emphasis on the announcement of the following facts:**

1. According to the press release of the undertakings the GVH did not find anything to object to in the contracts of Örökjárdék. However, in its proceeding the GVH investigated the communication campaign of the undertakings, rather than their contracts.
2. According to the argumentation of the undertakings the decision of the GVH was based only on some newspaper articles and on incomplete information given by journalist. In reality, the proceeding of the GVH was initiated in connection with the advertising campaign of the two undertakings and was not based on newspaper articles.
3. At the same time the GVH established that Örökjárdék and Hild repeatedly deceived consumers in 2005 and 2006:
  - In the daily Népszabadság (19 May 2006) consumers were informed about Deutsche Bank London having a proprietary interest in and being behind of the “Hild Group” with a financing of EUR 40 million. In reality, none of the undertakings belongs to Deutsche Bank and the financial background provided is under EUR 40 million.
  - They held back the fact that the financing by Deutsche Bank was only provided for a certain period of time. This would have been important to mention, however, if the contracts were made for a term of 15-20 years or even more.
  - They provided inadequate information in their advertisements in the women’s magazine ‘Nők Lapja’ (12 June 2006) about the transfer of the ownership of real estates.
  - In the communication campaign of Hild Örökjárdék Programme they used the term ‘Hild Group’ in order to increase credibility which was, however, not justified under the circumstances in question, given the amount of 23 million HUF of the capital they had as a total.
  - By radio advertisements and advertisements published in ‘Nyugdíjas Élet’, a magazine for retired people (May 2006), consumers were informed that in the frame of Hild Örökjárdék Programme all costs of the home insurance would

be taken over. In reality, it is only the real estate insurance the costs of which are not requested to pay.

- In 'Nyugdijas Élet' (November 2005, March and May 2006) in the frame of Hild Örökjárdék Programme they promised consumers to take over the repair costs. In reality, this is made only under limited circumstances.
- They stated that the life annuity programme was well-known in the USA and Western Europe – though, at the same time, it did not exist in Germany, Austria and Switzerland.
- In certain newspapers exaggerated statements appeared about the popularity of the Programme and the expected number of contracts. Moreover, they underlined that they make the best offer on the market. According to the standpoint of the GVH only undertakings, which are able to substantiate this statement may claim to be 'market leader'. In an Internet advertisement of 17 July 2006: the Hild Group was said to be the market leader out of the undertakings which provide life annuity in Hungary. The two undertakings were not able to prove these statements.

4. The two undertakings are of the opinion that the fine imposed is symbolic. The GVH underlined in this connection that the fine imposed – HUF 13 million and 0.5 million on Hild and Örökjárdék respectively - is more than 5 per cent of the net income of the two undertakings in 2006 and as such it cannot be considered symbolic.

Budapest, 17 January 2007

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