SAVINGS REPORT

2026

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Act CXXXIX of 2013 on the Magyar Nemzeti Bank designates achieving and maintaining price stability as the primary objective of the Magyar Nemzeti Bank (MNB), the central bank of Hungary. Without prejudice to its primary objective, the Bank supports the maintenance of the stability of the financial intermediary system and the enhancement of its resilience and its sustainable contribution to economic growth. The development of households' financial savings is of exceptional importance for the Hungarian economy and is therefore also particularly important for the MNB. Adequate financial savings of households in terms of amount and structure play a key role in achieving and maintaining price stability, in the stability of the financial system and in the balanced, sustainable development of the economy.

In the Savings Report, the MNB provides a comprehensive analysis of the trends in household savings, examines the development of transactions and portfolios, as well as the allocation of assets to individual financial products, and addresses currently relevant issues with a focus on selected topics.

With this publication, the MNB aims to inform the press, the public and market participants about domestic savings trends, thereby drawing attention to the deeper interrelationships of the economy and providing information for making optimal savings decisions.

The analysis was prepared by the Monetary Policy, Strategic and Financial Market Analysis Directorate.

The report incorporates relevant information concerning the period ending 1 April 2026.

Summary

The development of households' financial savings has a significant impact on the economy. Adequate levels and structures of households' financial savings, as well as the distribution of financial wealth across households, play a key role in achieving and maintaining the inflation target, ensuring the stability of the financial system and fostering the sustainable development of the economy. The Savings Report provides a detailed picture of trends in the savings market, whilst also aiming to assist saving households in making informed savings and asset allocation decisions.

As a percentage of GDP, the Hungarian population's net financial savings continued to exceed the average for most regional competitors and EU countries in 2025. Thanks in part to this, Hungary's net financial wealth as a percentage of GDP, which is high by regional standards, continued to rise, although its value still lags behind the EU average. In terms of the structure of financial wealth, similar trends were observed in most of the regional countries in 2025: the share of cash and deposits decreased, whilst the weight of listed shares and investment funds increased in the household sector portfolio. In the region, the financial wealth of Hungarian households continues to be concentrated to a greater extent in the wealthier segments of society: 71 percent of financial wealth is concentrated in the top decile.

The net financial wealth of domestic households as a percentage of GDP increased in 2025, reaching 117 percent by the end of the year. This increase occurred as liabilities relative to GDP rose significantly for the first time in five years, although this was outweighed by the growth in gross financial wealth. As in the past ten years, savings and positive revaluation contributed to the expansion of financial assets in almost equal proportions. Portfolio reallocation towards liquid financial wealth – i.e. financial wealth that can be spent quickly and without significant loss – continued throughout 2025. Investment funds and foreign wealth contributed most significantly to the expansion of liquid assets last year (to 51 percent of total financial wealth). Households' holdings of retail government securities fell in 2025 – linked to the repricing of PMÁP securities, which had previously offered high yields – but at the same time households increased the indirect financing of the general government, via higher purchases of products from other financial institutions.

Overall, following the temporary spike in inflation, the reallocation of portfolios continued in 2025: households primarily sought instruments offering interest income. In addition, households' direct foreign currency assets grew faster than their total financial assets portfolio. By end-2025, households' actual foreign currency exposure, taking indirect holdings into account, is estimated to account for nearly one-fifth of total wealth.

Households' net financial savings as a percentage of GDP declined from 2024 H2 to reach 4.6 percent at the end of 2025. This decline is partly attributable to the increase in household borrowing, whilst asset accumulation dropped as well. The expansion of households' financial assets was driven by deposits, investment funds, shares and holdings, as well as the purchase of foreign assets, whilst demand for retail government securities investments had the opposite effect. Demand for government securities was mainly determined by PMÁP interest payments and maturities, and preference for fixed-interest instruments.

In 2025, inflation-adjusted forint retail government securities, equity funds and balanced funds were the financial assets offering the highest returns, whilst euro deposits and EUR-denominated government securities (expressed in forint) recorded negative returns. As a result of the forint's appreciation last year, returns on HUF-denominated assets generally outperformed the HUF-equivalent returns of foreign currency-denominated assets with a similar risk profile and – with the exception of bank deposits – delivered a positive real return, whilst real returns on EUR- or USD-denominated assets were typically negative. The appreciating forint exchange rate thus supported savings denominated in forint by providing higher returns. 2025 was a particularly good year for investment funds; regardless of fund type, it can be said that the 2025 return exceeded the average return between 2020 and 2024.

Individual sub-areas are examined in greater depth in the Report's special topics. Using the methodology employed by both the Fed and the ECB, for example, we demonstrate that the earlier surge in inflation, followed by a correction, continues to have an impact on savings: real wage growth has been on a lower trajectory since 2022, with the result that household financial savings in 2025 still fall short of the levels previously seen. According to another analysis, government programmes relating to the housing market in 2025 also contributed to last year's lower savings: the Home Start Programme and the use of voluntary pension fund savings for housing purposes both contributed to a decline in households' net financial wealth.

Two of the special topics focus on households' presence and behaviour in the government securities market. According to the first analysis, whether a household holds government securities is primarily determined by the size of its financial wealth, but educational attainment and type of the place of residence also have an impact. Savers who, based on their characteristics, might appear on the government securities market but have not done so yet cited risk and low interest rates as deterrents. The other analysis examined the behaviour of households in relation to the 2025 PMÁP repricing, finding that the new interest rate level, the month of interest payment and the investor's securities portfolio were decisive factors in whether a given household redeemed its government securities.

Two further analyses using microdata provide deeper insight into households' specific financial instruments: deposits and foreign assets. The actual stock of term deposits in forints contracted in 2025 despite the fact that the average interest rate on this type of asset rose moderately, to around 3 percent. However, individual data reveal that nearly one-half of term deposits are concentrated in banks offering an average interest rate of less than 1 percent, and that low interest rates are most characteristic of deposits under HUF 10 million, whilst the interest paid on large deposit portfolios is higher, reaching as much as 5–6 percent. Household savings held in foreign securities have expanded in recent years, reaching nearly HUF 5,100 billion by the end of 2025. More than half of these securities are savings held in investment funds, whilst the remainder is split roughly equally between bonds and shares, with EUR-denominated securities dominating within this category. Part of the growth in foreign assets may be driven by natural diversification, whilst the rise of ETFs is also supported by their favourable cost structure.

The final special topic shows that the expected net performance of the insurance sector's products to maturity has improved in recent years, as a result of regulations and recommendations concerning life insurance products which were initiated by the MNB. In order to improve the value for money of insurance products, a forward-looking initiative at the European level has set minimum thresholds for the performance of asset funds, which – based on back-testing – has improved the value proposition of savings life insurance products, ensuring real return potential for customers

Contents

1. Introduction

Households' financial savings are important for achieving and maintaining price stability. The choice between consumption and saving has an impact on inflation through its effect on the level of domestic demand. In addition to the size of financial savings, the choice between different assets is also significant in terms of inflation. Savings channelled to companies, for example, are more likely to strengthen the supply side of the economy, whilst funds flowing to the state may have a greater impact on increasing demand. The purchase of foreign financial assets affects both the exchange rate and the effectiveness of monetary policy. For these reasons, a better understanding of savings decisions is a key issue as well as an important input for monetary policy.

Savings have a decisive impact on Hungary's economic stability and sustainable growth. The capital required for economic convergence can be financed from internal or external sources. However, over the longer term, large-scale external borrowing leads to a sustained outflow of income, while increasing the country's vulnerability. Therefore, it is important to utilise internal savings as efficiently as possible and to the greatest extent possible within the country. This primarily involves households, which, through the adequate allocation of savings, may also benefit from the gains arising from economic growth (households are sometimes also referred to as the population in this Report).

Financial wealth and its distribution play a key role in smoothing economic cycles, and thus minimising the damage suffered during an economic downturn. Households can use their financial reserves to bridge the impact of income losses resulting from potential job loss. In the event of a crisis, households can mitigate the economic damage caused by a decline in income by smoothing their consumption, which also has a positive impact on other sectors: with a smaller decline in consumption, more companies remain viable, leading to fewer layoffs, while tax revenues related to consumption and income decline less, providing greater leeway for the budget to deal with the crisis.

For the reasons outlined above, the MNB examines the financial savings of households from several perspectives in this publication. On the one hand, we show how households' savings and financial wealth develop: the former refers to the amount of money set aside from income over a period of time (transaction), while the latter refers to the amount available at a given moment, which has been continuously accumulated from previous savings (stock). Similarly, we also analyse the evolution of asset allocation among different financial products. On the other hand, we also evaluate the domestic savings situation in an international context. In addition, we analyse several topical issues in our special topics.

The Report is primarily based on statistical data from financial accounts. The quarterly financial accounts contain data on the savings, financial assets and components of changes in assets of individual sectors, broken down by sector and instrument. The Report also contains data from a number of other sources, notably securities statistics (data on securities issued by economic agents, such as government bonds, stocks and investment funds), the BAMOSZ database (detailed information on investment funds), data from the questionnaire survey conducted by the MNB and from the HFCS (statistics containing household-level information on households' consumption, income and wealth).

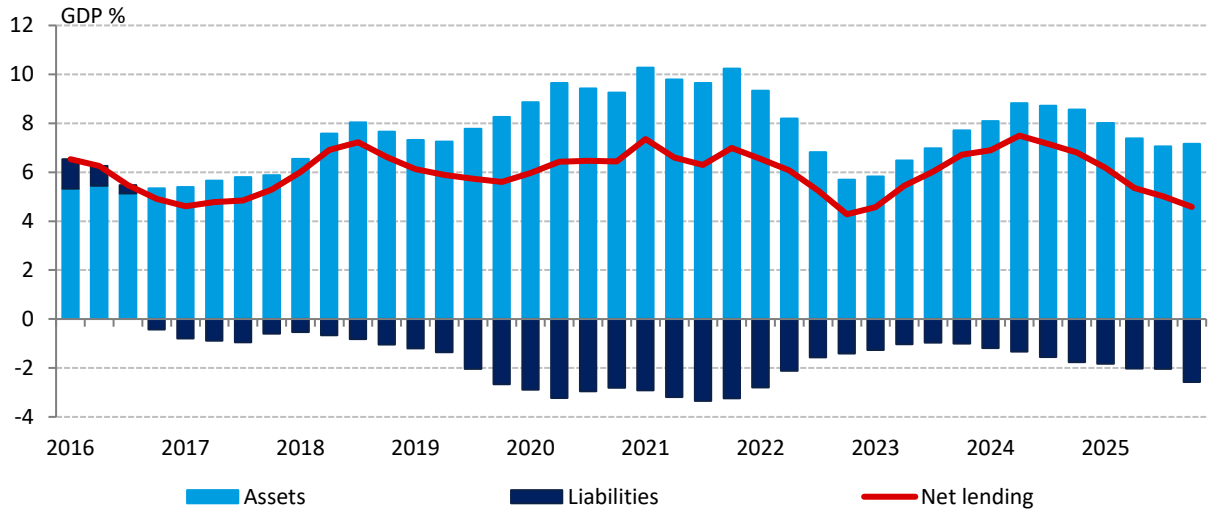
2. In what assets were savings accumulated?

As a percentage of GDP, households' net financial savings declined from 2024 H2 to reach 4.6 percent at the end of 2025. Several factors may have contributed to this decline, such as a smaller increase in income and higher household borrowing (due to the year-end launch of the Home Start Programme). The expansion of households' financial assets was driven by deposits, investment funds, shares and holdings, as well as purchases of foreign assets, whilst moderate demand for government bond investments had an opposite effect. Demand for government bonds was mainly determined by the reinvestment of PMÁP interest payments and maturities in other types of government bonds, and the subsequent preference for fixed-rate instruments. Savings in various foreign assets and foreign currency assets increased during the year.

2.1. Net and gross financial savings

Households' net financial savings continued to decline as a percentage of GDP in 2025 (Chart 1). In 2024, households' net financial savings[1] as a percentage of GDP remained at the previously high level of 6–8 percent of GDP, but started falling from 2024 H2, with the four-quarter value reaching 4.6 percent by end-2025. Versus the previous year, this lower figure may be explained by the decline in the yield environment and the lower growth rate of the wage bill (in connection a slowdown in average gross earnings and falling employment). On the liabilities side, household borrowing continued to strengthen in 2025, with this trend further intensified at the end of the year by the launch and rapid uptake of the new household loan scheme, the Home Start Programme (for a more detailed discussion of the scheme's impact on savings, see section 7.1). In previous years, credit growth had also increased assets (e.g. due to transactions in the pre-owned homes' market, where the loans taken out expanded the financial assets of other households), whereas in 2025, alongside credit expansion, asset accumulation also moderated.

Chart 1: Net financial savings of households (four-quarter values)



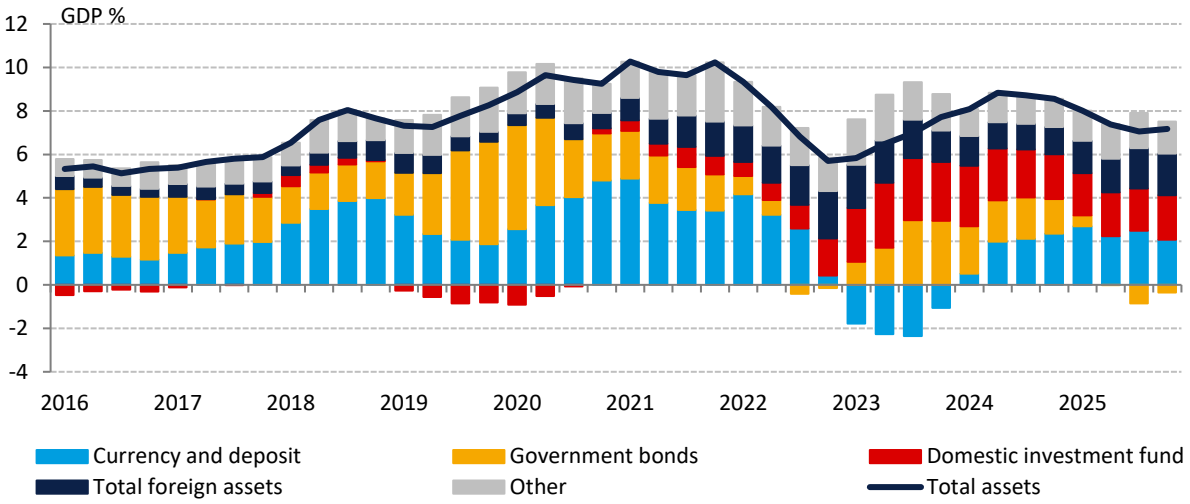
Source: MNB

In 2025, the expansion of households' financial assets continued to be driven largely by purchases of deposits, investment funds, shares and holdings, as well as purchases of foreign assets, whilst the decline in holdings of government bonds – in contrast to previous years – had the opposite effect (Chart 2). In 2025, there was a portfolio shift towards assets with higher expected returns but greater risk (primarily investment funds, shares and holdings), whilst more subdued consumption growth slightly moderated the accumulation of liquid assets. At the same time, although households' holdings of (non-interest-bearing, face value) government bonds increased, the portfolio of government bonds declined

[1] Net financial savings (also known as net lending) is, in terms of real economic variables, the amount of income not spent on consumption or investment in a given year, whilst, in terms of financial variables, it is calculated as the difference between gross financial assets growth and the expansion of liabilities.

following PMÁP interest payments and maturities in the first half of the year. Demand for foreign investment instruments, which have become more readily available thanks in part to accelerating technological development, rose further in 2025.

Chart 2: Factors influencing financial asset accumulation (four-quarter values)

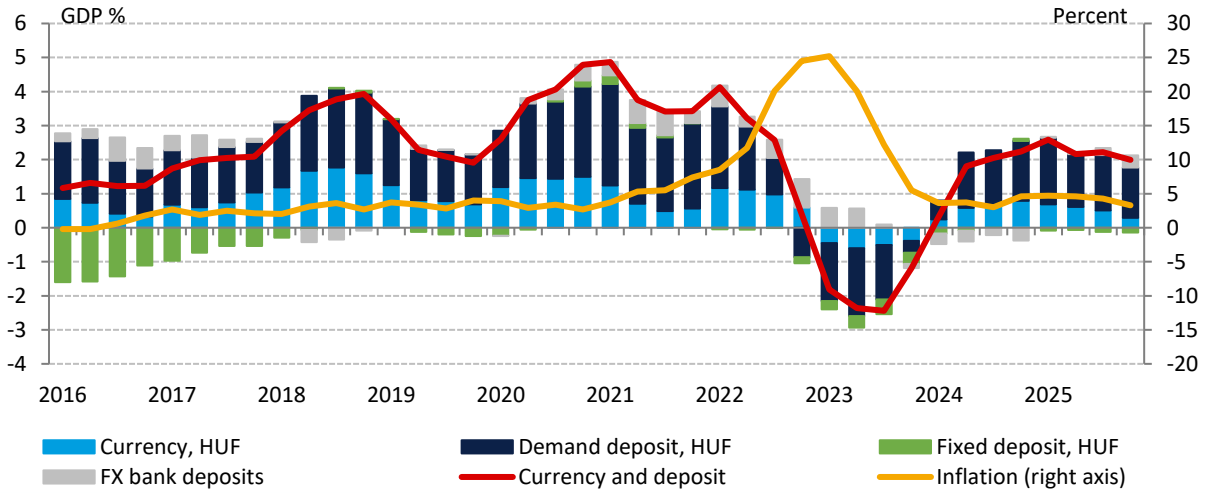


Source: MNB

2.2. Cash and deposits

Within liquid assets, household savings flowed mainly into demand deposits, whilst households expanded their cash holdings to a lesser extent than in the previous year (Chart 3). Changes in the domestic economic environment can be tracked through trends in households' cash and deposit savings. Compared to 2024, in line with more subdued consumption growth and a moderate rise in inflation, household transactions in forint cash and demand deposits declined in 2025, whilst foreign currency deposits increased on a transaction basis relative to GDP, primarily as a result of the appreciation of the forint exchange rate.[2] As in 2024, cash and deposit assets as a whole showed growth of around 2 percent of GDP, and among these assets, households continued to place the largest proportion of their savings in demand deposits.

Chart 3: Households' cash and deposit transactions as a percentage of GDP and inflation over four quarters



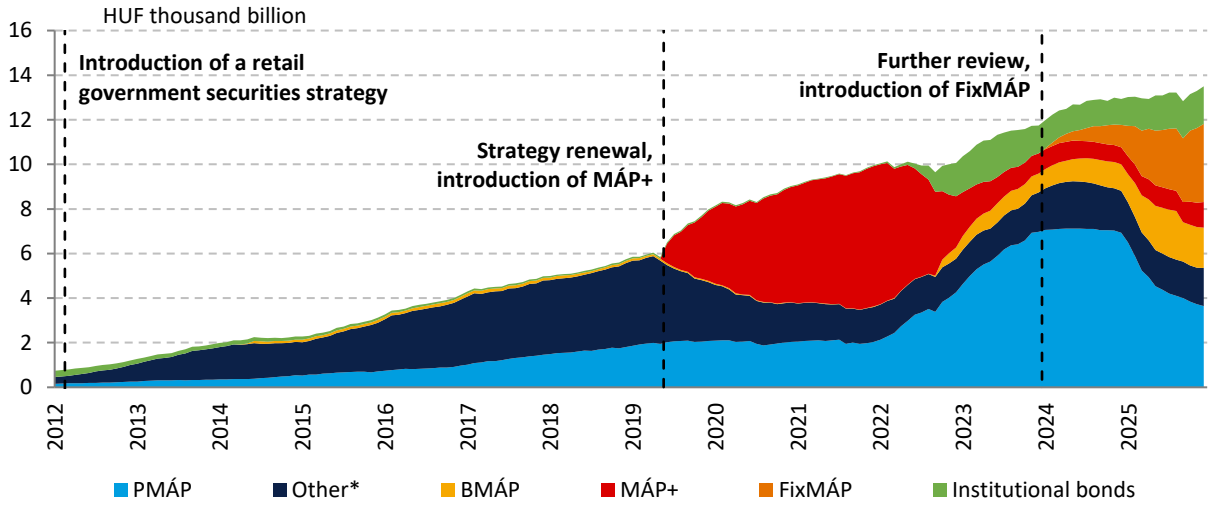
Source: MNB

[2] For more details on the relationship between savings in foreign currency deposits and the exchange rate, see Box 3 in the 2025 Savings Report.

2.3. Trends in government securities savings

The government securities holdings of households in 2025 were mainly driven by interest payments approaching HUF 1,300 billion on PMÁP and the subsequent surge in fixed-variable portfolio reallocation (Chart 4). Due to the unfavourable financing environment following the 2008 global financial crisis, increasing households' holdings of government securities became an economic policy priority from 2012 onwards, resulting in an average annual increase of HUF 1,000 billion in households' holdings of government securities up to 2024. In 2025, however, interest rates on the inflation-adjusted PMÁP series fell significantly: with yields on these securities dropping from 18–19 percent to around 4–5 percent. As a result, the shift by household investors from variable-rate to fixed-rate products offering higher interest rates accelerated compared to 2024. In September, interest rate increases for the MÁP Plusz and FixMÁP products were announced. With this, in conjunction with the reduction in the interest rate spread on variable-rate securities, increasing the proportion of fixed-rate securities within household portfolios became a clear objective. As a result, by end-2025, the FixMÁP portfolio had expanded 3.5 fold compared to its level at the start of the year to exceed HUF 3,500 billion, and by January 2026 households held the largest portfolio of these securities. Overall, government securities holdings of households calculated at face value (and excluding accrued interest) increased by nearly HUF 600 billion last year, all of which occurred in the final quarter, following outflows in the first nine months. However, this still falls significantly short of the amount of PMÁP interest paid to households, part of which was channelled into other investments and also supported consumption and real property-related purposes.

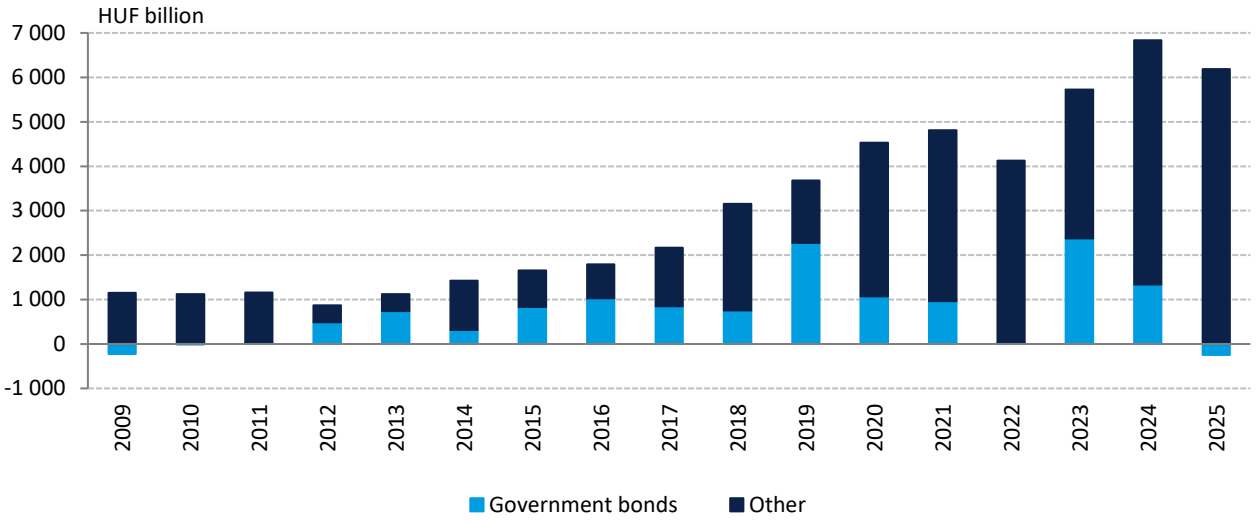
Chart 4: Changes in households' government securities holdings calculated at face value



** 1MÁP, Baby Bond, FMÁP, 2MÁP, P€MÁP, EMÁP, KTJ I-II*
Source: MNB

Despite a substantial increase in the stock at face value, households' government securities holdings contracted last year for the first time since 2010 as a result of significant interest payments (Chart 5). In financial accounts statistics, changes in households' holdings of government securities have played a significant role in the development of households' financing capacity in recent years. This indicator includes not only changes in the stock at face value but also the accrued interest and the effect of interest payments. Accrued interest, with a positive sign, increases savings in government securities month on month, whereas when it is paid out, it appears in the statistics with a negative sign. In 2023 and 2024, the increase in households' government securities holdings exceeded the growth in the stock at face value by nearly 30 percent overall, as the accumulated interest on outstanding holdings also rose in parallel with the surge in demand for inflation-adjusted PMÁP. The opposite effect was observed in 2025, when the PMÁP series paid out the interest linked to the relatively high inflation rate of 2023. As the HUF 1,300 billion in PMÁP interest payments last year did not flow back in full to the government securities market and the volume of new funds was insufficient to offset the outflows, households' holdings of government securities declined – a development unprecedented in the preceding 14 years.

