



## Hungary

### Hungarians are saving and investing instead of borrowing

The present economic situation has not brought about any real changes in the way in which people use financial products

The indexes showing bank customers' use of financial products indicate small changes compared to the data from previous years. A more significant change has taken place in the planned use of financial products in the last year, but not in the use of financial products – this is what the latest study from the GfK Hungária Market Research Institute, the Financial Market Data Service, has found. People prefer to save and invest rather than borrow in the present economic situation.

When society as a whole is examined, it can be established that the financial crisis has not typically changed people's financial habits. The indexes showing bank customers' use of financial products indicate small changes in comparison to the data from previous years – this is what the results of the latest study from the GfK Hungária Market Research Institute, the Financial Market Data Service, have shown. The use of financial products is certainly a fairly static situation since borrowing is usually not a short-term process as it is not easy to transfer investments or close an account. As a result, a significant proportion of the population has not responded in any practical manner to the economic crisis in terms of their use of financial products, they still manage their financial matters the way they did before.

The proportion of those with various financial products among bank clients (%)				
	2006	2007	1 <sup>st</sup> half of 2008	2 <sup>nd</sup> half of 2008
Current account	86	88	91	97
Bank card	71	78	78	79
Fixed deposit	13	12	12	11
Current account overdraft facilities	10	10	12	10
Mortgage loan	8	8	8	8
Consumer loan	5	5	4	3
Personal loan	5	5	4	5
Securities	4	3	3	2
Car instalments	4	4	4	4
Deposit book	3	2	2	2

Source: GfK Hungaria, Financial Market Data Service 2006-2009

**When the period over rather more than the last year is examined, it can be established that it is in the planned use of financial products rather than the use of financial products per se where a more significant change has taken place.**

When the five main financial product groups (current accounts/bank cards, mortgages, low-amount loans, medium-amount loans, saving products) are examined, it can be established that planned use was considerably lower in all five product groups in the second half of 2008 compared to the first half of 2008. This indicates that families have become more cautious and have the intention of using financial products a lot less than before.

In the case of three financial product groups (mortgages, low-amount loans, medium-amount loans) the indexes showing the planned use fell further in the first four months of 2009, i.e. people are still not planning to borrow. In contrast, in the case of account-type products, the same values were seen for the period which recently came to an end as for the first half of 2008. However, intentions to make use of investment products were higher than those surveyed in the first half of last year.

*"Consequently, people prefer to save and invest rather than borrow in the present economic situation, which is definitely advantageous as regards people's financial stability, but is disadvantageous to consumption and economic growth,"* says János Bacher, GfK Hungária's Customer Relations Manager.

Are you planning to use the product in the next year?					
	current account, bank card	mortgage	low- amount loan	medium- amount loan	savings products
1 <sup>st</sup> half 2008	16%	2%	4%	3%	4%
2 <sup>nd</sup> half 2008	10%	2%	3%	2%	3%
1-4 months 2009	16%	1%	2%	1%	6%

Source: GfK Hungária, Financial Market Data Service 2006-2009

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