Chart 5: Breakdown of household's gross financial savings by government securities and other assets



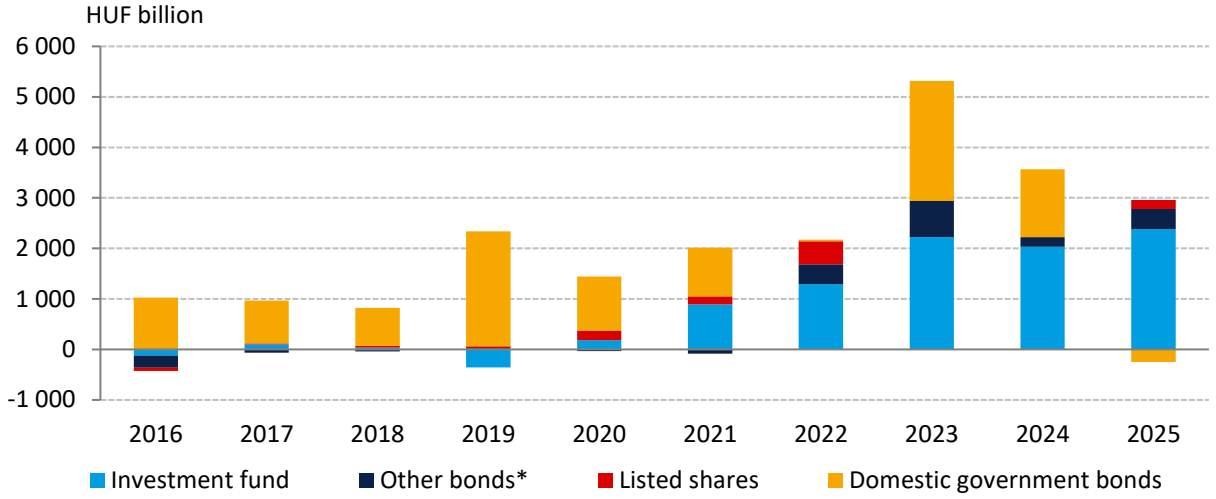
Source: MNB

2.4. Other securities savings

Starting from 2022, households' demand for investment funds exceeded their demand for government securities, and interest in other securities also increased. Between 2016 and 2020, households' interest in other securities (investment funds, listed shares, corporate and bank bonds) was subdued: over the five-year period, the flow of household savings into these securities was negative in transaction terms, meaning there was an outflow from securities other than government securities. In 2022 (with the change in the interest rate environment), there was a shift in the structure of households' securities savings: from this point on, demand for investment funds exceeded demand for government securities, purchases of bank bonds increased and interest in listed shares also grew (Chart 6).

In 2025, households' interest in investment funds was exceptional, partly due to the rollover of maturing PMÁP and BMÁP securities into this instrument during the year. Since 2023, households' purchases of investment funds have exceeded HUF 2,000 billion annually. In 2025, there was exceptional demand for investment funds, amounting to more than HUF 2,300 billion, which is the highest figure in recent years. This may be due to the fact that some of the PMÁP maturities at the start of the year and the BMÁP maturities in September were rolled over into investment funds, a trend particularly characteristic of wealthier savers. As a result of all this, by the end of 2025, the combined portfolio of domestic (HUF 13,400 billion) and foreign (HUF 3,000 billion) investment funds held by households (HUF 16,400 billion) exceeded that of government securities (HUF 13,700 billion). At the same time, the number of domestic securities accounts holding investment funds rose by more than 100,000 during the year to approach 1 million, whilst the number of securities accounts holding domestic government securities fell below 800,000.

Chart 6: Annual household transactions in the main types of assets held in securities (at market value)



** Predominantly bonds issued by credit institutions and non-financial corporations, as well as bonds issued by non-residents, including foreign government securities.*
Source: MNB

Households' demand for listed shares picked up again in 2025. In 2022 H1, demand for listed shares was strong, as household investors may have seen the fall in equity prices following the outbreak of the war between Russia and Ukraine as a good opportunity to buy. Over the next two years, households showed subdued interest in shares, before demand rose again in 2025: however, the purchases of nearly HUF 200 billion fell short of the levels seen in 2022. The stock market downturn caused by the trade war in April 2025 may also have contributed to the increased share purchases, as investors may have viewed this as a good entry point, similar to 2022. In addition, new share issues at the end of the year also supported demand. In terms of domestic securities accounts, holdings of shares expanded most significantly in the top asset group – those with assets exceeding HUF 500 million. By the end of the year, households held listed shares worth nearly HUF 4,000 billion, with 73 percent of this accounted for by domestic shares.

Purchases of other debt securities picked up in 2025, with the bulk of demand directed towards foreign bonds. Interest in other debt securities first surged in 2022, and in 2023 demand – primarily for bank bonds – exceeded HUF 700 billion. This increased interest was driven by high HUF-denominated returns – often in double digits and competitive with retail government bonds – and the fact that banks frequently issued these securities in foreign currencies as well, which may have been an attractive alternative. Following a temporary decline in 2024, transactions rose again in 2025; however, in contrast to 2023, demand for foreign bonds in 2025 exceeded that for domestic bank bonds. The stock of other debt securities approached HUF 2,000 billion by the end of 2025.

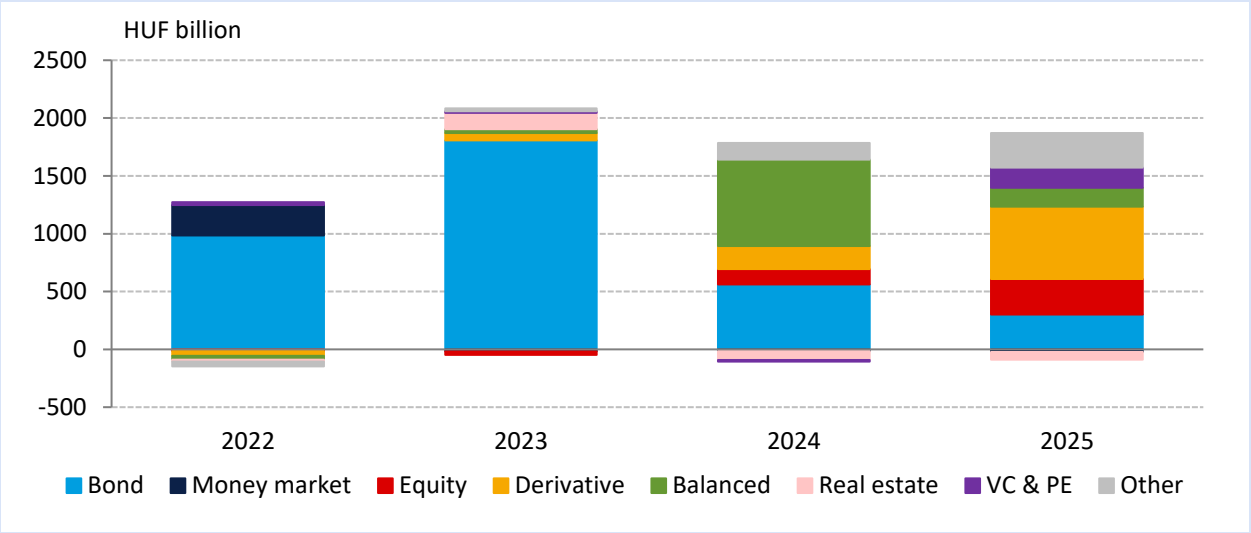
Box 1: What domestic investment funds did savings flow into?

In 2025, households' largest purchases were registered in equity and bond funds, along with derivative funds. The strong demand for domestic investment funds in 2022–2023 was primarily linked to bond funds, which can be explained by the high inflationary environment and the uncertain global and geopolitical situation at the time (Chart 7). From 2024 onwards, more diversified funds offering higher potential returns but involving greater risk came increasingly to the fore. Regulatory changes[3] may also have played a role in the stronger interest in balanced funds and allowed them to position themselves as more attractive and safer products. Purchases of derivative and equity funds increased in 2025: as yield premiums declined, products with higher potential returns may have gained in value. In addition, changes in the classification of investment funds played a role in the structural shift observed in 2025 (resulting, for example, in a decline in the number of balanced funds). The high, and in some cases double-digit, historical returns seen in equity funds may have reinforced these investment decisions. Purchases of derivative funds tripled, and purchases of equity funds doubled

[3] Securities funds, including balanced funds, are required to hold at least 60 percent of their assets in securities (rather than, for example, bank deposits); and, according to a 2024 regulation, government securities must be included among the assets of these funds.

compared to 2024, whilst demand for bond funds, although significant, was almost half that of previous year. Despite the decline in demand, households held the largest holdings of bond funds at the end of 2025 (nearly HUF 5,500 billion), followed by derivative funds (HUF 2,300 billion), property funds (HUF 1,700 billion) and equity funds (HUF 1,300 billion).

Chart 7: Households' domestic investment fund share transactions by fund type



VC & PE: venture capital and private equity funds.
Source: MNB

With regard to households' transactions in domestic investment funds, both the proportion denominated in foreign currency and the indirect foreign currency proportion rose in 2025. Within the demand of nearly HUF 1,800 billion linked to domestic investment funds, the indirect foreign currency share[4] rose to 60 percent in 2025 from around 50 percent in the previous two years, meaning that over the course of a single year, more than HUF 1,000 billion flowed indirectly into foreign currency assets via investment funds. Furthermore, another change compared to previous years is that in 2025 households specifically sought out funds denominated in foreign currency, and their indirect foreign exchange exposure increased through such funds.

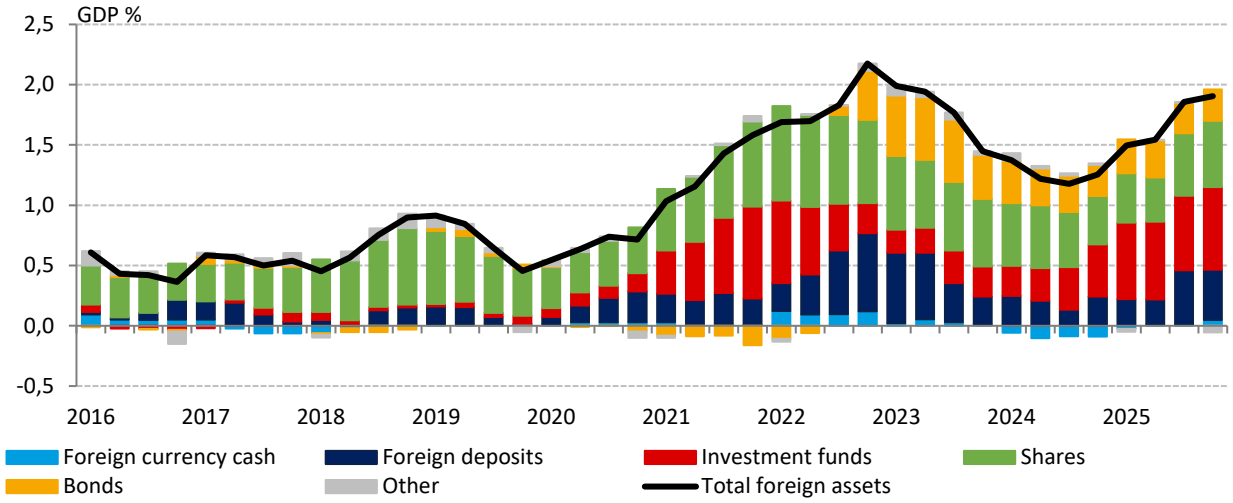
2.5. Foreign assets

In 2025, the volume of savings accumulated in various foreign assets increased[5] (Chart 8). In parallel with the rapid moderation of inflation, purchases of foreign currency assets fell back to a level somewhat above 1 percent of GDP in 2024. However, growth resumed in 2025, and by the end of the year its four-quarter GDP ratio (1.9 percent) approached the level seen at the end of 2022. The increase – compared to the previous period of growth – was primarily reflected in the purchase of foreign shares and investment units, which may have been partly related to their easier availability due to accelerating technological development, as well as the decline in the attractiveness of government bonds. Furthermore, the appreciation of the forint in 2025 may also have contributed to households placing foreign deposits, which rose to 0.4 percent of GDP on a four-quarter basis by the end of the year.

[4] Calculation of the indirect foreign currency share: for each investment unit, we multiply the households' holdings by the proportion of foreign currency assets within the assets of the relevant investment fund and sum these figures.

[5] Households' foreign assets are claims that appear directly against the foreign sector in the financial accounts. The majority of foreign assets are denominated in some foreign currency. By contrast, the foreign currency assets of households may also appear as claims against domestic entities, for example in the form of foreign currency deposits at banks.

Chart 8: Composition of savings accumulated in foreign assets (four-quarter values)

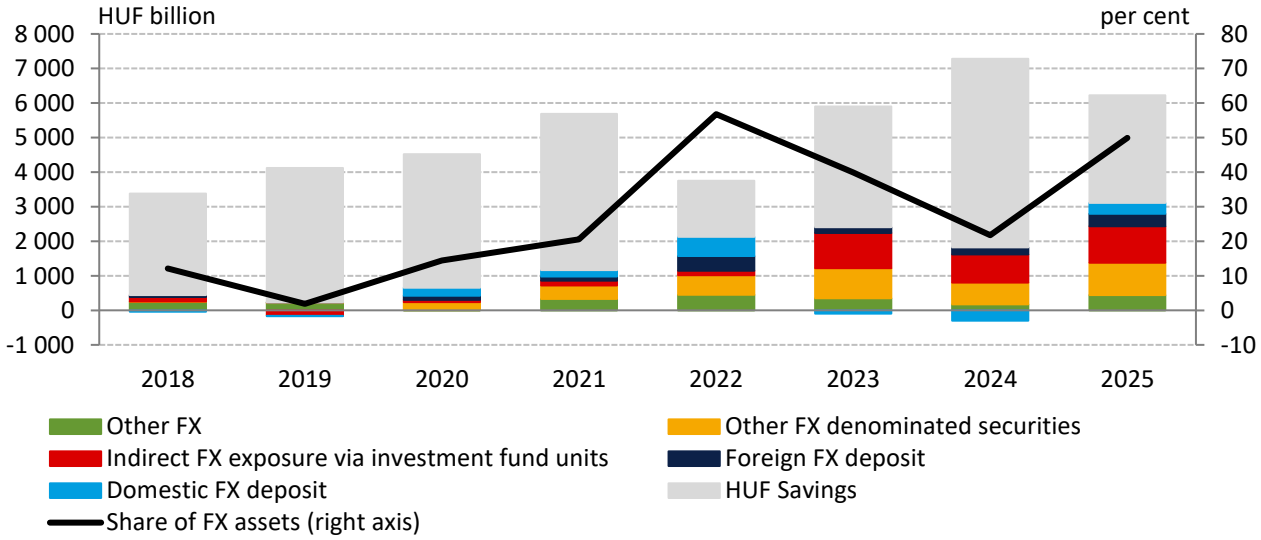


Source: MNB

2.6. Foreign currency assets

Overall, one-half of household savings were accumulated in foreign currency assets in 2025 (Chart 9). Demand for foreign currency savings instruments surged in 2022 in the wake of the Russia–Ukraine war, when the value of annual foreign currency savings exceeded HUF 2,000 billion for the first time, and the share of foreign currency reached 57 percent. Over the next two years, the value of foreign currency savings stagnated, and as forint savings expanded, the share of foreign currency declined. However, in 2025, households' savings in foreign currency amounted to HUF 3,100 billion, the highest figure in recent years, whilst the share of foreign currency rose to 50 percent. Households' demand for foreign currency was particularly high in the first quarter, whilst by the fourth quarter it had moderated to the level typical of the same period in previous years. The structure of foreign currency assets has changed since 2022: whereas at that time nearly one-half of foreign currency savings were held as deposits, this has now declined, with the largest share now accounted for by indirect foreign currency exposure via investment funds and other foreign currency-denominated securities.

Chart 9: Changes in households' foreign currency savings



Source: MNB

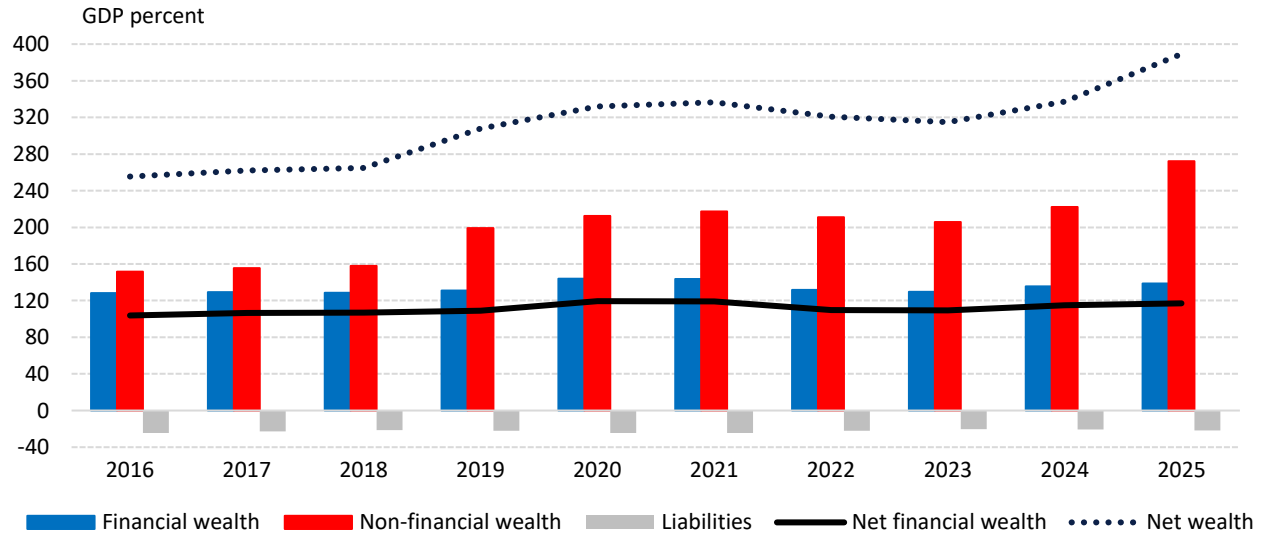
3. Trends in financial wealth in Hungary

The net financial wealth of Hungarian households as a proportion of GDP continued to grow in 2025, which can be attributed to the growth in financial assets, whilst liabilities increased significantly for the first time in five years. Looking at the past year, savings and positive revaluation contributed to the expansion of financial assets in almost equal proportions. Portfolio reallocation towards liquid financial wealth – i.e. financial wealth that can be spent quickly and without significant loss – continued throughout 2025. Investment funds and foreign assets contributed most significantly to the growth in liquid assets over the past year.

3.1. Net financial wealth and its main factors

Households' net financial wealth as a percentage of GDP rose moderately further in 2025, advancing to nearly 117 percent of GDP. In terms of gross stocks, the stock of financial assets as a percentage of GDP rose to 139 percent in 2025, whilst that of liabilities rose to 22 percent. The growth in gross financial wealth slowed due to a decline in transactions, whilst loans outstanding rose significantly in line with the surge in borrowing supported by the Home Start Programme (Chart 10). As a result of all this, net financial wealth rose to 117 percent of GDP in 2025, increasing to a lesser extent than in the previous year and still falling short of the peak recorded at the start of the pandemic. The stock of non-financial assets as a proportion of GDP rose at an accelerating pace to above 270 percent in 2025, which is largely attributable to higher house prices. Net wealth (including both financial and non-financial assets) thus rose significantly overall in 2025 (to nearly 390 percent of GDP).

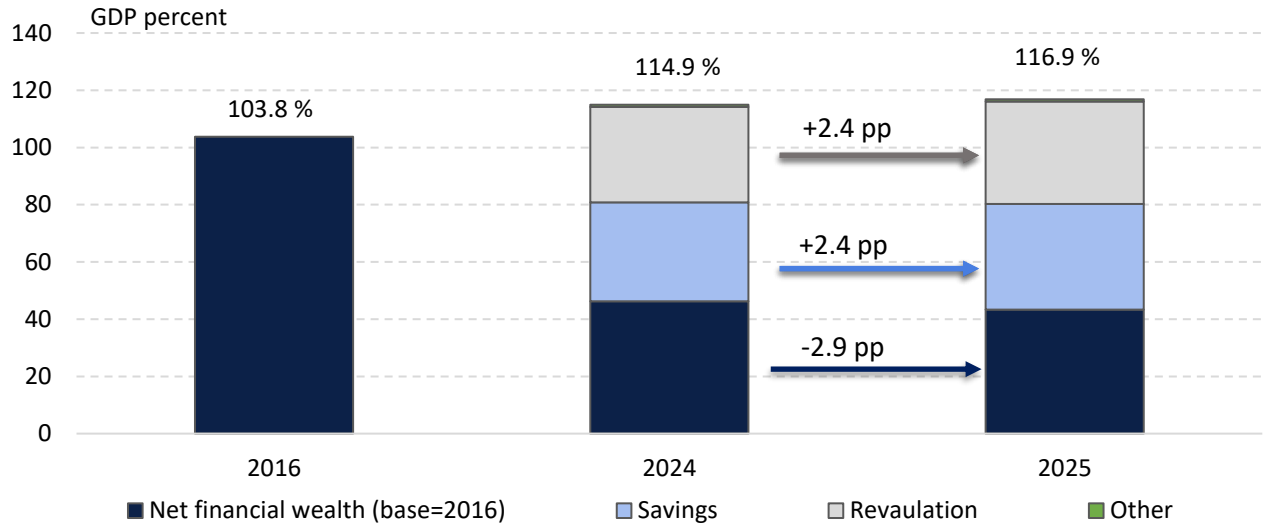
Chart 10: Stock of net financial wealth as a percentage of GDP



Source: MNB

In 2025, as in previous years, the growth in net financial wealth was driven roughly equally by an increase in the value of assets and the financial savings accumulated during the period. Looking at the past ten years, both transactions and revaluation contributed significantly to the nearly 13-percentage point increase in net financial wealth. In 2025, the 2-percentage point increase in net financial wealth relative to GDP over the course of a year amounted to nearly HUF 7,950 billion in nominal terms. Of the latter, 50 percent (approximately HUF 4,000 billion) stemmed from transactions, meaning that the accumulation of net financial assets from household savings contributed to roughly half of the stock growth (Chart 11). The increase in the value of financial wealth, i.e. revaluation, accounted for 50 percent of nominal growth, which amounted to nearly HUF 3,900 billion over a period of one year, while the remainder was due to other volume changes, such as reclassification. The bulk of the revaluation was linked to equity holdings, a significant portion of which can be attributed to the increase in the value of enterprises owned by households. In addition to this, there was a significant revaluation of unlisted shares and investment funds, as well as, to a lesser extent, listed shares.

Chart 11: Factors affecting changes in net financial wealth as a percentage of GDP



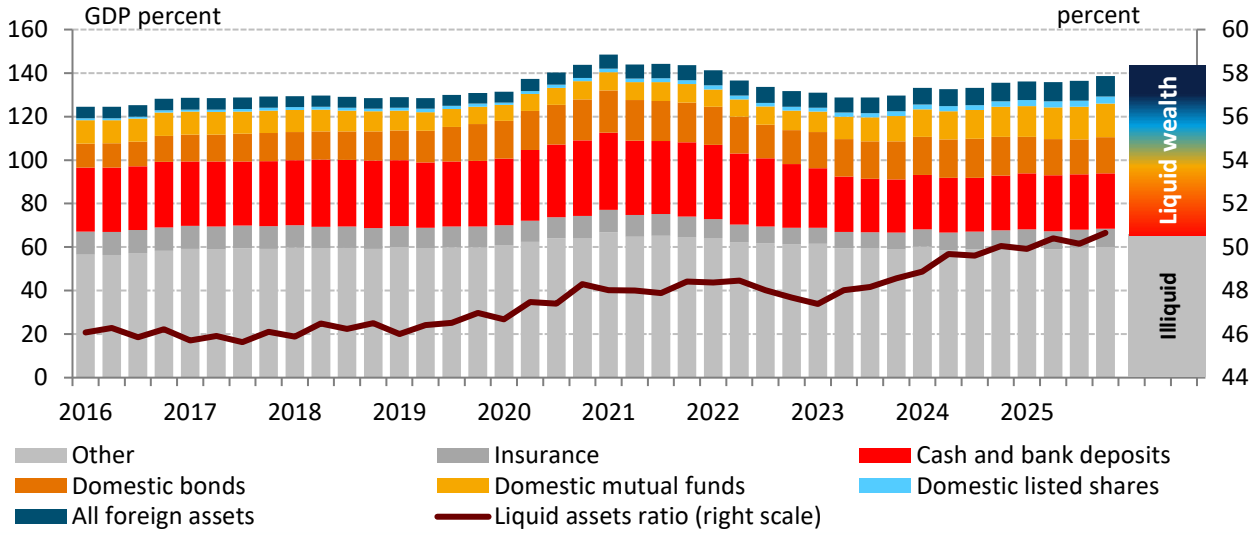
Note: The dark blue part shows the percentage of net financial wealth in 2016 as a percentage of GDP in that year. The blue (grey) part shows the total contribution of savings (revaluation) to net financial wealth in the years since 2016.
Source: MNB

3.2. Liquid and longer-term assets

By the end of 2025, the stock of liquid financial assets in total financial wealth had risen to 51 percent. According to the definition used in central banking practice, households' financial wealth that is accessible at low cost in the short term, i.e. liquid financial wealth, includes bank deposits, debt securities (essentially bonds, mainly government securities), listed equities and investment fund shares (Chart 12). The proportion of liquid wealth within total financial wealth has risen moderately since 2016, and the trend in 2025 is consistent with that observed in recent years.

The portfolio reallocation observed within liquid assets in recent years continued in 2025, leading to an increase in the proportion of investment funds and foreign assets. Liquid financial assets have risen from 57 percent of GDP in 2016 to 70 percent, largely due to the increased stock of HUF-denominated bonds in line with the new retail government securities strategy, and – following the outbreak of the pandemic and the surge in inflation – to net purchases of investment funds and foreign assets, as well as revaluation. In 2025, the stock of domestic bonds, consisting predominantly of government securities, as a percentage of GDP declined moderately – linked to the repricing of PMÁP – whilst that of foreign assets increased by 0.7 percentage point. In parallel, the amount of domestic investment funds (with an annual increase of 1.8 percentage points) rose to 15.5 percent of GDP. With the easing of inflation, the decline in the ratio of bank deposits and cash to GDP, which had been ongoing since 2022, came to a halt and stabilised at around 25 percent. The stock of domestic listed shares – largely due to an increase in stock volume linked to revaluation – rose by 0.5 percentage point in 2025, reaching 3.3 percent of GDP. However, this figure remains low by international standards.

Chart 12: Stock of gross financial wealth as a percentage of GDP by financial asset



Source: MNB

The size of less liquid, longer-term investments as a percentage of GDP did not change significantly in 2025. Although the combined assets of the insurance sector and pension funds (also classified in this category) grew moderately to 8.4 percent of GDP in 2025, the rate of growth lagged significantly behind the expansion of liquid assets. Other assets – which mainly comprise retail equity holdings, but also include, for example, unlisted shares or employees' wage claims payable retrospectively for days already worked – also expanded moderately.

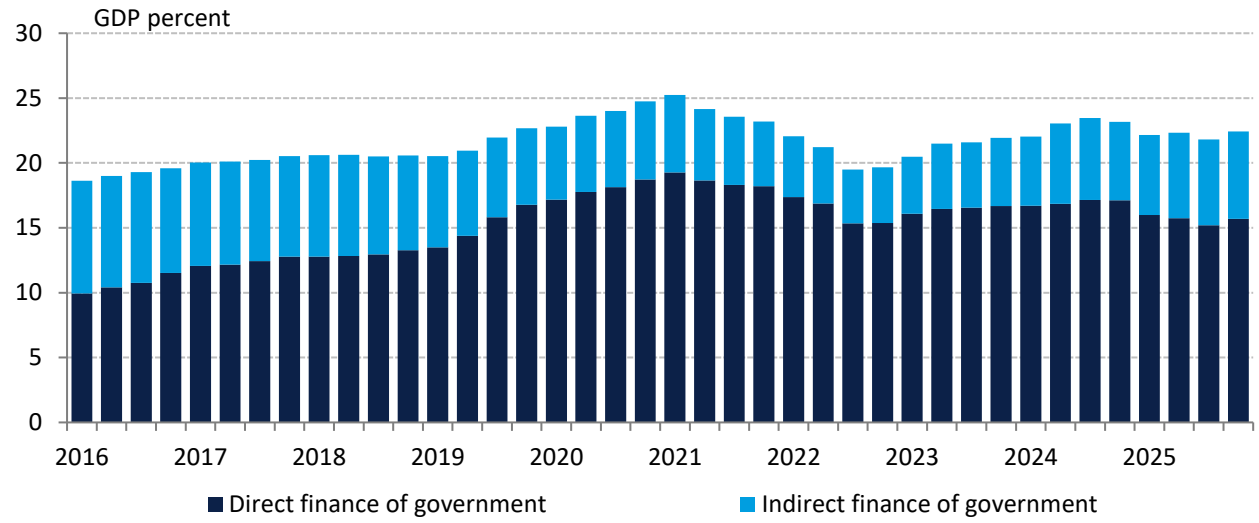
Overall, after the temporary spike in inflation, the reallocation of the portfolio continued in 2025: households primarily sought assets that provided interest income and offered at least partial protection against a potential depreciation of the forint exchange rate.

3.3. Direct and indirect holdings of government securities

There may be a significant difference between the financial assets held directly by households and the extent to which the public uses these to finance individual sectors. This is essentially due to the fact that households hold instruments financing other sectors partly through the financial intermediary system. Statistics therefore contain both direct information on financial assets and information on the sector to which household wealth is indirectly linked. For example, households hold government securities not only directly but also through investments in investment funds, insurance companies and pension funds – in other words, households' claims directly against the financial intermediary system ultimately represent, in part, indirect financing of the state.

In 2025, direct household financing of the state declined, but this was partly offset by a rise in households' indirect claims on the state. Looking directly at households' government securities, household financing of the state accounted for 15.7 percent of GDP at the end of 2025, whilst considering the total asset portfolio (and thus indirect financing as well), the figure stood at 22.5 percent (Chart 13). Whereas ten years ago, government financing of households was split almost equally between indirect and direct financing, by the start of the decade the direct share had risen to 75 percent as a result of significant purchases of government securities by households. In recent years, including 2025, direct financing declined moderately, whilst total household financing stabilised at over 22 percent of GDP; repricing following large-scale interest payments in the first half of the year, as well as changed reinvestment preferences, may have played a role in this.

Chart 13: Household holdings of direct and indirect government securities (as a percentage of GDP)

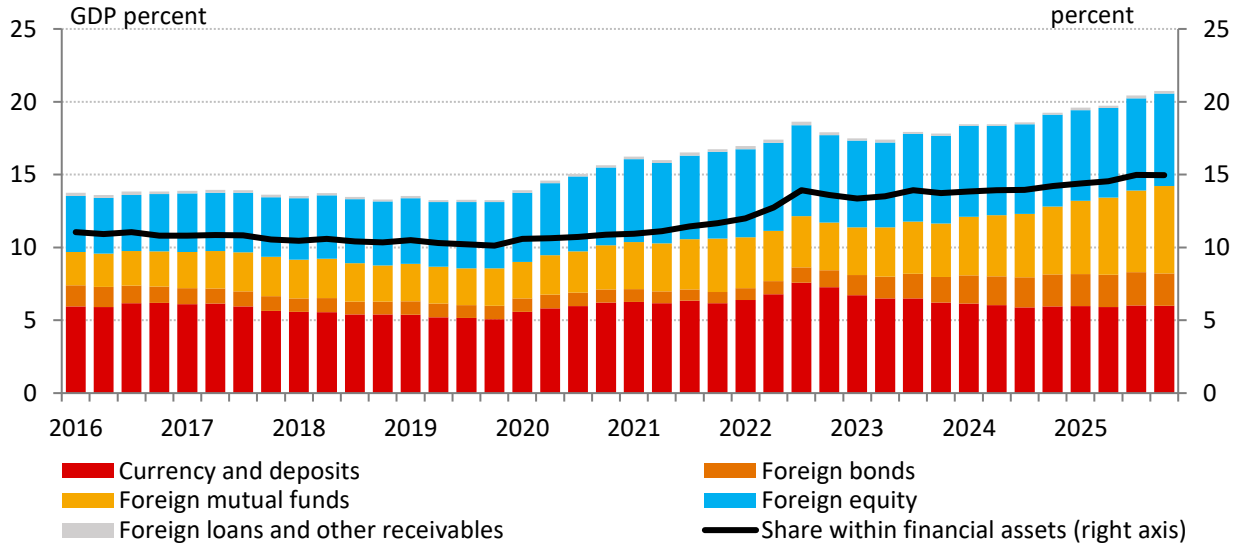


Source: MNB

3.4. Foreign currency exposure

Households' financial assets denominated directly in foreign currency rose to nearly HUF 18,000 billion by the end of 2025, equivalent to nearly 21 percent of GDP (Chart 14). Households' foreign currency assets may appear as claims against both foreign and domestic entities (an example of the latter is foreign currency deposits held at domestic banks). The value of foreign currency assets as a proportion of GDP did not change significantly until the end of the 2010s, but then, as a result of the waves of the crisis, rose from 13 percent at the end of 2019 to close to 21 percent by the end of 2025. The ratio of foreign currency cash and foreign currency deposits held at foreign and domestic banks to GDP did not change significantly in 2025: it remains around the decade-long average (6 percent of GDP). In 2025, the bulk of the robust growth in foreign currency assets was accounted for by foreign currency investment funds, as well as foreign shares and other equity holdings. In addition to investments in foreign companies, the latter includes the value of foreign real estate, which is classified as direct capital investment in the statistics.

Chart 14: Households' foreign currency-denominated financial assets as a percentage of GDP and their share in total household financial assets



Source: MNB

In 2025, the previous trend continued, with households' direct foreign currency assets growing faster than their total financial assets portfolio. The nominal value of households' direct foreign currency assets rose by nearly 15 percent, whilst

their total financial assets grew at a slower pace of 9 percent. This occurred despite the fact that the revaluation resulting from the strengthening of the forint reduced the value of foreign currency assets expressed in domestic currency. In 2025, transactions increased the stock of foreign currency assets by nearly 3 percent of GDP, whilst revaluation reduced it by around 0.5 percent of GDP.

Taking into account indirect holdings through investment funds and insurance and pension funds, the actual foreign currency exposure of households was estimated to amount to nearly one-fifth of total wealth at end-2025. We estimate that by the end of 2025, households held foreign currency assets worth HUF 6,000 billion through domestic investment funds, which corresponds to 45 percent of exposure via domestic investment funds. The foreign currency exposure of the life insurance sector's invested asset portfolio was around 27 percent in 2025, whilst the foreign currency exposure of the assets backing pension fund cover reserves stood at 26 percent. Applying these ratios, we arrive at a figure of HUF 900 billion for households' life insurance reserves and HUF 800 billion in foreign currency assets for pension fund reserves. In addition, households held approximately HUF 500 billion worth of foreign investment fund shares denominated in forints, through which they presumably also hold foreign currency assets. Overall, while 15 percent of households' financial assets are foreign currency assets when directly examined, the share of foreign currency assets may approach 20 percent at end-2025, based on the above estimated indirect exposures.

4. Yields

In 2025, inflation-adjusted forint government securities, balanced funds and equity funds were the financial assets offering the highest returns, whilst euro deposits and EUR-denominated government securities recorded negative returns in forint terms. This repeated the pattern characteristic of the past decade, whereby assets at the two ends of the risk spectrum delivered the highest returns. As a result of the forint's appreciation last year, returns on HUF-denominated assets generally significantly outperformed those on foreign currency-denominated assets and – with the exception of bank deposits – provided positive real returns, whilst the real returns on EUR- or USD-denominated assets were typically negative.

4.1. Returns on financial assets in 2025

As has been typical over the past ten years, the three asset classes offering the highest returns in 2025 were equity investment funds, balanced funds and HUF-denominated government securities (Table 1). In 2025, alongside long-term, fixed-rate forint government securities (FixMÁP and MÁP Plusz), money market, bond and property funds also had a fairly good year in terms of nominal returns (for differences within the individual categories, see Box 2). The PEMÁP, a EUR-denominated, inflation-adjusted Hungarian government bond that has frequently finished on the podium over the past decade, however, recorded a negative return in forint terms last year, with only EUR-denominated bank term deposits yielding even lower returns (in forint). In line with their performance over the past decade, forint deposits also finished near the bottom of the rankings in 2025.

In 2025, forint government securities and domestic investment funds achieved a positive real return, but this was not the case for other financial assets. Over the past ten years, of the categories examined, only inflation-adjusted government securities, equity funds and balanced funds achieved a positive real return overall. In December 2025, consumer prices were on average 3.3 percent higher than one year earlier. In 2025, HUF-denominated government securities and domestic investment funds typically achieved higher returns than this, whilst bank deposits and EUR-denominated Hungarian government bonds actually lost a small amount of their value in real terms over the course of the year (calculated in forints).

Table 1: Annual return (%) on various forms of savings (in forints)

	BANK DEPOSITS			GOVERNMENT SECURITIES				DOMESTIC INVESTMENT FUNDS				
	Demand dep.	Time dep.	Time dep. EUR	MÁP+	FixMÁP	PMÁP	P€MÁP	MMF	Bond	Balanced	Real estate	Equity
2014	0.6	2.9	**7.5**			3.8	**9.7**	1.3	2.5	5.8	3.4	**8.5**
2015	0.4	1.7	0.2			**3.0**	1.9	0.7	1.0	-0.2	**3.1**	**7.1**
2016	0.2	1.2	-0.2			**3.2**	1.7	0.6	1.0	**4.1**	2.9	**10.5**
2017	0.1	0.9	-0.1			**3.3**	2.6	0.2	0.7	**2.8**	2.8	**14.7**
2018	0.0	0.7	**3.8**			**4.0**	**7.3**	0.5	-0.6	-0.5	2.5	-5.2
2019	0.0	0.6	2.9	3.5		5.8	**6.2**	0.3	1.4	**7.7**	3.0	**17.6**
2020	0.0	0.6	**10.4**	4.3		**6.2**	**12.2**	0.2	0.4	4.4	3.1	4.5
2021	0.0	0.5	1.3	4.8		**6.2**	3.0	0.0	-0.2	**6.9**	3.5	**23.6**
2022	0.2	0.5	**8.5**	5.3		5.7	**15.6**	5.0	5.5	-0.7	**8.9**	-9.6
2023	0.6	2.0	-3.9	5.8		15.4	0.4	10.6	**16.1**	**15.7**	13.3	**32.7**
2024	0.3	1.8	9.2	6.2	7.0	**18.7**	**15.3**	5.8	6.5	10.8	6.1	**20.0**
2025	0.2	1.4	-4.7	6.4	7.0	**7.2**	-1.8	4.8	5.1	**7.8**	6.0	**26.3**

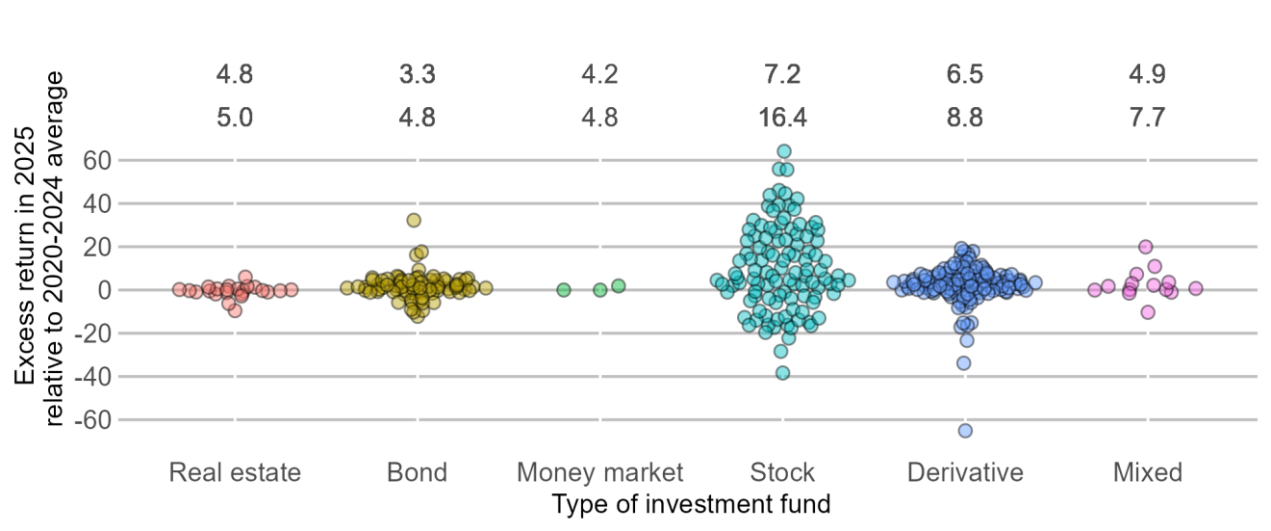
Note The investments with the three highest return in a given year are shown in bold cells. The table shows the weighted average current interest rates for bank deposits based on the December balance of the previous year, the average annual interest rate for a selected series of government securities for a given year, and the average annual return of the largest funds in each category for investment funds. For each type of government bond, we used the interest rates of the series available at the start of the period, and upon maturity, we replaced them by the series sold at that time (for PMÁP, we used the 2029/I series from 2022 onwards). The returns on specific instruments within each category may therefore differ from the values shown in the table.
Source: MNB, ÁKK, BAMOSZ

Taking into account the riskiness of the various asset classes, it can be concluded that, as in previous years, low-risk forint government bonds performed well, but equity funds, situated at the other end of the risk spectrum, closed an even better year. Balanced funds, which are also diverse in terms of risk, typically generated significant positive real returns in 2025 as well. By contrast, within the low-risk deposit and government securities categories, EUR-denominated assets – which had often performed well in previous years – typically underperformed, primarily as result of the (negative) realisation of the associated exchange rate risk last year (see sub-section 4.2. for further details).

Box 2: Returns on investment funds in 2025

In the chart below, we compare the returns achieved by investment funds in 2025 with their average returns in previous years (between 2020 and 2024). Each point in the chart represents an investment fund, and the vertical axis shows the surplus return achieved in 2025 relative to the fund's average return between 2020 and 2024. At the top of the chart, we have shown the average return achieved by each fund type between 2020 and 2024, and below that, the average return achieved in 2025.

Chart 15: Fund returns in 2025 compared to the 2020–2024 average



Source: BAMOSZ

2025 was a particularly good year for investment funds: on average, all six fund types shown outperformed their average returns from the period of 2020–2024, although the extent of this outperformance varied by type. Equity funds outperformed their performance in previous years the most, by an average of more than 9 percentage points, which is not surprising given that the world's leading stock markets and the Budapest Stock Exchange also saw significant gains during 2025. Many funds managed to outperform their previous performance by more than 20 percentage points; even so, there were also funds whose performance fell well short of what had been seen in previous years.

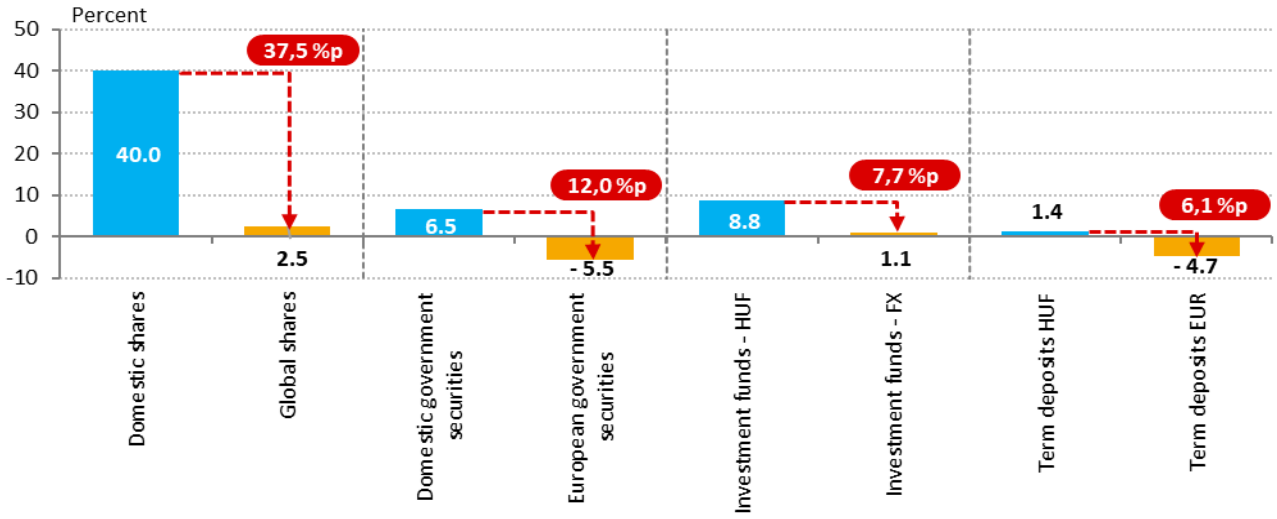
Derivatives and balanced funds also posted a good year, although there were a few notably poor performers among the derivatives funds. Bond and money market funds achieved an average return of 4.8 percent, significantly lower than those listed above, but still outperformed their previous average performance. Property funds closed the year on a similar note to previous years with a return of 5 percent, and in their case the difference between the returns of individual funds was among the smallest (whereas among equity funds, which are considered risky, it was the largest).

4.2. Comparison of annual returns on forint and foreign currency investments in 2025

At the end of 2025, the one-year return on individual forint investments significantly exceeded the return on similar types of foreign currency investments (Chart 16). In 2025, the appreciation of the forint exchange rate made forint savings more profitable than savings held in foreign currencies. For example, anyone who opted for a forint investment at the end of 2024 (or who already held their financial wealth in forint) could realise a higher return in the key asset classes by the end of 2025 than in the case of similar foreign currency investments. Between end-2024 and end-2025, domestic equities

yielded 40 percent, forint government securities 6.5 percent and forint investment funds 8.8 percent, whilst term deposits in forints yielded 1.4 percent. By contrast, similar types of foreign currency assets yielded significantly lower returns in forint terms over the same one-year period (2.5 percent for shares, 1.1 percent for investment funds) or even resulted in losses (-5.5 percent for government securities, -4.7 percent for euro deposits). This was largely due to the appreciation of the forint exchange rate between the end of 2024 and the end of 2025, which amounted to 6 percent against the euro and 17 percent against the dollar. In other words, alongside the appreciating forint, foreign currency investments significantly underperformed forint investments over this one-year period. The appreciating forint exchange rate thus supported savings denominated in forint.

Chart 16: One-year returns on various forint and foreign currency investments expressed in forint (between end-2024 and end-2025)



Domestic shares: Change in the BUX index between 30 Dec 2024 and 30 Dec 2025.
Global shares: Change in the MSCI ACWI between 31 Dec 2024 and 31 Dec 2025.
European government securities: Change in the FTSE Eurozone Government Bond Index between 31 Dec 2024 and 31 Dec 2025.
Domestic government securities: Weighted average of the annual interest rate at the time of purchase of dematerialised forint retail government securities sold in December 2024, weighted by issue volume.
Investment funds: One-year retrospective average return, weighted by net asset value, as at 31 Dec 2025.
Term deposits in forints: Average current interest rate on term deposits in forints held by households (weighted by end-of-month stock) in December 2024.
Term deposits in foreign currency: Average current interest rate on term deposits in euro held by households (weighted by end-of-month stock) in December 2024.
Source: MNB, Bloomberg, MSCI, BAMOSZ

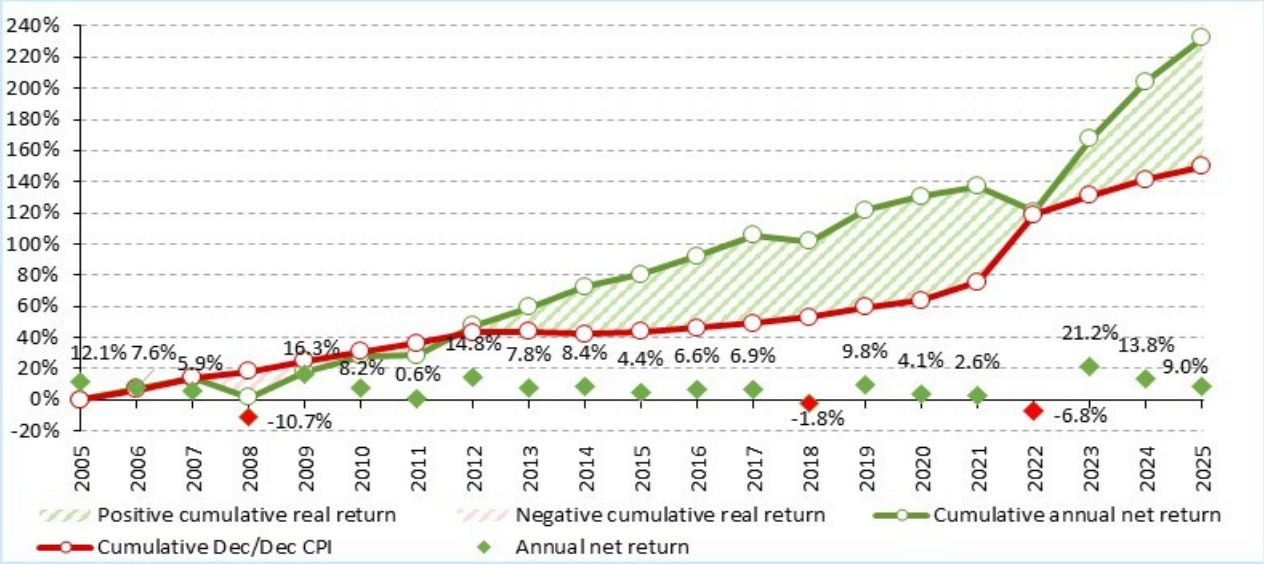
Box 3: Long-term real return potential of voluntary pension funds

The primary aim of voluntary pension fund savings is to promote financial security in retirement and to raise the standard of living in old age. Contributions to voluntary pension funds therefore differ from savings in most financial assets, as they typically constitute a very long-term investment lasting until retirement. Although it is easy to switch between pension funds, withdrawing money from such an investment before reaching retirement age is only possible in exceptional cases for the first 10 years after joining (see, for example, the section “Savings impact of government housing programmes”), for which the state offers tax relief on contributions. Due to the particularly long investment horizon, it is not worthwhile to directly compare the performance of pension fund assets with that of other financial instruments, but the important question is to what extent the sector has been able to achieve real returns in the long term.

Voluntary pension funds maintained their net return-generating capacity of 6–7 percent even through crises (2008, 2022), which represents a real return of 1–2 percent over a 15–20-year period. The MNB verifies and publishes the funds’ annual and long-term return figures for the previous year at the beginning of each year. In addition, the MNB considers it

important to publish pension fund rates of return over as long a time horizon as possible and had previously initiated the publication of 15-year returns, followed in 2023 by the publication of 20-year returns as well. Since the low in 2022, a clear positive trend has emerged in the investment performance of pension funds. This has contributed to the successful growth of fund members' savings, as the sector's average returns have exceeded inflation over 10-, 15- and 20-year periods. A voluntary pension fund is a long-term savings product: members start setting money aside at the beginning of their careers to supplement their income in retirement, so the investment horizon can span 30–40 years. Over such a long period, the significance of the compound interest effect increases; even an average excess return of 1–2 percent above inflation can have a substantial impact on the value of the assets. Members' fundamental expectation is that long-term pension savings should not only preserve their value but also grow in real terms. Voluntary pension funds perform well in this respect; they have been able to achieve good investment results even through crises. Whether we examine a 10-, 15- or a 20-year period, average returns over each time horizon – relative to the sector average – have consistently outperformed inflation.

Chart 17: Annual and cumulative returns of voluntary pension funds

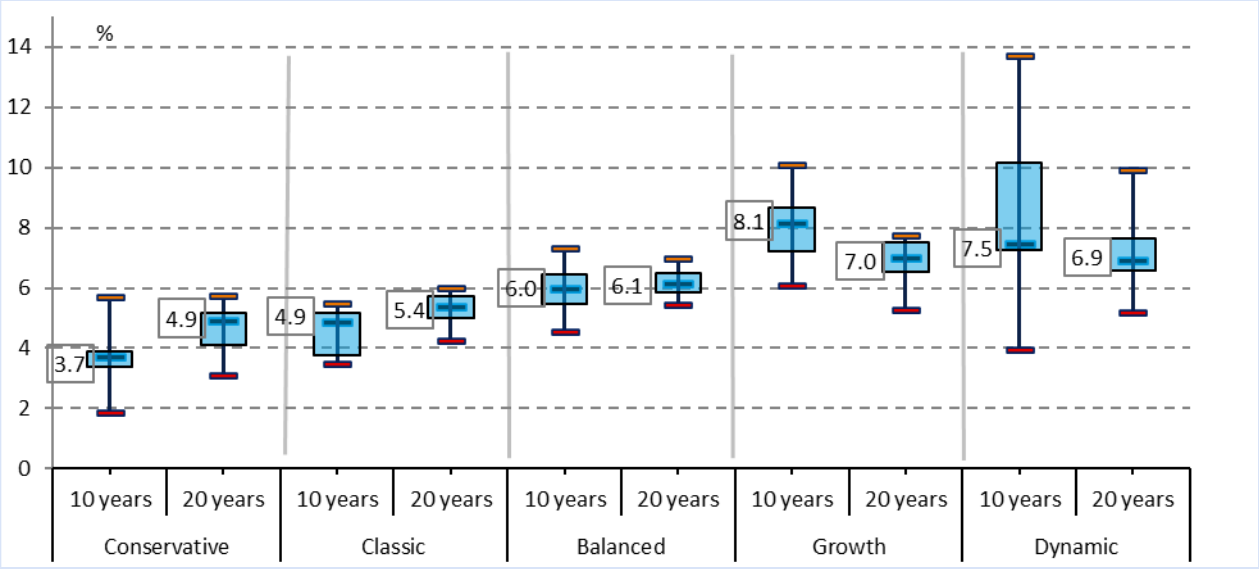


Source: MNB

To examine the return results in greater detail, we classified the 73 fund portfolios operating in 2025 for which long-term return data is available into five categories based on the risk level assumed as defined in their investment policies. We determined the risk assumed by the portfolio based on the target ratio of equity assets (direct equity investments and equity-based indirect assets) specified in the investment policy.

Over a 10- and 20-year horizon, the higher-risk portfolios have greater return potential, but in line with the assumed risk, the long-term returns of the higher-risk portfolios also vary within a wider range. The past 10-year period has been very favourable on the equity markets, with the BUX, representing the domestic market, rising by an annual average of 16.6 percent, and the CETOP indices, describing regional markets, rising by 11.3 percent in forints. The MAX index, which tracks the price of government securities with maturities of over one year, rose by an annual average of 2.5 percent between 2016 and 2025, whilst the RMAX index, which tracks price movements in government securities with maturities of less than one year, rose by 3.1 percent. The net return on the majority of classic and conservative portfolios, which are lower-risk and invest primarily in money market instruments and government securities, exceeded these figures. Looking at long-term returns, it can be concluded that for pension savings started at a younger age – given the longer investment horizon – it is advisable to allocate a larger proportion of savings to a portfolio that is riskier but offers higher long-term returns, primarily investing in shares. In addition to equity assets, pension funds also include government securities in their portfolios in line with the risk level, meaning that pension funds also fulfil an economic and public finance role.

Chart 18: Return of voluntary pension funds by risk categories



Note: The central line of the box plot with its associated values represents the median of the long-term average annual rate of return in each category. The lines drawn to the bottom and top of the box represent the lowest and highest rate of return values within the group. The boxes represent the two middle quartiles of the return within the portfolio groups, i.e. 50 percent of the long-term annual rate of return values within the group fall between the bottom and top of the boxes.

Source: MNB

4.3. Housing market returns

The Savings Report deals with households' financial savings and therefore does not cover households' property investments. This is partly because the sale and purchase of real estate does not in itself constitute a source of finance for other sectors of the economy, and the majority of households do not regard property ownership as an investment asset. The residential property market differs from financial markets in several respects: there is no uniform market (every property is unique to some extent), buying and selling is time-consuming (the market is illiquid), and the size of transactions is enormous compared to the assets of most households (the barrier to entry is high). Furthermore, investing in residential property entails specific costs (e.g. tasks related to letting, depreciation of the property), is time-consuming, involves administrative duties and requires expertise. However, as a section of the population sees residential property – the most significant real asset for households – as an investment opportunity, this sub-section provides a brief overview of the returns on domestic residential property investments.

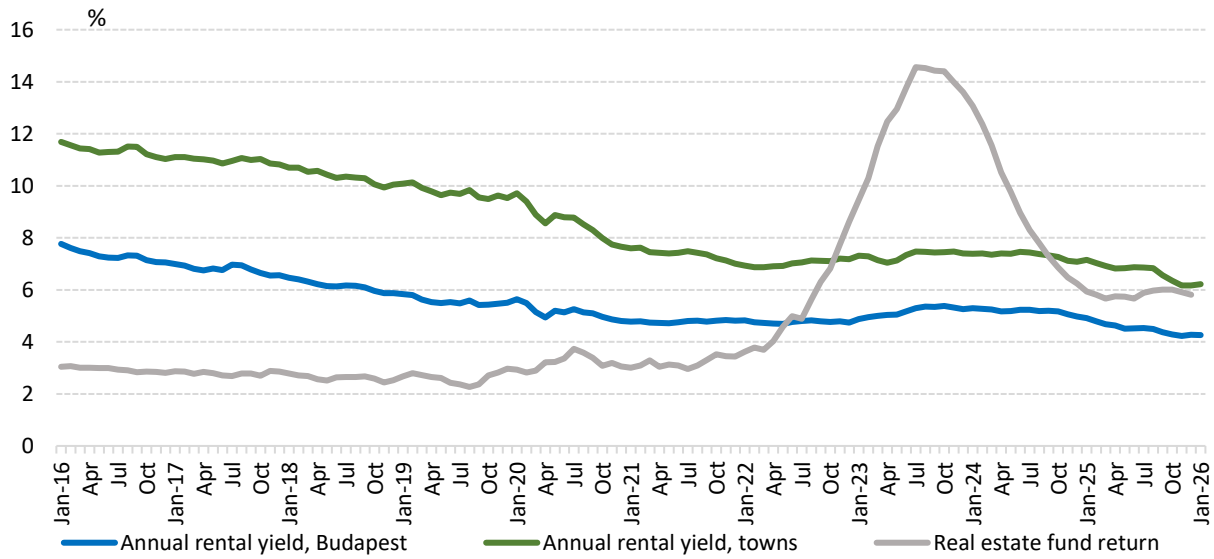
The return on residential property held for investment consists of two parts: rental yields and price appreciation. The rental yield is calculated as the difference between the rental fees received and the costs (e.g. personal income tax, maintenance costs, other expenses, insurance premiums, and possibly property tax). The other component of the return, price appreciation, remains uncertain until the property is sold and is not realised until then. Property prices, however, are highly volatile and depend on individual factors. Transaction costs associated with the sale and purchase of property (e.g. tax, estate agent's commission, stamp duty, solicitors' fees) make it difficult for investors to capitalise on opportunities arising from minor fluctuations in property prices, which is why property is considered a long-term investment. The purchase of residential property may involve taking out a loan, which creates leverage for the investor, but also entails additional costs and commitments. The return on property investments is therefore subject to specific risks, such as developments in the rental market (e.g. changes in rent levels and occupancy rates) and, alongside macro-level valuation cycles, location-specific price risks (e.g. changes in local regulations, other changes affecting the value of local properties).

The one-year forward-looking residential rental yields used in the MNB Housing Market Report fell to their lowest level in the past 10 years in 2025, reaching 4.3 percent in Budapest at the end of the year, and around 6.2 percent in provincial towns (Chart 19). Viewed over the longer term, this represents a significant decline compared to the 8 percent and 12 percent levels seen a decade earlier. It is also important to note that, as there is no unified market for property, these are

expected yields for a representative segment, which do not account for, for example, depreciation costs or the impact of temporary vacancies. The lower yields in Budapest compared to provincial towns are explained by the higher square metre prices in the capital city, which could not be offset by the rise in rents. Regarding returns arising from price increases, it is worth noting that, based on the MNB's house price index, annual price growth shows significant volatility: there were years when it exceeded 20 percent, but prior to 2015, falling prices were the norm even over the longer term.

For households, investing in property funds may offer an alternative to direct property investment, but over the past decade – prior to the inflationary period – returns on such funds have lagged significantly behind even rental yields. Households can also gain exposure to investment property through property investment funds, which – in exchange for a financial intermediation fee – resolve most of the issues associated with purchasing real assets (e.g. transaction size, liquidity, the need for expertise). However, a significant portion of the assets of domestic property funds was held in financial instruments (e.g. more than half of assets at the end of 2025), which is why their returns reflected the impact of low interest rates prior to 2022, and subsequently, to some extent, the higher yield environment.

Chart 19: One-year forward-looking housing rental yields



Note: Annual rental yield, calculated as the ratio of the annual rental yield net of personal income tax to the house price plus property acquisition duty. The rent and house price data used in the calculations refer to homes with a floor space of 60 square metres. The real estate fund return shown in the chart corresponds to the average historical return of the three largest funds.
Source: MNB Housing Market Report

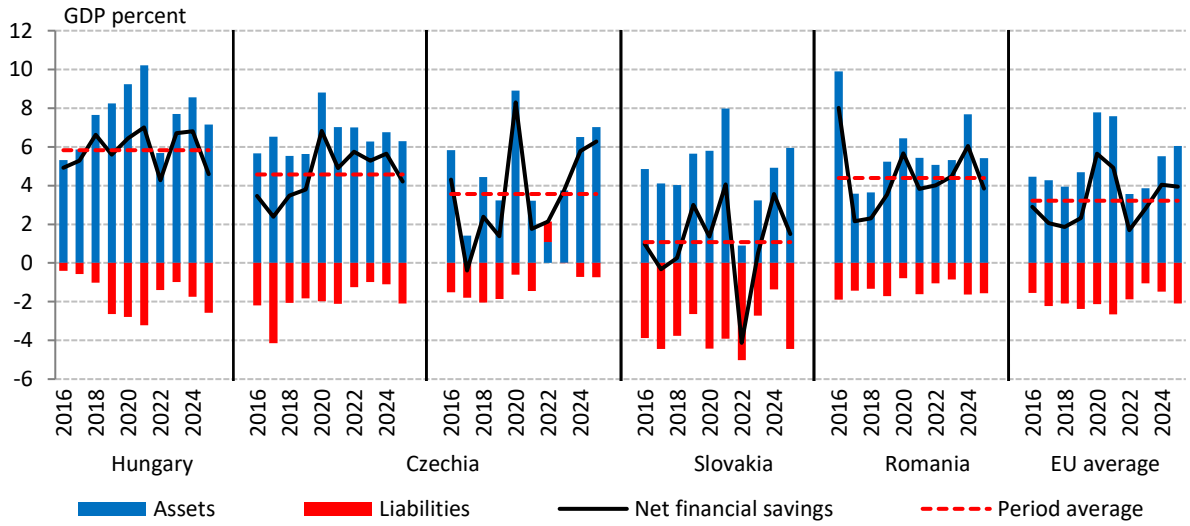
5. International comparison

The net financial savings of Hungarian households as a percentage of GDP continued to exceed the average for most regional peers and EU countries in 2025. Hungary's financial wealth relative to GDP, which is high by regional standards, continued to rise, but remains significantly below the EU average. In terms of the structure of financial wealth, similar trends were observed in most countries in the region in 2025: the share of cash and deposits decreased, whilst the weight of listed shares and investment funds increased in households' portfolios. The concentration of financial wealth in Hungary is higher than in most countries in the region.

5.1. Savings

Net financial savings as a percentage of GDP generally declined in 2025, whilst in Hungary this indicator continued to moderately exceed the regional average and the EU countries' average.[6] In 2025, net household borrowing as a percentage of GDP rose in almost every country in the region, a trend that was not offset by the gross accumulation of financial assets; thus, net financial savings in individual countries typically fell last year (an increase occurred only in Poland, where net borrowing stabilised at a low level). Growth in financial assets in 2025 was again among the highest in the region in Hungary; however, whilst the domestic figure of 7.2 percent declined – faster than the regional average – compared to the previous year, the EU average rose to around 6 percent. At the same time, households' financial liabilities in Hungary increased by 2.6 percent of GDP as a result of transactions in 2025, which exceeded the EU average; within the region, only in Slovakia did households' debt grow at a higher rate. Consequently, net financial savings in the domestic household sector, which in previous years had typically stood at around 6 percent of GDP, fell to 4.6 percent, a figure that still somewhat exceeds the regional and EU averages (Chart 20).

Chart 20: Trends in financial savings as a percentage of GDP



Note: Romania's asset-side data include adjustments due to tax changes.
Source: Eurostat

5.2. Financial wealth

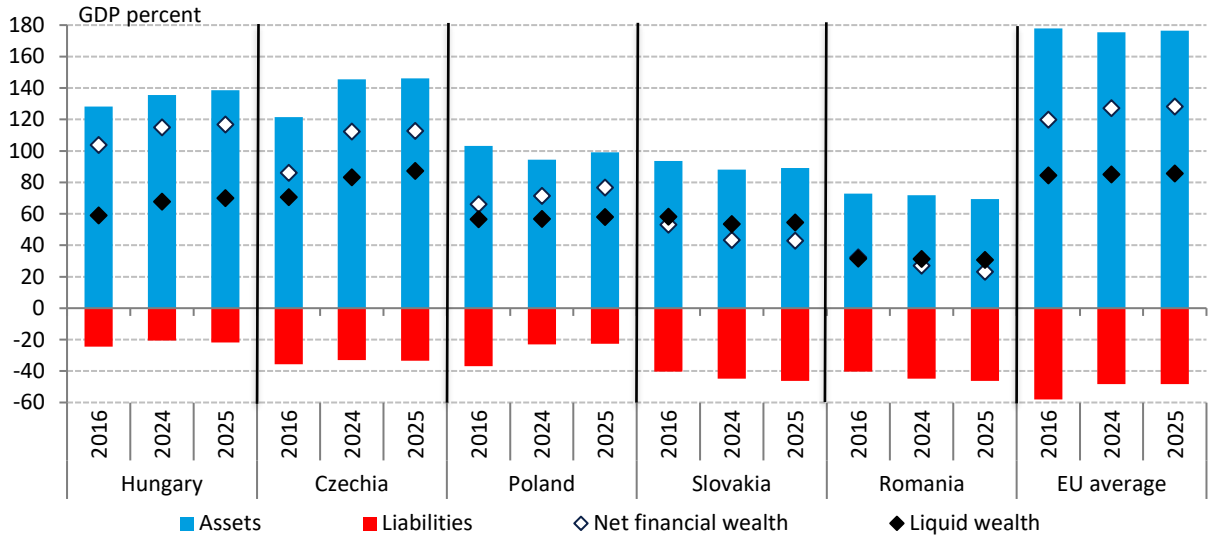
In line with higher levels of financial savings, net financial wealth in Hungary remains among the highest in the region, rising to 117 percent of GDP last year, although this figure still lags behind the EU average (Chart 21). Since 2016, net financial wealth as a percentage of GDP has increased in Hungary, setting it (along with the Czech Republic) apart from other countries in the region. As a continuation of this trend, by 2025, net financial wealth in Hungary – arising from previously accumulated net financial savings and the revaluation of financial assets and liabilities – rose to 117 percent of

[6] In this section, 2025 data are available for Hungary up to year-end and for other countries up to the third quarter.

GDP, whilst the figure for the Czech Republic, which has a level of net financial wealth similar to Hungary's, remained at 113 percent. Poland's figure – which is significantly lower than Hungary's – rose rapidly to 77 percent of GDP, whilst the Slovak figure barely changed in 2025, similarly to the EU average (the latter remained at 128 percent of GDP, which is high compared to countries of the region) and the Romanian figure decreased.

Gross financial assets and financial liabilities, which comprise net financial wealth, have developed differently in the various regional countries since 2016: whilst the asset side relative to GDP has grown over the longer term in Hungary and the Czech Republic, with liabilities decreasing, in Slovakia and Romania gross wealth has declined in conjunction with an increase in liabilities. Looking at the changes in 2025, it can be observed that, within the region, the debt-to-GDP ratios of Slovak and Romanian households rose more significantly than that of Hungarian households, although the nominal growth in household debt was also substantial in the Czech Republic, which may have also increased households' financial assets through purchases of pre-owned homes. Household indebtedness in the region typically remains below the EU average, indicating that (even whilst keeping long-term sustainability in mind) there is significant scope for deepening the financial system. The level of households' financial assets as a percentage of GDP in the region is well below the EU average, but in 2025 – with the exception of Romania – it increased in every country. Since 2016, the ratio of liquid assets to GDP has increased in the region, with the exception of Slovakia and Romania. This indicator rose in every country in the region in 2025, with the exception of Romania, but only the Czech Republic's level reaches the EU average, whilst the domestic figure of 70 percent lags less far behind, and the indicators for other countries in the region lag more behind.

Chart 21: Financial wealth as a percentage of GDP



Note: Liquid wealth is part of gross financial wealth: it consists of readily available cash, deposits, bonds, listed shares and investment fund shares.
Source: Eurostat

5.3. Households' portfolio

A similar tendency was observed in the 2025 change in the distribution of financial wealth by asset type in the region's countries: the share of cash and deposits decreased, whilst the combined share of other liquid assets increased, meaning that the proportion of liquid assets generally rose overall (Chart 22). Since 2016, an increase in the proportion of liquid wealth has been observed both in the EU and the region, although Slovakia was an exception. This trend continued in 2025, as the proportion of liquid assets within households' portfolios generally rose. Among assets, the weight of cash and deposits generally decreased in the regional countries (with the exception of Romania), falling most rapidly in Poland and Slovakia, whilst the rate of decline in the other countries was similar to the change in the EU average.

In 2025, the proportion of bonds fell only in Hungary (due to the repricing of PMÁP government securities), but the level remains high thanks to the popularity of retail government securities. As these securities can be redeemed at low cost,

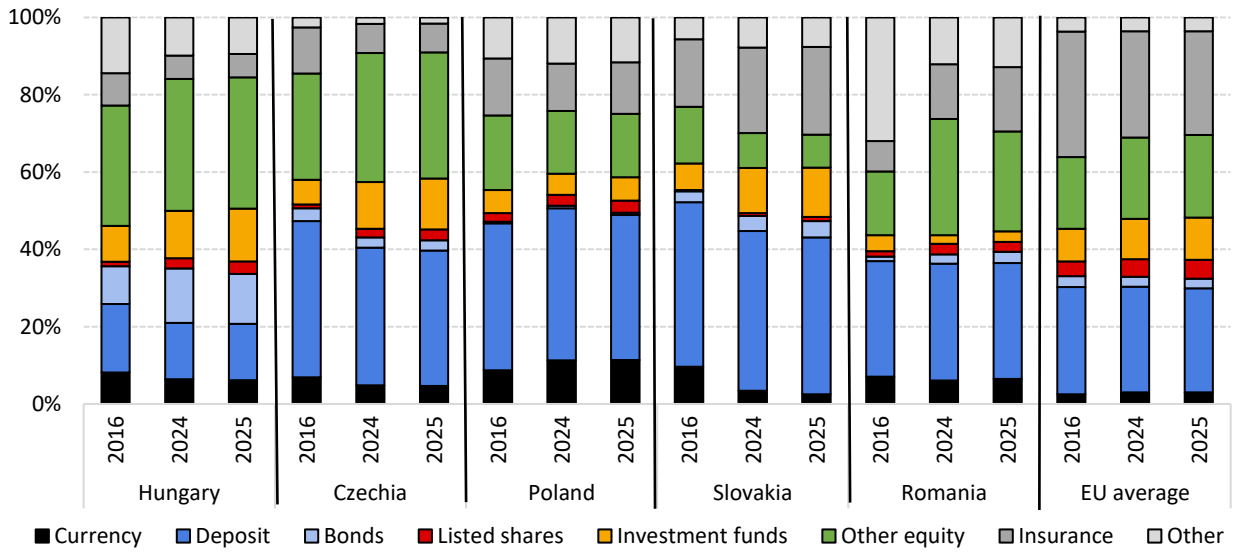
they are close substitutes for term deposits in retail portfolios; taking this into account, the decline in the domestic share of the most liquid assets was similar to the changes seen in Poland and Slovakia.

The share of listed shares rose everywhere in 2025, with the exception of Romania, but the level typically remains low in the region, even compared to the EU average, which is itself not high. The proportion of wealth held in investment funds also rose in every country in the region: this occurred most rapidly in the Czech Republic and Slovakia (along with Hungary), i.e. in those countries where this figure had already exceeded the EU average of around 10 percent.

The weight of **other equity** (typically shares in small businesses) in the region declined moderately everywhere (with the exception of Poland), and, along with Hungary, this indicator continues to exceed the EU average in the Czech Republic and Romania.

The share of insurance and pension fund assets within households' portfolio in the region continues to lag behind the EU average, and in 2025 it increased significantly in countries with a mandatory private pension fund system (Poland, Slovakia, Romania).

Chart 22: Structure of households' financial wealth

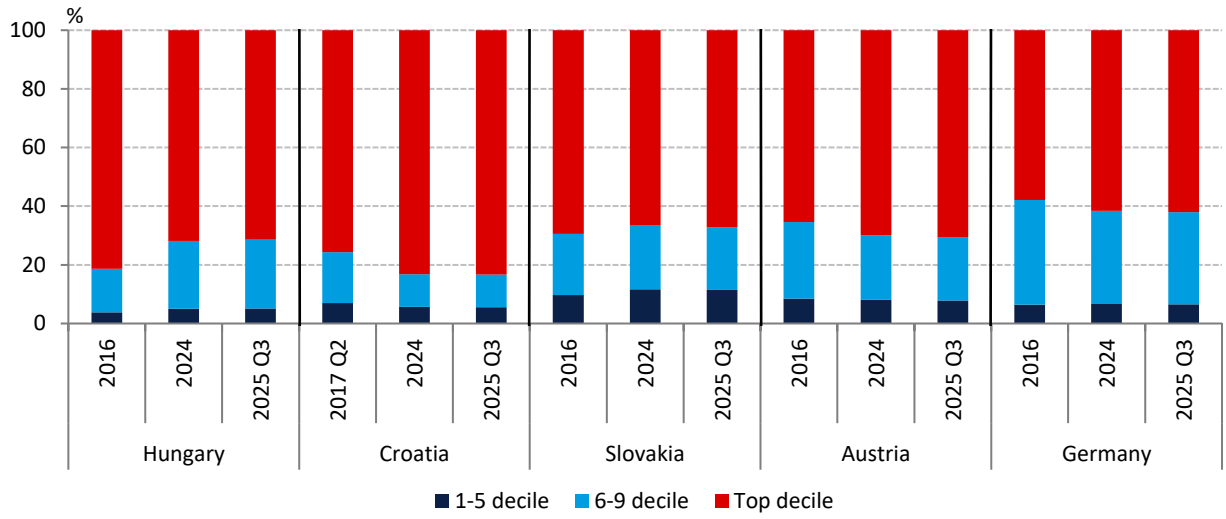


Source: Eurostat

5.4. Distribution of financial wealth

The concentration of financial wealth in Hungary is high (Chart 23). Based on the triennial Household Finance and Consumption Survey (HFCS) conducted in European countries, the ECB estimates and publishes data on a quarterly basis, including the distribution of wealth in financial accounts (Distributional Wealth Account). Compared to 2016, the share of financial wealth held by the top decile increased in Croatia, Austria and Germany, whilst a decline was observed in Hungary and Slovakia. Nevertheless, based on the latest available data**, the financial wealth of Hungarian households remains concentrated to a significant extent among the wealthier segments of society: 71 percent of financial wealth is concentrated in the top decile**. By contrast, among the countries in the region, the top wealth decile accounts for 67 percent of financial wealth in Slovakia and 62 percent in Germany. In Hungary, the bottom half of society in terms of net wealth owns only 5 percent of financial wealth, which is exceeded by German and Austrian figures and especially by Slovak figures. Among the countries in the region included in the database, financial wealth is most concentrated in Croatia, where the top one-tenth of the population owns over 83 percent of financial wealth.

Chart 23: Distribution of households' financial wealth (by net wealth groups)



Note: No DWA data is available for Romania, the Czech Republic and Poland.
Source: DWA.

6. Decomposition of household savings trends

We examined how the financial savings of domestic households changed in the early 2020s as a result of the shocks that occurred, compared to the period between 2013 and 2019, which saw relatively stable growth. Restrictions during the pandemic only temporarily increased household financial savings through the forced postponement of consumption. However, the surge in inflation continues to have an impact on savings to this day: due to the lower real income trajectory of households, households' financial savings are lagging behind their previous trend.

In Hungary, the economy faced several external shocks in the 2020s: first the coronavirus pandemic, then the Russia–Ukraine war, and the resulting surge in energy prices and soaring inflation significantly impacted household savings. In this analysis, we examine how the shocks experienced in recent years have affected households' financial savings. To this end, we used the framework developed by the ECB and the Fed, which was subsequently adopted by numerous central banks and international organisations (e.g. the European Commission, the OECD, and the central banks of Canada, Ireland, Austria and the UK). In this approach, the development of actual savings patterns is examined relative to the trend of a reference period.[7] A deviation in the positive direction can be interpreted as additional savings, whilst deviations in the variables influencing savings from the trend can shed light on the background of these additional savings.

Based on the ECB and Fed studies, we selected the period following the end of the financial crisis and preceding the pandemic as the reference period, i.e. the years 2013–2019. During this period, the European economy – including the Hungarian economy – was characterised by a predictable, low-inflation environment, whilst certain real variables (e.g. income and consumption) grew significantly and steadily (Chart 24). However, with the outbreak of the pandemic, uncertainty increased significantly. Restrictions initially had a positive impact on savings, whereas their removal had a negative effect on such. In the wake of the energy crisis, inflation, which spiked from 2022 before subsiding, also temporarily boosted households' net financial savings as a proportion of GDP; consequently, the indicator has fluctuated in recent years. For example, the standard deviation for real consumption surplus increased to five times the 2013–2019 average in the period following 2020.

6.1. Trends in real income and consumption

Following the outbreak of the pandemic, the trend in real income diverged from the reference period trend and then shifted to a lower level following the surge in inflation. For all variables, including total personal disposable income, we compare subsequent developments with the trend for the 2013–2019 period.[8] In 2020–2021, the lockdowns affected a relatively narrow segment of the workforce and were only temporary, and thus real incomes returned to their previous trajectory by early 2022. The deviation of real incomes from the previous trend during the lockdowns in 2020 and 2021 was minus 3–4 percent, but in both cases it quickly returned to the trend line within a few quarters.

The post-pandemic economic rebound temporarily pushed real incomes above the trend line as well. By contrast, inflation had a lasting impact on real income trends. As a result of the surge in inflation, real incomes fell significantly for a year from the end of 2022, followed by a moderate correction as inflation eased. Since early 2024, however, the level of real income has declined overall (falling by an average of nearly 4 percent below the previous trend), a trend to which slowing wage growth and declining employment may have contributed.

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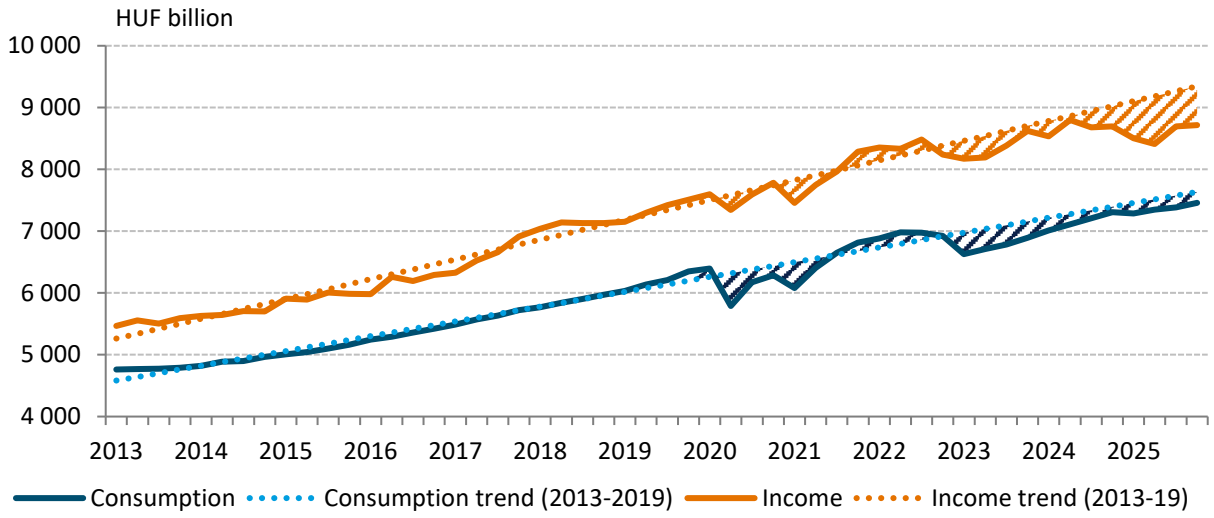
[7] In estimating additional savings, we based our analysis on the following studies:

- Aladangady, Aditya, David Cho, Laura Feiveson, and Eugenio Pinto (2022). Excess Savings during the COVID-19 Pandemic, FEDS Notes. Washington: Board of Governors of the Federal Reserve System, 21 October 2022, https://doi.org/10.17016/2380-7172.3223.
- Battistini, Gareis: Excess savings: To spend or not to spend, ECB 2023; https://www.ecb.europa.eu/press/blog/date/2023/html/ecb.blog231102~66a04caa1e.en.html

[8] The function estimating the linear trend was applied to seasonally adjusted real variables in all cases. Seasonal adjustment was performed using the TRAMO/SEATS method. We estimated the trend for each variable separately using the least squares method with a constant and a trend for the 2013–2019 period (the estimated parameters were significant in all cases). The resulting fitted line provides the trend line that best characterised the reference period. To extend the trend line, we compare the actual data from after 2020.

Another key factor in savings patterns is household consumption, which recovered rapidly following the coronavirus-related lockdowns, but began to slow down again as price rises accelerated. For consumption as well, we use the 2013–2019 reference period as the basis for calculating linear trends (the methodology used for the resulting trend differs from the trend used for the so-called consumption gap – see the box text for further details). In 2020, households sharply curtailed their consumption due to pandemic restrictions: the shortfall relative to the trend amounted to around 7–8 percent in 2020–2021, which significantly exceeded the value observed for incomes. In 2021 H2, as restrictions were lifted, real consumption rose above the previous trend, but fell again as inflation surged. Although real consumption began to grow as inflation eased, it currently remains around 2 percent below the trend line established in the pre-shock period, but to a lesser extent than income.

Chart 24: Real income, consumption and their trends at 2021 price (quarterly, seasonally adjusted data)



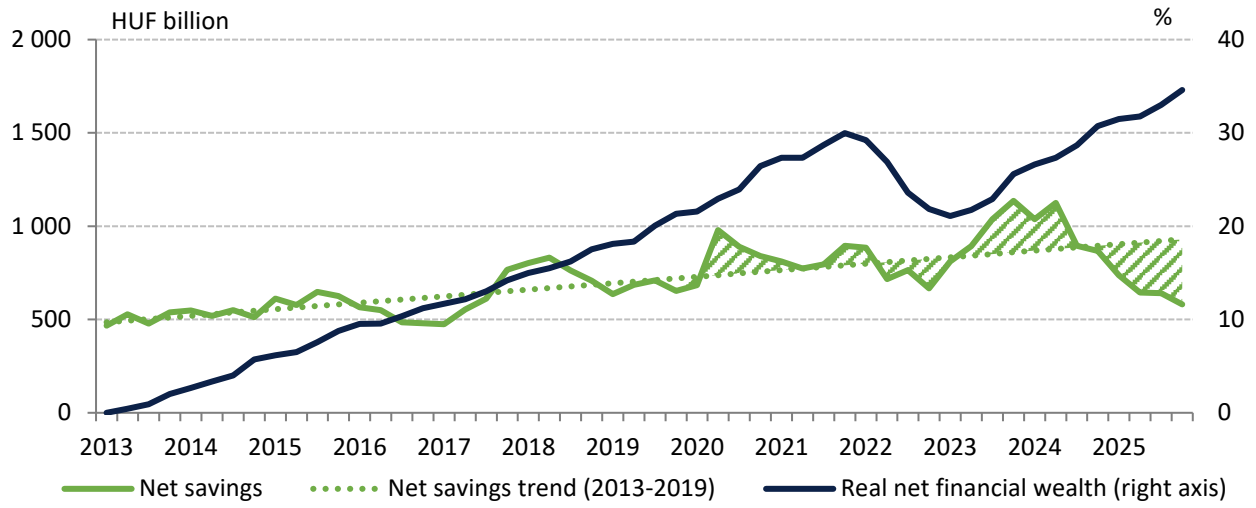
Source: HCSO

Box 4: The difference between the basic consumption trend (consumption gap) and the linear trend

The difference between the long-term baseline consumption trend estimated on the basis of income and wealth trends and the observed data is the consumption gap. **The consumption gap is an unobserved, so-called latent variable, which provides a picture of the cyclical position of consumption as a result of a sophisticated structural model estimation. By contrast, the trend calculated on the basis of linear correlation shows the deviation of the observed variable (e.g. real earnings, consumption, savings) from the trend calculated for the reference period.** The results of this latter analysis provide an answer as to whether the indicator under examination will return to its previous trend or permanently shift to a new trajectory. The advantage of this method is that it provides a simple analytical framework for analysing trends and identifying the underlying factors.

Household savings were also significantly impacted by the pandemic and inflation. In 2020, the restrictions imposed following the outbreak of the pandemic forced households to curb their spending, resulting in a significant increase in savings, whilst the removal of restrictions had the opposite effect. That said, households spent only around 50 percent of the forced savings accumulated as a result of the restrictions in 2022, with the other half increasing their financial wealth. However, following the surge in inflation in the wake of the pandemic, the war and soaring energy prices, net financial savings among households rose above the previous trend again from mid-2023: **the rise in inflation, which peaked at 25 percent**, **was accompanied by a decline in real wealth of nearly 10 percentage points**, which, combined with high levels of uncertainty, provided a strong incentive for households to increase their savings (Chart 25). As inflation moderated and real wealth recovered**,** households **reduced their net financial savings from mid-2024, bringing them below their previous trend**.

Chart 25: Real net savings, their trend, and real net financial wealth at 2021 prices (quarterly, seasonally adjusted data)



Note: Values adjusted to reflect underlying trends, taking into account pension fund savings, early repayment of mortgages, real return payments, compensation for depositors of liquidated savings cooperatives, the effects of conversion into forints and settlement, and personal income tax refunds.
Source: MNB

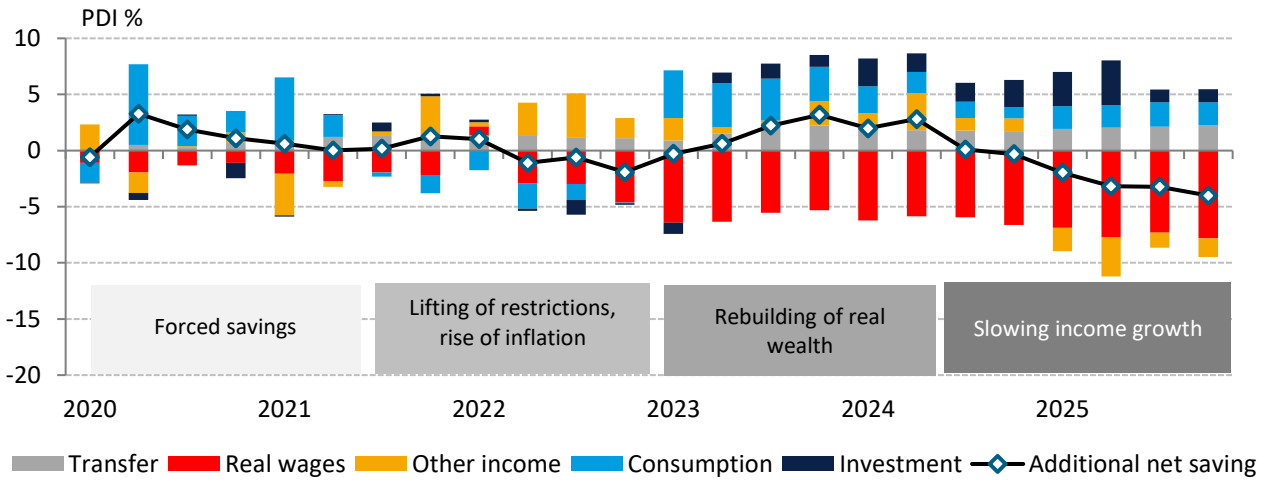
6.2. Summary of factors affecting savings

During the pandemic, changes in consumption were the main factor that determined the deviation from the financial savings trend. Restrictions during the pandemic led to a consumption shock, which resulted in a surge in savings that amounted to more than 3 percentage points of personal disposable income (PDI) – (a period of forced savings, see Chart 26). This had the opposite effect on savings compared to the increasingly sharp decline in other income. **The removal of restrictions, however, reversed the trends seen up to that point**: Starting from mid-2021, the upturn in consumption reduced households' financing capacity by around 2 percentage points, while the rebound in profit income – i.e. corporate profits – increased it by 3–4 percentage points, as a share of PDI. Meanwhile, restoration of the 13th-month pension, beginning in 2022, led to an increase in financial transfers to households, and after 2020 this contributed to an expansion of savings equivalent to approximately 2 percent of PDI in total. **Thus, between 2020 and 2022, additional savings were initially driven by deferred consumption and later by other income and transfers.**

After 2022, the level of additional savings was primarily influenced by the high inflationary environment, followed by the drop in real earnings driven by falling employment as well as a further decline in other income. After 2022, in parallel with the shift in the level of real earnings, consumption and investment moved onto a lower trajectory, thereby increasing additional savings.[9] Meanwhile, higher other income (notably transfers and profits) increased additional savings by 1–4 percent of GDP, thus triggering renewed expansion. **In 2024 and 2025, net financial savings rose to the level of the trend line estimated on the basis of the reference period, but then fell significantly below it**, **which, in addition to income trends** (slowing wage growth, exacerbated by declining employment), **resulted from a reduction in savings due to higher consumption growth** stemming from consumption smoothing. Additionally, the increasing shortfall of other income relative to its previously typical growth also weighed on households' financial asset accumulation; as a result, by end-2025, households' net financial savings were below the previous trend by about 4 percent of PDI (despite lower consumption and investment than before the pandemic).

[9] In the ECB study, growth in investment is presented as the accumulation of non-financial assets, i.e. as part of savings; in this analysis, however, we focus solely on financial assets.

Chart 26: Emergence of additional savings as a proportion of disposable income (seasonally adjusted quarterly data)



Note: Deviation from the individual items' own trends as a percentage of the PDI.
Source: MNB

Recent shocks have had a significant impact on households' net financial savings. Restrictions only temporarily affected the trend in financial savings through the forced postponement of consumption: following the lifting of Covid-related restrictions, households quickly began to draw down their accumulated financial assets. **At the same time, the surge in inflation continues to have consequences for savings:** real wage growth has been on a lower trajectory since 2022, which was offset until mid-2024 by more subdued consumption growth and higher transfer and other income received by households. **From early 2025, however, due to lower household incomes, households' financial savings fall short of their previous trajectory.**

7. Impact of government housing programmes on savings

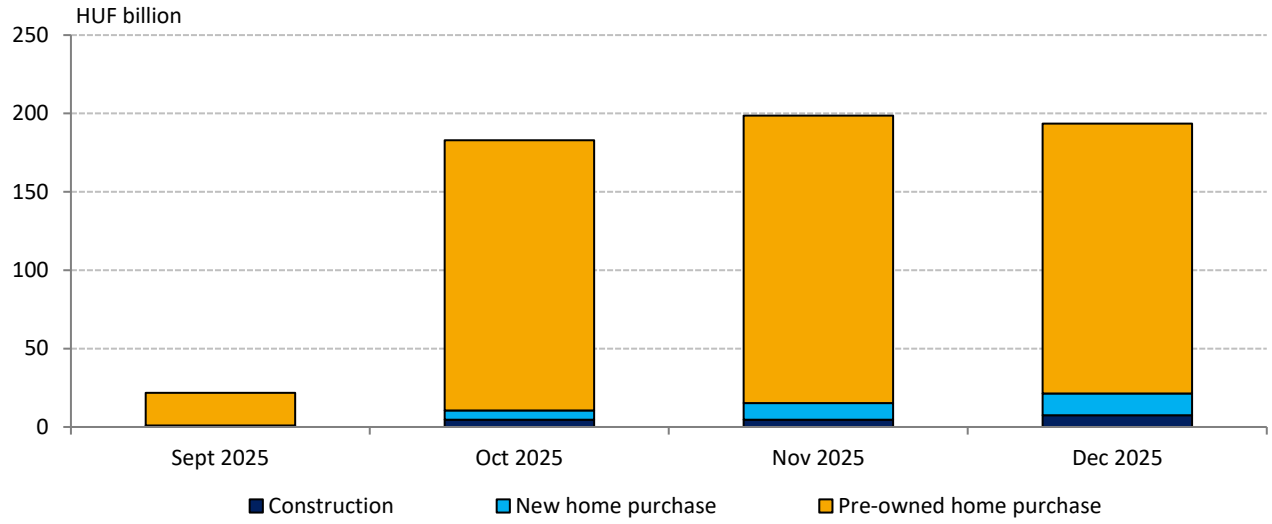
In this featured topic, we investigate the impact of the government's 2025 housing programmes on households' savings. In the following, we present the effects of the Home Start Programme and the use of voluntary pension fund savings for housing purposes. Overall, both programmes reduce households' net financial wealth: the Home Start Programme increases the outstanding loan balance compared to a scenario without the programme, involves a downpayment that reduces financial assets, and entails the allocation of part of the purchase price to consumption. The use of voluntary pension fund savings for housing purposes reduces claims on pension funds, while this effect is partially offset by the amount used for loan repayments. The analysis focuses specifically on financial assets: in other words, we did not take into account the increase in the value of housing stock.

7.1. Home Start Programme

The Home Start Programme was announced by the government in the summer of 2025 and has been available from credit institutions since 1 September 2025. The state-subsidised housing loan, with a maximum amount of HUF 50 million, is aimed at young people and first-time homebuyers. The interest rate on the loan is fixed until the end of maturity, at a maximum of 3 percent. The maximum term of the loan is 25 years. Unlike previous state-subsidised loan schemes, eligibility is not conditional on marriage or having children, so Home Start is available to a wider section of society and can also be used for investment purposes. However, the preferential loan is only available if the borrower has not held more than one residential property with an ownership share of over 50 percent at the same time in the past 10 years; furthermore, a clean criminal record and at least two years of valid social security coverage are required. A restriction on participation in the state-subsidised scheme is that the purchase price of the home to be bought or the construction cost of the property to be built must not exceed HUF 1.5 million per square metre, and the total amount must not exceed HUF 100 million for a flat, HUF 150 million for a single-family residential building, farmstead or estate centre.

By the end of 2025, 17,000 loan agreements had been concluded under the Home Start Programme, totalling approximately HUF 600 billion. In September, the programme's launch month, few contracts were finalised due to administrative issues related to the introduction of the loan product; subsequently, in the final three months of the year, the number of loan agreements concluded rose steadily, with 5,000–6,000 contracts being signed, amounting to between HUF 180–200 billion per month. More than 90 percent of the contracts (HUF 550 billion) were for the purchase of existing homes, meaning that the amount paid out increased the financial wealth of another household. Of the remaining smaller portion, HUF 31 billion was spent on the purchase of new homes and HUF 17 billion on construction. Some Home Start loans are also used to replace market loans, meaning that some borrowers would have taken out market loans had the Home Start scheme not been launched. Another portion of the Home Start loans may have consisted of contracts finalised following deferred loan demand from previous months at the programme's launch – this is suggested by the fact that mortgage lending fell following the programme's announcement, a trend only reversed radically with the programme's launch. We estimate that approximately 60 percent of Home Start loans represent additional borrowing; based on this proportion, the additional loans for existing homes may amount to HUF 320 billion, whilst an additional HUF 30 billion may have been taken out for new homes or construction.

Chart 27: Monthly total of contracts concluded under the Home Start Programme



Source: MNB

Examining the additional impact of the Home Start Programme, it can be seen that the purchase or construction of a new home reduced households' net financial wealth not only because of the loan taken out, but also due to the effect of the downpayment on reducing financial assets. In the case of the purchase or construction of a new home, the amount paid is transferred to companies, meaning it does not increase the wealth of other households. Thus, due to the loan taken out and the downpayment used, the net financial wealth of households and their stock of financial assets both decrease. Using the average loan-to-value ratio of 70 percent and the borrowing of approximately HUF 30 billion for realisation of this loan objective, and taking into account the HUF 10 billion of downpayment required for this, the Home Start Programme may have reduced households' net financial wealth by HUF 40 billion and within this, the amount corresponding to the downpayment may have reduced households' financial assets.[10]

A larger proportion of the loans taken out was used to purchase pre-owned homes, which also reduced households' financial assets and increased their liabilities on the buyer's side. In the case of purchasing a pre-owned home which involved a larger sum the buyer's financial liabilities increase by the amount of the loan and their financial assets decrease by the amount of the downpayment, as in the previous case. Thus, on the buyer's side, taking into consideration the average loan-to-value ratio of 70 percent, the additional Home Start loans taken out for pre-owned homes, which amounted to HUF 320 billion in 2025, may have reduced net financial wealth by HUF 460 billion, of which downpayments reduced financial assets by HUF 140 billion.

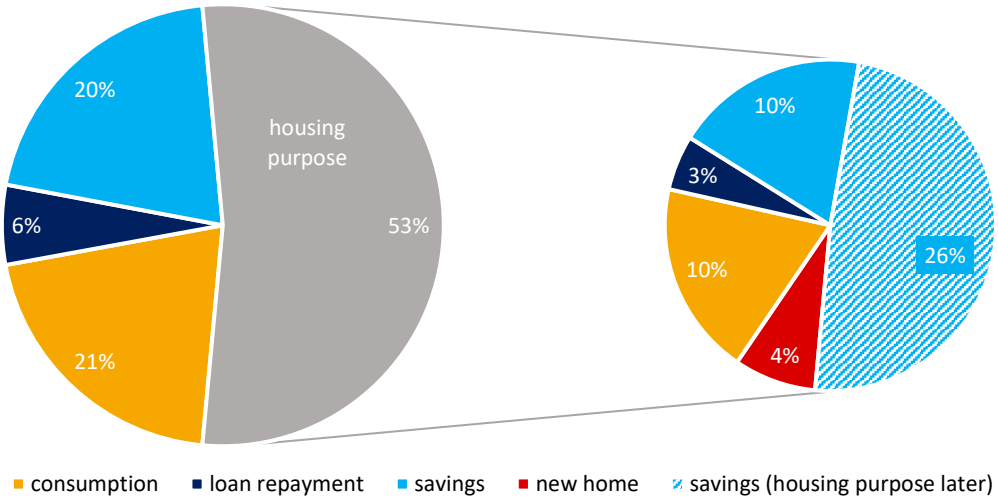
However, in the case of a pre-owned home purchase, the seller is also a household, and accordingly part of the purchase price increases the sector's financial savings, which partly offsets the decline in financial wealth observed on the buyer's side. According to the MNB's 2025 Q4 survey, respondents planning to sell their homes would use more than half of the purchase price to finance investment in another property (HUF 240 billion), 6 percent would go towards loan repayments (HUF 30 billion), 20 percent would be spent on regular or larger expenses (HUF 95 billion), and the remaining 20 percent would be invested in some form of financial instrument (HUF 95 billion).

In our calculations, we assumed that households acting as sellers in the previous transaction would also use the portion of the sale price earmarked for property-related purposes to purchase a home. A small portion of this presumably financed the purchase or construction of new homes, whilst the larger portion was used to purchase pre-owned homes. The latter appears in another household, and thus, based on the responses to the survey, we estimate that of this amount, second-round home sellers may have spent HUF 45 billion on consumer goods, HUF 10 billion may have increased households' financial wealth through loan repayments, and HUF 45 billion may have been placed in various savings assets

[10] The analysis does not take into account administrative costs associated with home purchases, including disbursement fees, valuation fees, solicitors' fees, stamp duty, etc., which reduced buyers' financial assets.

in the longer term. It is possible that the remaining HUF 120 billion may be used again for housing purposes at a later date, but in the short term, this amount is likely to have been channelled into some form of financial instrument.

Chart 28: Breakdown of proceeds from property sales by intended use, based on the MNB Quarterly Household Survey of 2025 Q4



Source: MNB

Overall, as a result of the additional loans taken out under the Home Start Programme, households' financial assets portfolio may have increased, whilst their net financial wealth declined. The stock of buyers' financial assets decreased by the amount of the downpayment paid, whilst the loans taken out further reduced their financial wealth through an increase in their liabilities. At the same time, in the case of the purchase of a pre-owned home, sellers – who also belong to the household sector – received the full purchase price (downpayment + loan), part of which was invested in some form of financial asset. Thus, the increase in sellers' financial assets may be higher than the decrease in buyers' financial assets. We estimate that the short-term increase in sellers' financial assets, estimated at HUF 260 billion, exceeds the HUF 150 billion decrease in buyers' financial assets due to the downpayment; in other words, the stock of financial assets may even have increased as a result of the Home Start Programme. At the same time, **net financial wealth declined, as part of the purchase price paid by buyers did not increase sellers' financial savings, but was instead spent on a new home or on consumption**.

Table 2: Estimated additional impact of loan agreements concluded in 2025 under the Home Start Programme on households' net financial wealth (HUF billion)

		Purchase/construction of new homes	Pre-owned home	Total
Buyer	Stock of financial assets	-10	-140	-150
	Financial liabilities	+30	+320	+350
	Net financial wealth	-40	-460	-500
Seller	Stock of financial assets		+260	+260
	Financial liabilities		-40	-40
	Net financial wealth		+300	+300
Total	Stock of financial assets	-10	+120	+110
	Financial liabilities	+30	+280	+310
	Net financial wealth	**-40**	**-160**	**-200**

Source: MNB

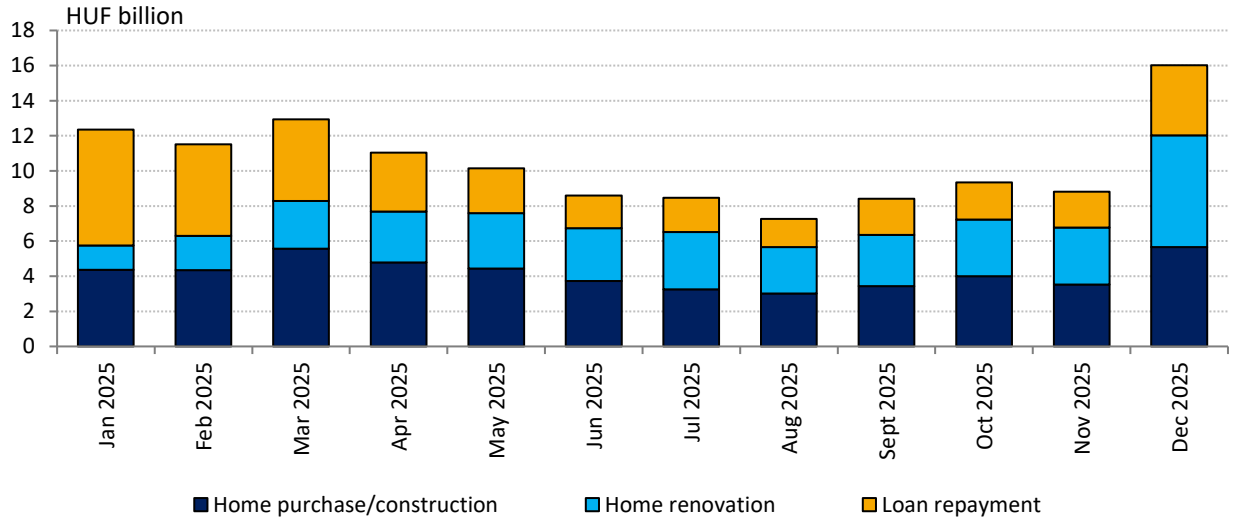
7.2. Payments from voluntary pension funds for housing purposes

In 2025, savings in voluntary pension funds could also be used for housing purposes. Between 1 January and 31 December 2025, contrary to the general rules, fund members could claim a tax-free withdrawal of their accumulated savings from the voluntary pension fund, provided that the funds were used for the purchase, construction, renovation, modernisation or extension of a home, a downpayment for a housing loan, the purchase of a building plot, or the repayment of a housing loan (including regular repayment instalments, as well as early or final repayment of the loan). The various housing purposes could be combined, provided that payment could be claimed on no more than three occasions. To prevent abuse, the amount of support applied for could not exceed the fund member's balance as at 30 September 2024, prior to the announcement. Other payments for non-housing purposes had been made previously, as, under the general rules, a fund member may access part of their pension fund savings even before reaching retirement age, regardless of the intended use; this is because, once the 10-year waiting period from the date of joining has elapsed, the returns can be withdrawn tax-free (and this can be done again every 3 years), and the capital is also accessible on a taxable basis, with the taxable capital portion gradually decreasing and becoming tax-free from the 21st year following payment, or in the case of payments made before 2008, from the 21st year following the joining of the fund. The provision allowing for the free use of the tax-privileged portion beyond housing purposes was designed to ensure that the fund had to first account for housing-related payments against the capital portion, working backwards from the most recently paid-in capital portion, and only then could the return portion be debited.

In 2025, the claims for housing benefits submitted to voluntary pension funds amounted to HUF 125 billion, which corresponded to 6 percent of the savings placed in the funds[11] as of 2024 Q3. The largest portion, HUF 50 billion, was accounted for by loans requested for home purchases and construction, with home purchases accounting for 82 percent of this. HUF 38 billion was requested for loan repayment (mainly early and final repayment), whilst HUF 37 billion was sought for renovation purposes. The amount of applications received at the start of the year was somewhat higher than in the remainder of the year, mainly due to higher demand for loan repayments and home purchases. Furthermore, the total value of applications was also higher in the final month of the year.

[11] "Savings placed in the funds" refers to the funds' pension coverage reserves.

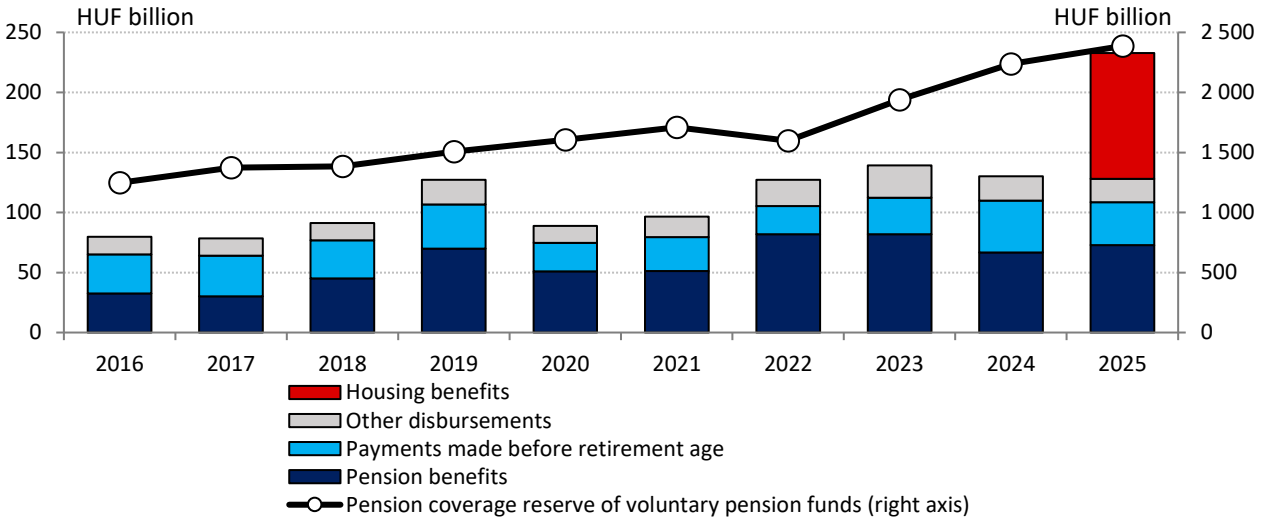
Chart 29: Monthly total amount of housing purpose subsidies applied for and submitted to voluntary pension funds



Source: MNB

Payments from voluntary pension funds in 2025 were nearly 80 percent higher than in 2024. Of the housing-related applications submitted, HUF 105 billion had been paid out by the end of 2025, accounting for 45 percent of total annual voluntary pension fund disbursements. Of the housing purpose payments, HUF 78 billion was allocated to capital and 26 HUF billion to returns. Despite payments exceeding those of previous years, the pension coverage reserves of voluntary pension funds increased, as payments were offset by contributions and investment returns.

Chart 30: Annual disbursements from voluntary pension funds and the development of pension coverage reserves



Note: Other disbursements include expenditures for terminated members, beneficiaries and heirs, and the deductions due to non-payment of membership contribution and unrepaid member loans.
Source: MNB

The possibility of using voluntary pension fund savings for housing purposes reduced households' net financial wealth overall, but the decline in financial assets was partly mitigated by the fact that a portion of the amount withdrawn was used to repay loans. In 2025, housing benefits drawn from voluntary pension funds reduced households' financial assets by HUF 105 billion; at the same time, loan repayments totalling HUF 33 billion reduced their liabilities. Furthermore, as described in the section on the effects of the Home Start scheme, in the case of the purchase of a pre-owned home, the reduction resulting from the amount used was partly offset by an increase in the seller's financial assets. Furthermore, the

possibility of using funds for housing purposes led to a reallocation within financial assets, as the reduction in pension fund savings, which are less liquid and primarily intended for future use, meant that fewer liquid assets needed to be released by those households that already had the necessary funds available for their housing purposes.

8. Characteristics of retail government securities holders

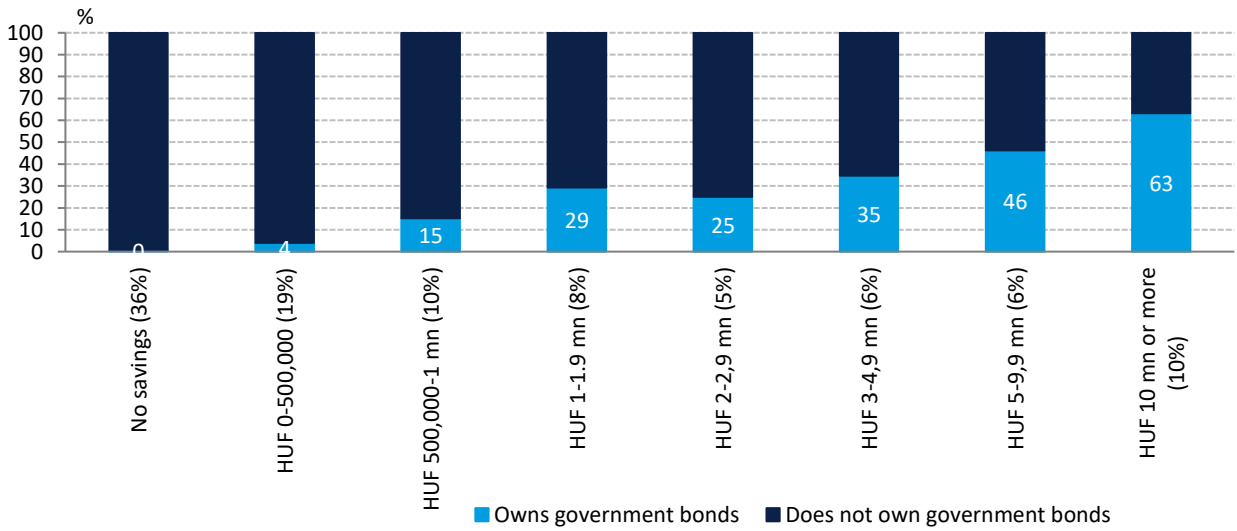
According to descriptive statistics, the size of financial wealth determines government securities ownership, as do educational attainment and type of place of residence. Our logistic regression confirmed the descriptive statistics: the aforementioned variables have a significant impact on government securities. Those with a higher education degree, the wealthier and residents of Budapest typically hold more government securities. Financial wealth is the variable with the greatest impact. Savers who, based on their characteristics, might appear on the government securities market but have not done so yet cited risk and low interest rates as deterrents.

Retail government securities play an important role not only in debt financing, but also in terms of interest rate transmission. Monetary policy decisions primarily influence short-term money market and government securities yields. Some retail government securities yields are directly linked to these (e.g. BMÁP), whilst in other cases they feature prominently in the ÁKK's pricing practice (e.g. FixMÁP). Regular monitoring and analysis of which households hold retail government securities helps to provide a deeper understanding of which saver segments are affected by domestic interest rate transmission, and also allows for better preparation for the risks that may arise.

8.1. Descriptive statistical data

To gain an accurate, up-to-date understanding of households' expectations about the economy, the Magyar Nemzeti Bank conducts a quarterly household survey; according to the data from December 2025, 17 percent of households hold retail government securities. When examining the total size of financial wealth, it becomes apparent that **the effective entry threshold for the government securities market may lie above HUF 500,000 in wealth**. With wealth below this level, the number of government securities holders is negligible (Chart 31). Households with higher educational attainment are more likely to hold retail government securities; **among those with tertiary education, this proportion is 32 percent, whilst for those with basic education it is 7 percent** (Chart 32). A similar correlation can be observed with regard to the type of settlement: whilst **30 percent of Budapest residents hold retail government securities, the figure is 9 percent for those living in villages.**

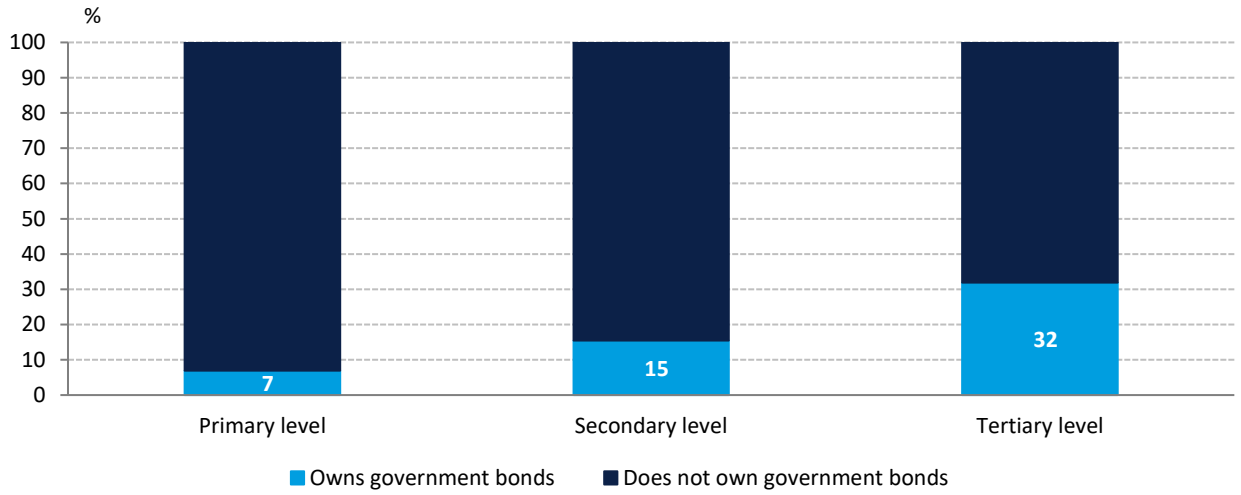
Chart 31: Ownership of government securities by financial wealth group



Source: MNB Quarterly Household Survey, 2025 Q4

Note: The proportion of the given group in the total sample is shown in brackets next to the axis labels.

Chart 32: Ownership of government securities by educational attainment



Source: MNB Quarterly Household Survey, 2025 Q4

8.2. Statistical analysis of holders of retail government securities

Financial wealth is the most significant factor that determines whether households hold government securities, but educational attainment and type of settlement also play a role. In our analysis, we constructed logistic regression models using data from the Quarterly Household Survey. We used data from several surveys, ensuring that each individual appeared only once in the database, and we filtered out those who had no savings. In our first model, wealth category was included as an explanatory variable; in the second model, this was supplemented by settlement type; and in the third, by educational attainment. In our final model, we examined all three variables together (Table 3). The odds ratio shown in the table indicates the probability of holding government securities, which can be interpreted as follows in the case of financial wealth: an individual with financial assets exceeding HUF 10 million is more than 26 times as likely to hold government securities as an individual with similar characteristics who has financial assets of between HUF 0– 500,000.[12] In the case of a tertiary qualification, the model estimates the probability of holding government securities to be nearly twice (1.8) that of those with a basic education. A secondary school qualification, however, does not result in a significant difference in government securities ownership compared to a primary school qualification. Overall, the models outperform the random estimate, but government securities ownership is also influenced by other factors that are difficult to quantify, such as financial literacy.

[12] The data are taken from Table 3; we use the results of the model controlling for educational attainment across wealth categories.

Table 3: Logistic regression on government securities ownership

Government bond holder (odds ratio)	Wealth categories	+Type of settlement	+Education	+Type of settlement + Education
Constant	0.05***	0.07***	0.04***	0.06***
By wealth group	**Reference value: HUF 0 – 500,000**			
HUF 500,000–999,000	3.73***	3.64***	3.60***	3.55***
HUF 1–1.9 million	6.86***	6.73***	6.42***	6.38***
HUF 2–2.9 million	9.26***	8.84***	8.35***	8.17***
HUF 3–4.9 million	11.78***	11.38***	10.38***	10.28***
HUF 5–9.9 million	16.40***	15.58***	14.28***	13.98***
HUF 10 million or more	31.31***	29.39***	26.36***	25.71***
Type of settlement	**Reference value: Budapest**			
County seat	-	0.72**	-	0.74*
Other town	-	0.60***	-	0.66**
Village		0.59**	-	0.66*
Highest level of education	**Reference value: Primary**			
Secondary	-	-	1.32	1.27
Higher education	-	-	1.82***	1.65***
Model metrics				
Accuracy	0.775	0.773	0.774	0.772
Zero information rate[13]	0.745	0.745	0.745	0.745
F1 score	0.400	0.438	0.467	0.418

Note: Due to the dummy variable trap, each value is listed as a reference group according to wealth group, settlement type and highest educational attainment; these reference values are as follows: 0–500,000, Budapest, Primary.
*** <0.001 ** <0.01 * <0.05

Source: MNB

8.3. Analysis of potential government bond holders

Our model for estimating government securities ownership shows that in 7 percent of the sample, the model assumes the individual owns government securities, but in reality they do not (Table 4): these are the individuals who closely resemble government securities holders. Upon further examination of these households, we can see that they have financial wealth worth at least HUF 5 million, but only 19 percent of them plan to purchase government securities in the future. Based on their responses, the main reason for this group's reluctance to invest is the perceived risk associated with government securities and their issuers (44 percent); furthermore, 40 percent of them consider the interest rates paid on government securities to be too low. Members of this group are more likely to hold shares or investment funds than holders of government securities, and 41 percent are familiar with at least one type of government security.

[13] The zero information rate shows the accuracy we would have achieved with a model in which every item is automatically classified into the group with the higher proportion – in this case, that would be "no government bond" – and we would have achieved an accuracy of 74.5 percent.

Table 4: Classification of logistic regression results

		Reality	
		Non-government bond holder	Government bond holder
Forecast	Non-government bond holder	67%	16%
	Government bond holder	7%	10%

Note: The data in the table are based on the regression with the highest F1 score in Table 3, where financial wealth is controlled for educational attainment.

Source: MNB

Based on our model, the responses in the Quarterly Household Survey and the low proportion of savers, there appears to be limited scope for a further significant increase in the number of government securities holders in the short term. In the longer term, an increase in the number of holders could be driven not only by a broad-based rise in savings, but also by an improvement in general financial literacy and a shift in the perception of the riskiness of government securities.

9. Examination of retail investors' motivations in relation to last year's PMÁP repricing

In this featured topic, we examine the behaviour of retail investors in relation to the 2025 PMÁP repricing using classical statistical and machine learning methods. Our models correctly identified nearly two-thirds of the decisions regarding redemption: the new interest rate, the month of interest payment and the size of the investor's securities portfolio were decisive factors. Overall, in addition to the general trends emerging from the models, other factors that are difficult to quantify may also have influenced the decisions of PMÁP holders (such as financial literacy or the wait-and-see effect).

The repricing of PMÁP securities, which dominated the retail government securities market last year, provided an excellent opportunity for a deeper analysis of investor motivations. Following the interest payment adjusted for 17.6 percent inflation in 2023, PMÁPs lost a significant portion of their previous appeal; as a result, nearly one-half of the outstanding stock was redeemed by households in 2025, and the redemption affected nearly 40 percent of securities accounts holding PMÁPs. In the October 2025 Savings Report, we examined this process in detail, presenting the volumes redeemed and the distribution of the reinvestment of the released funds. Our analysis showed that, when examined by series, there are significant differences in the redemption rates calculated as a proportion of the initial portfolio, and this difference cannot be explained solely by differing interest rates. In the following section, we present the factors underlying these differences.

We sought to determine which factors might influence whether or not a given investor redeemed their PMÁP holdings, using six explanatory variables. For the analysis, we used a binary dependent variable taking values of 0 or 1: this indicates whether a given individual held a particular PMÁP series and, if so, whether they redeemed it. As an investor could hold multiple PMÁPs (with different characteristics), we did not analyse the processes on an investor-by-investor basis, but instead treated each decision-making situation – i.e. whether the investor redeemed the given PMÁP series – as a separate entry in the model.

In total, we analysed more than 1 million decisions. In 40 percent of cases, decisions were made regarding PMÁPs which repriced to a 5.2 percent interest rate, and nearly half of the decisions were made by those holding securities wealth worth between HUF 10–50 million. **In almost all cases, those redeeming their holdings reduced their entire PMÁP portfolio, which is why the use of an outcome variable with a value of 0–1 is justified.**

The following explanatory variables were used in the modelling:

- the new interest rate following repricing,
- the date of interest payment,
- the investor's total assets held in their securities account,
- the type of distributor (Hungarian State Treasury or other distributor),
- a proxy variable for risk appetite,
- and, if the individual had a MÁP Plusz investment, whether they redeemed it in 2022.

Our models correctly identify nearly two-thirds of the decisions. In addition to classical statistical methods, we applied machine learning models during the analysis: logistic regression, decision trees, the random forest model (which aggregates hundreds of random decision trees) and neural networks. To evaluate the results, we used a classification matrix, in which we compared the actual redemption decision with the classification produced by the models. **For all four methods**, **the algorithms achieved an accuracy 6–7 percentage points higher than the no information rate**,[14] with the correct classification of those who redeemed and those who retained their PMÁP holdings ranging between 62 and 63 percent (Table 5). Based on the F1 score,[15] the models are moderately capable of identifying redeemers, but the available

[14] This shows the level of accuracy we would have achieved if we had classified all observations in the model into the group with the higher proportion.

[15] Model performance indicator: A scale from 0 to 1, where a higher number indicates a better-fitting model.

explanatory variables still make a meaningful contribution to understanding the behaviour of households. It is worth emphasising that, on this basis, the performance of classical econometric and machine learning models is nearly identical, and thus our logistic regression also adequately explains the decisions. **Overall, the models correctly identify nearly two-thirds of the decisions; however, the accuracy does not significantly exceed the no information rate.** This means that, in addition to the examined characteristics, other, hard-to-measure factors also substantially influenced investors' decisions (e.g. financial literacy, the wait-and-see effect).

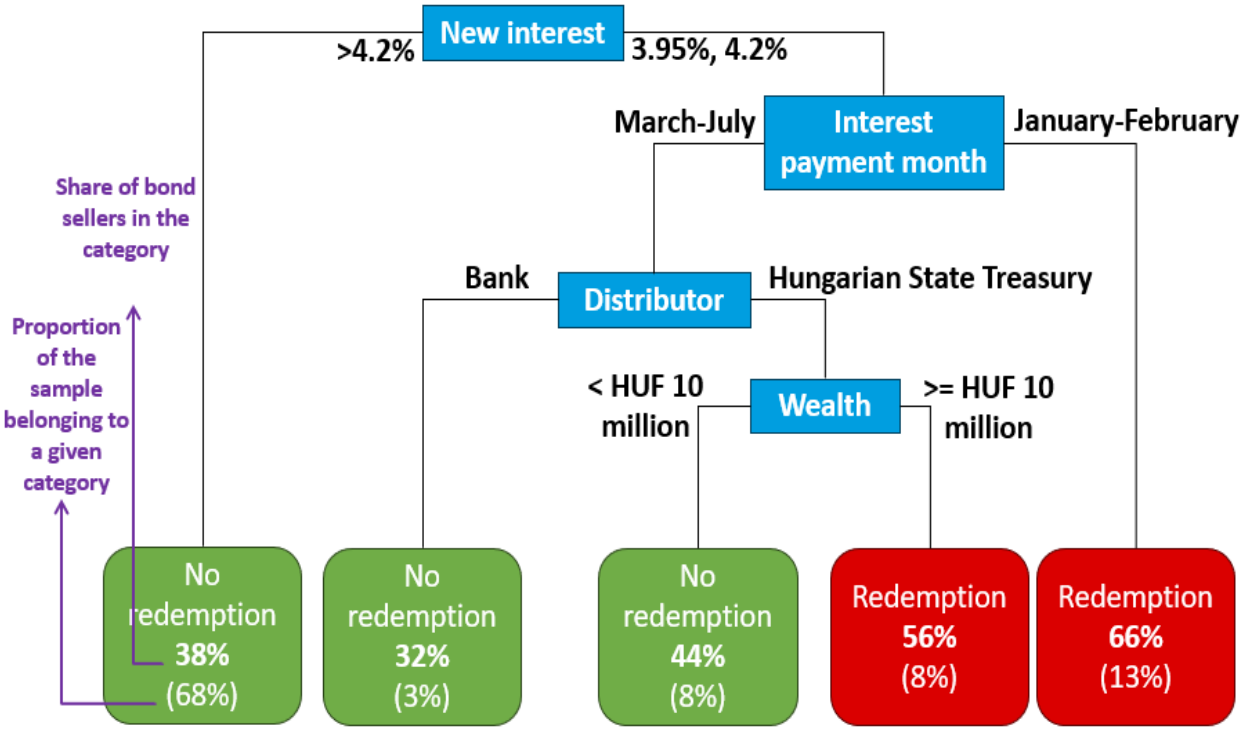
Table 5: Models' performance indicators

	Logistic regression	Decision tree	Random forest	Neural network
Accuracy	62%	62%	63%	63%
No information rate	56%	56%	56%	56%
F1 score	51%	44%	49%	51%

Source: MNB

The size of the interest rate premium and the closely related interest payment date were decisive factors in investors' decisions regarding the redemption of PMÁPs. Interest rates on the PMÁP series following repricing ranged between 3.95 and 5.2 percent due to varying inflation-linked premiums. The models produced an intuitive result, as the level of this interest rate spread was one of the most important factors influencing behaviour. At the lowest interest rate, below 4 percent, the intention to redeem was clearly higher. By contrast, the next interest rate of 4.2 percent reduced the probability of redemption by two-thirds, whilst the highest rate of 5.2 percent reduced it by approximately 60 percent in the logistic regression (Table 6). Looking at the month of interest payment, January and February were decisive in the decision tree model: at that time, significant media attention was focused on the PMÁP repricing, which, according to our hypothesis, encouraged more conscious savers to act quickly (Chart 33). In addition, the PMÁP series with the highest redemption rate in January was sold in 2023 H2 and this may have played a significant role: Informed investors may have taken advantage of the attractive yields tied to high inflation by purchasing these securities and subsequently reducing their portfolios following the substantial interest payments.

Chart 33: Decision tree modelling for PMÁP redemption



Source: MNB

The probability of redemption rose in parallel with the increase in securities holdings. In our logistic regression, even those with wealth of HUF 5–10 million were twice as likely to redeem as those in the lowest category, with assets of less than HUF 500,000. **For investors in the top category, with assets exceeding HUF 1 billion, the likelihood of redemption rose to nearly five times that of the lowest category. This can presumably be explained by the fact that wealthier groups have higher financial literacy and are better informed** – and consequently reallocate their portfolios more quickly. Furthermore, given the size of the invested amounts, these investors are **making decisions on significant interest income**, which increases the importance of portfolio reallocation.

There is also a clearly demonstrable impact of past MÁP Plusz redemptions, the type of distributor and risk appetite. The decision of MÁP Plusz investors also influenced the decision regarding PMÁP, although the effect was asymmetrical: The 2022 MÁP Plusz redemption increased the likelihood of PMÁP redemption by only 20 percent, whilst retaining MÁP Plusz reduced the likelihood of PMÁP redemption by more than one-half. Compared to accounts held with banks, the probability of redemption nearly doubled for accounts held with the Hungarian State Treasury – this is likely due to the fact that informed investors keep part of their savings there because of the more favourable costs. We defined the indicator estimating risk-taking propensity as the proportion of shares and foreign securities within the portfolio. The effect of this was more modest, but the probability of redemption increases moderately as the proportion of riskier assets within the portfolio rises.

Table 6: Logistic regression modelling for PMÁP redemption

Variables	Odds ratio	Standard error
Constant	0.42***	0.02
Wealth categories	**Reference group: under HUF 0.5 million**	
HUF 0.5-5 million	1.60***	0.02
HUF 5-10 million	1.94***	0.02
HUF 10-50 million	2.40***	0.02
HUF 50-100 million	2.97***	0.02
HUF 100-1,000 million	3.61***	0.02
Over HUF 1,000 million	4.66***	0.05
Interest	**Reference group: 3.95%**	
4.20%	0.66***	0.01
4.45%	0.51***	0.01
4.70%	0.61***	0.01
4.95%	0.20***	0.02
5.20%	0.39***	0.01
MÁP Plusz redemption	**Reference group: had no MÁP Plusz investment**	
Yes	1.17***	0,00
No	0.56***	0.01
Distributor	**Reference group: other distributor**	
Treasury	1.86***	0.01
Risk appetite	1.01***	0.00

Note: The odds ratio indicates how much higher (> 1) or lower (< 1) the odds of PMÁP redemption are relative to the reference group.

*** <0.001

Source: MNB

Overall, the models reveal some general trends that may shed light on the motivations behind government securities holdings, but investors' decisions may be significantly influenced by other factors that are difficult to quantify. The primary focus of our study was to demonstrate the extent and direction of the impact of the available variables, thereby facilitating a deeper understanding of retail investors' behaviour. Based on the available data, we therefore identified several variables that are relevant to PMÁP redemption decisions. Series with higher interest rate spreads were redeemed less frequently, whilst media attention at the start of the year and the behaviour of informed investors who took advantage of attractive yields significantly increased the likelihood of redemption. The probability of redemption also increased as the value of securities holdings rose. The probability of redemption was significantly higher for accounts held with the Hungarian State Treasury than for those held with bank distributors. The 2022 MÁP Plusz decision had a significant influence on whether or not investors redeemed their holdings at this time. An increase in risk appetite, meanwhile, moderately raised the probability of redemption.

However, the analysis has its limitations: the motivations of retail investors can be extremely diverse, and in many cases these characteristics cannot be supported by data, or only to a very limited extent. **One of the most important factors is financial literacy**, which can only be approximated to a limited extent by the level of wealth. In addition, the wait-and-see effect can also be a decisive factor: some investors only hold their money in the PMÁP temporarily, as they are facing a major expenditure (such as a property purchase), or have not yet decided how to invest the funds that have become available.

10. Analysis of household deposit holdings based on microdata

At the end of 2025, households held HUF 1,760 billion in term deposits in forint, more than half of which was in deposit types that are less relevant from the perspective of monetary policy transmission (e.g. home savings funds). The stock of term deposits excluding these decreased by HUF 80 billion during the year, bringing the total to HUF 750 billion by end-2025. At the same time, the average interest rate on this type of instrument rose from 2.5 percent to 2.9 percent. Nearly one-half of term deposits are concentrated in banks offering an average interest rate of less than 1 percent, and low interest rates are most characteristic of deposits under HUF 10 million. Although non-price-related, individual factors play a significant role in households' choice of bank, and those banks that raised the interest rates offered on their term deposits during the year typically saw growth in both their deposit portfolio and customer numbers.

This analysis aims to provide a detailed analysis of the structure of term deposits, to present their dynamics and distribution, and to examine the interest rates available in the various segments. Based on macro-statistics, the stock of households' forint deposits rose by approximately HUF 1,200 billion in 2025, approaching HUF 12,500 billion. However, within this, term deposits fell by HUF 120 billion, standing at HUF 1,760 billion at the end of the year. This decline occurred despite the fact that the average annualised interest rate on term deposits rose during the period.

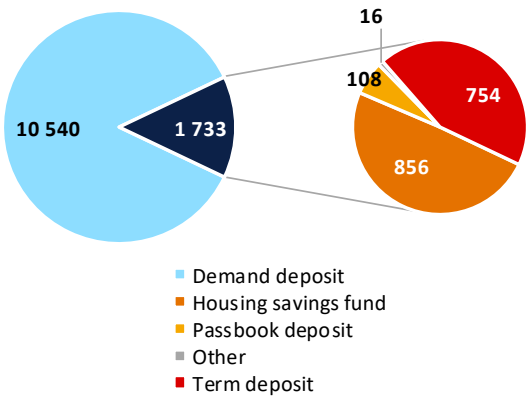
10.1. Presentation of the structure of term deposits

Of the HUF 1,760 billion in term deposits shown in the macro statistics, only HUF 750 billion can be considered term deposits in the traditional sense, based on micro statistics. What is known in the macro statistics as total term deposits can be broken down into further components using a micro-database: these include passbook deposits (e.g. savings deposit books, prize-linked savings account, car prize-linked saving account), term deposits held with housing savings funds, other items (e.g. collateral deposits), and finally, term deposits in the strict sense – hereinafter, we refer to this narrowly defined group as "term deposits" (Chart 34). The breakdown shows that one-half of the total term deposit stock (HUF 900 billion) is held with housing savings funds, by some 500,000 account holders. In addition, a further HUF 100 billion is held in passbook deposits, with some 700,000 account holders holding such assets.

After deducting these, there remain term deposits worth HUF 750 billion – held by just 200,000 account holders – which are most relevant from a monetary policy perspective, as this is where the interest rate transmission mechanism has the greatest impact. Taking into account that a large number of small deposits can be identified among passbook deposits, the average deposit size of term deposits in the narrow sense rises to HUF 1.8 million.

Chart 34: Decompositions of households HUF deposits (right-hand side: based on 2025 data)

		2024	2025
Total HUF deposit	Stock (HUF billion)	11 226	12 273
	Number of account holders (million)	6.3	6.4
Term deposit (total)	Stock (HUF billion)	1 857	1 733
	Number of account holders (million)	1.5	1.4
Housing savings fund	Stock (HUF billion)	898	856
	Number of account holders (million)	0.5	0.5
	Average deposit amount (HUF)	525 912	557 623
	Median deposit amount (HUF)	72 356	72 356
Passbook deposit	Stock (HUF billion)	105	108
	Number of account holders (million)	0.7	0.7
	Average deposit amount (HUF)	32 611	32 107
	Median deposit amount (HUF)	20 000	20 000
Term deposit	Stock (HUF billion)	835	754
	Number of account holders (million)	0.3	0.2
	Average deposit amount (HUF)	1 582 107	1 778 185
	Median deposit amount (HUF)	359 643	500 000

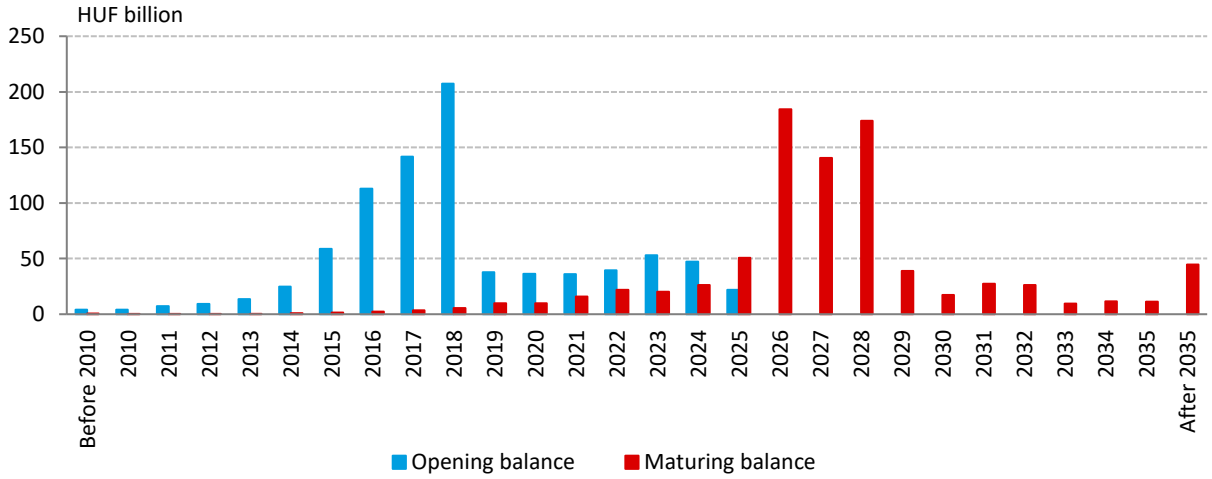


Note: The data does not include branch offices. Number of account holders, average and median deposit size calculated excluding zero-balance accounts. The figures shown in both columns refer to 31 December of the given year.

Source: MNB

In the coming years, nearly HUF 500 billion could be released from housing savings funds. More than one-half of the nearly HUF 860 billion forint in housing savings funds outstanding at the end of 2025 was placed between 2016 and 2018, and following the discontinuation of state subsidies in 2018 the volume of new contracts fell below HUF 50 billion per year (Chart 35). Of the current portfolio, HUF 190 billion is due to mature by 2026, with a further HUF 140–170 billion expected to mature over the following two years, some of which may appear on the property market (the savings can be used for home renovations or for early or final repayment of a mortgage). Owners typically do not utilise the full amount of maturities falling due in a given year: based on data from the end of 2024, HUF 170 billion worth of maturing funds was due in 2025, of which customers withdrew approximately 70 percent, or HUF 120 billion; furthermore, of the total HUF 165 billion worth of maturing funds from previous years, approximately HUF 60 billion was utilised. Based on data from the end of 2025, the stock of deposits maturing prior to 2026 held at housing savings funds amounts to HUF 170 billion.

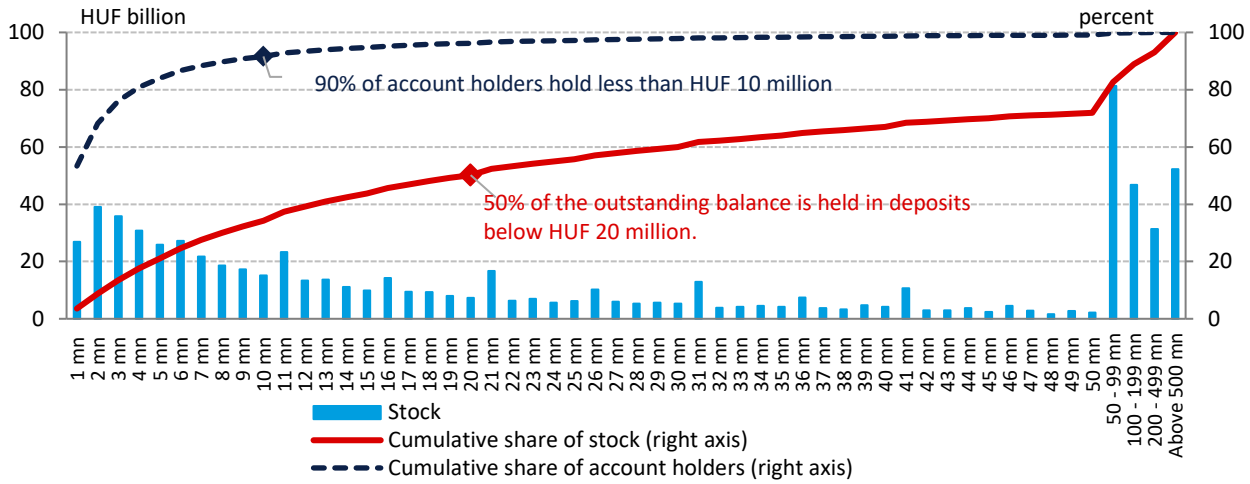
Chart 35: Breakdown of deposit stock held by housing savings funds by start date and maturity (31 Dec 2025)



Source: MNB

The distribution of term deposits reveals a high degree of concentration: whilst a significant proportion of account holders have smaller savings, a substantial portion of the total stock is held by a small group of large depositors. Nearly 20 percent of the term deposit stock (a total of HUF 130 billion) is held in deposits exceeding HUF 100 million, and **only 500 account holders (i.e. less than 1 percent of account holders) hold such deposits**. By contrast, 90 percent of account holders have deposits of less than HUF 10 million (see: Chart 36, dark blue text). **In other words**, **savings capacity is unevenly distributed**: a small number of very wealthy clients hold a relatively large proportion of the total term deposit stock, meaning that the financial decisions of wealthy households can have a significant impact on the total deposit stock. On the other hand, however, 50 percent of the portfolio is held in deposits of less than HUF 20 million (see: Chart 36, red text) (accounting for 96 percent of account holders), meaning that deposits are widely distributed and "small deposits" collectively carry significant weight, which supports the stability of the banking system.

Chart 36: Distribution of term deposits by size (by account holders*)



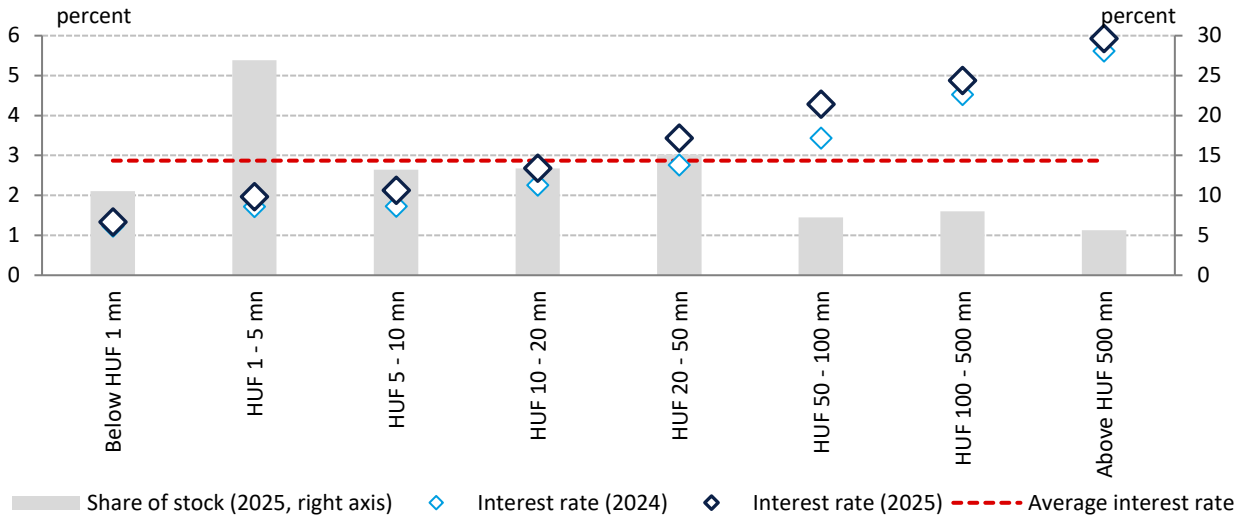
** Accordingly, in the case of multiple accounts held by the same individual, the classification is determined based on the total balance across those accounts.*
Note: The value shown on the horizontal axis indicates the upper limit of the account size.
Source: MNB

10.2. Analysis of interest rates available on term deposits

The interest rate available on term deposits rises in line with the size of the deposit. The average interest rate on term deposits was 2.9 percent at the end of 2025, whilst the central bank's base rate was 6.5 percent. At the same time, the average interest rate is relatively higher for larger deposits: 3.4 percent for deposits between HUF 20–50 million, 4.3 percent for deposits between HUF 50–100 million, whilst for deposits above HUF 100 million and HUF 500 million, it is possible to achieve average interest rates of around 5 percent and 6 percent, respectively. By contrast, for deposits under HUF 1 million, the rate is 1.3 percent; for deposits between HUF 1–10 million, it is around 2 percent; and for deposits between HUF 10–20 million, an average interest rate of around 2.7 percent can be seen – these segments account for 65 percent of the total portfolio (a total of HUF 480 billion) and, in terms of number of accounts, 99 percent of the deposits[16] (Chart 37). It can also be seen that, compared to the end of 2024, interest rates have risen for all deposit sizes, most significantly for deposits between HUF 20–100 million.

[16] The fact that the distribution values differ from those presented in the previous paragraph can be explained by the fact that, whilst in the above case we calculated the total of all a single account holder's term deposits by aggregating them, in this case we examined the accounts on a disaggregated basis, as this provides an accurate picture of the interest rate associated with a given deposit size.

Chart 37: Average interest rates on households' term deposits by deposit size

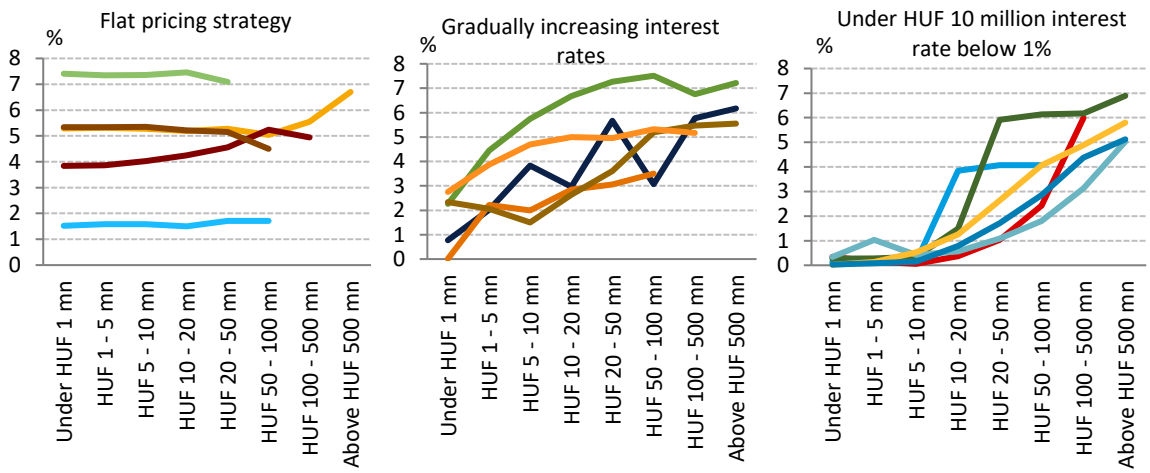


Note: Each account amount was classified separately, even if the accounts belong to the same owner.
Source: MNB

In examining the pricing of term deposits based on deposit size, banks can be divided into three groups. In the first group, **banks offer a virtually uniform interest rate** on term deposits, regardless of the deposit size; moreover, in this group, interest rates above 5 percent – considered relatively high – are not uncommon, and one bank even offers an interest rate above 7 percent. **In the second group, banks offer interest rates that rise gradually with larger deposit amounts**: 2 percent for term deposits over HUF 1 million, and over 3 percent for deposits over HUF 10 million. **Banks in the third group offer interest rates of less than 1 percent on term deposits under HUF 10 million**, and interest rates only start to rise from HUF 10–20 million (Chart 38).

Based on this, it can be said that for those **who have less than HUF 10 million** and insist on a term deposit scheme, it would be worth examining the interest rates offered by different banks more closely, as **switching banks could potentially yield interest rates up to 3–4 percentage points higher**. Nevertheless, it is worth bearing in mind that **favourable term deposit schemes are in some cases subject to certain conditions**, such as conducting all banking transactions online, a minimum deposit requirement (e.g. HUF 100,000 or HUF 500,000), the purchase of investment funds, or regular deposits into a retail bank account. It is also important to bear in mind that all interest rates shown are subject to 15-percent personal income tax and 13-percent social security contributions.

Chart 38: Average interest rates on term deposits by deposit size, by bank



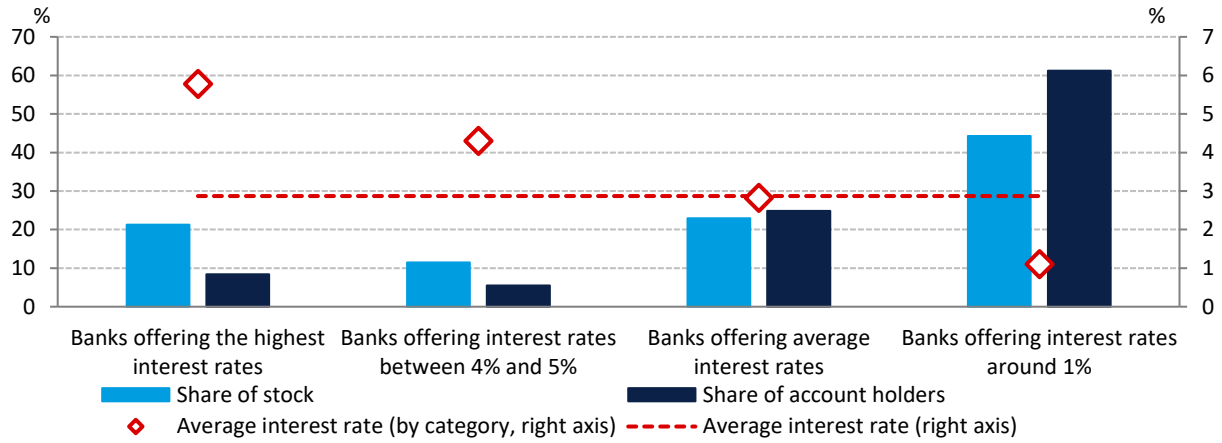
Note: A total of 16 banks were analysed; each of the displayed data series represents an individual bank.
Source: MNB

10.3. Analysis of the interest rate sensitivity of term deposits

Nearly one-half of the total term deposit stock is concentrated at banks where the average interest rate available is below 1 percent. In Chart 39, we classified the banks examined into four groups based on the average interest rate offered, from which it can be seen that, although half of the banks offer interest rates above the average on their term deposits, only one-third of term deposits are held at these institutions.

45 percent of the total term deposit portfolio and 60 percent of account holders are at banks where the average interest rate is below 1 percent. Based on this, it can be assumed that **the deposit stock is "sticky"**, i.e. households are less open to switching banks; their choice of bank is influenced by other individual factors (e.g. other services provided by the bank, access to credit, convenience, etc.) or they are less informed about the available options.

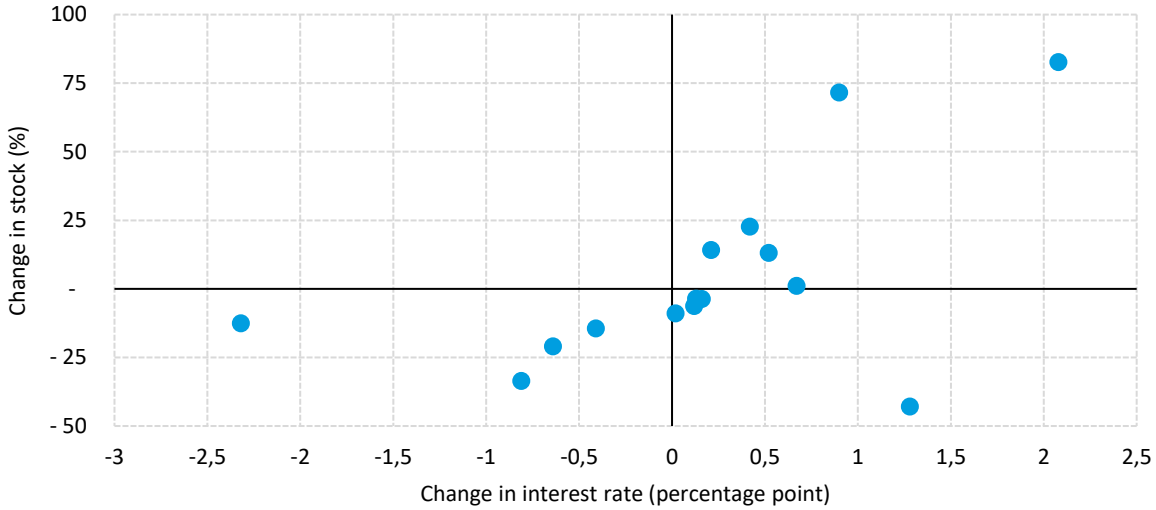
Chart 39: Changes in the volume of term deposits and average interest rates across different groups of banks



Note: The 16 banks examined were divided into 4 groups, with 4 banks in each group.
Source: MNB

In 2025, the stock of term deposits typically increased at banks that raised the interest rates offered on their term deposits. Based on both macro-statistics and aggregated data from the deposit register, the volume of term deposits decreased in 2025, despite the fact that the interest rates available on such deposits rose, which runs counter to economic intuition. However, when examined at the bank level, it can be seen that growth and decline occurred in approximately equal proportions across institutions. Overall, a positive correlation can be identified between the change in interest rates and the change in the volume of deposits (Chart 40).

Chart 40: Changes in the average interest rate and portfolio of term deposits by bank between December 2024 and December 2025



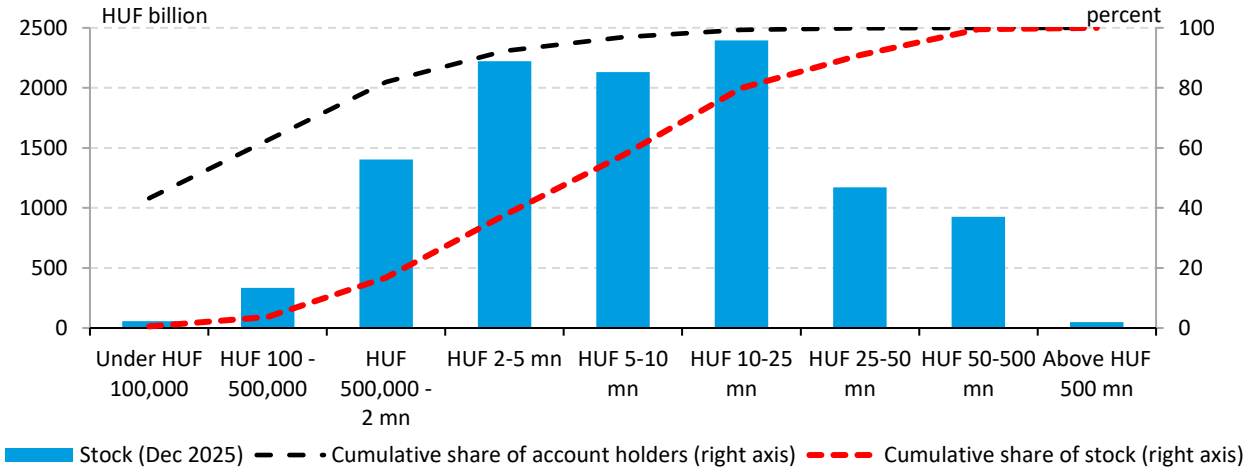
Source: MNB

10.4. Possible motivations behind holding demand deposits

Around 85 percent of households' forint deposit stock, amounting to nearly HUF 12,500 billion, consists of demand deposits. Term deposits represent a relatively small proportion of the total stock, and thus it is worth examining whether there may be deposits within the demand deposit stock which, based on their amount or the account holder's behaviour, could be tied up in such a way that the saving household could realise higher interest income.

Based on the size of demand deposits, some of their holders could achieve a higher interest rate by tying up their deposits. An analysis of the term deposit stock showed that the size of the deposit is a key driver of the interest rate achievable with a term deposit. Thus, the distribution of these deposits by size is significant in terms of the potential for converting demand deposits into term deposits. In more than 60 percent of demand deposit accounts, the outstanding balance is less than HUF 500,000. In terms of volume, a portion of the deposit portfolio (approximately 40 percent) has a balance exceeding HUF 10 million, but this is concentrated among 3 percent of account holders (Chart 41). These are therefore demand deposits on which, based on the analysis presented above, account holders could achieve a higher interest rate by opting for a term deposit.

Chart 41: Distribution of demand deposits by size category



Source: MNB

Monthly changes in the balance of demand deposits also show that tying them down at a higher interest rate would be a viable option for a significant portion of these deposits. The failure to tie down demand deposits can be explained by several factors. On the one hand, these deposits are among the most liquid financial instruments and can therefore serve transactional purposes. However, the significant weight of relatively larger deposits suggests that the motivation behind holding demand deposits is not solely the financing of consumption transactions.[17] At the same time, demand deposits may also serve investment transaction purposes, for which we have no data available. However, when examining deposit balances month-on-month between June and December 2025, it can be said that for 11 percent of demand deposits, the deposit balance increased month-on-month, for 24 percent of the portfolio, the balance did not decrease compared to the June figure, whilst for nearly half of the portfolio, a decrease of up to 20 percent in the balance was observed over the six-month period (Table 7). An analysis of month-on-month changes in balances shows that the highest proportion of deposits that can be considered stable in this sense was found among those ranging between HUF 2–25 million. This therefore suggests that, **for a significant proportion of demand deposits (possibly as much as 40–50 percent), long-term placement at higher interest rates could be a viable option, as these funds are not used for transactional purposes.**

Table 7: Proportion of stable deposits within the demand deposit portfolio, based on monthly movements in account balances between June and December 2025

Size categories	*Outstanding balance at end of June 2025*	*(1) Deposit balance does not decrease compared to the previous month*	*(2) Deposit balance does not decrease compared to June*	*(3) Deposit balance decreases by no more than 10% compared to June*	*(4) Deposit balance decreases by no more than 20% compared to June*
Under HUF 100,000	57	6%	19%	24%	27%
HUF 100-500,000	329	4%	17%	24%	28%
HUF 500,000 - 2 mn	1 400	6%	22%	34%	42%
HUF 2-5 mn	2 163	10%	26%	44%	52%
HUF 5-10 mn	2 006	13%	29%	48%	55%
HUF 10-25 mn	2 180	14%	28%	46%	52%
HUF 25-50 mn	1 044	11%	22%	39%	44%
HUF 50-500 mn	842	7%	14%	27%	33%
Above HUF 500 mn	65	0%	1%	9%	40%
Total	**10 085**	**11%**	**24%**	**41%**	**48%**

Source: MNB

[17] According to data from the Hungarian Central Statistical Office (HCSO), household consumption expenditure per capita was somewhat over HUF 2 million in 2024, meaning that a deposit of HUF 10 million could cover the average total annual consumption of a five-person household.

11. Foreign securities held by savers

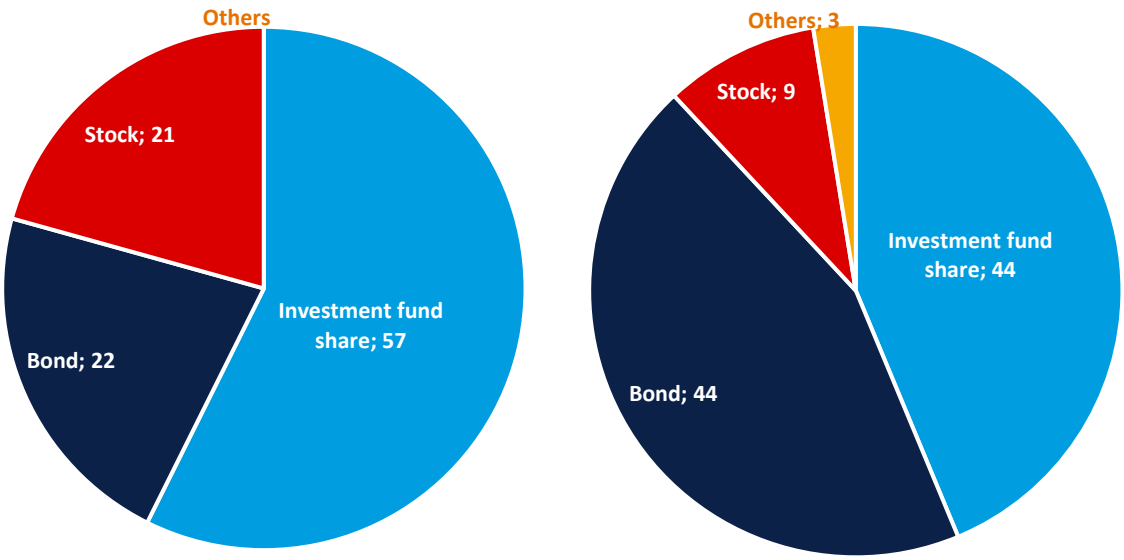
Household savings held in foreign securities have risen significantly in recent years. In 2025, more than HUF 900 billion flowed into foreign securities, bringing the total stock to nearly HUF 5,100 billion by the end of the year. More than one-half of these securities are savings held in investment funds, whilst the remaining 43 percent is split roughly equally between bonds and shares, with EUR-denominated securities dominating within this category. Part of the growth in foreign assets is driven by natural diversification, whilst the rise of ETFs is also supported by their favourable cost structure.

11.1. Type and denomination of foreign securities

Households' holdings of foreign securities approached HUF 5,100 billion in December 2025. Foreign securities account for nearly 4.2 percent of households' financial assets, and within the securities portfolio this proportion stands at 14 percent. Regarding the dynamics of the portfolio, the portfolio expanded by more than HUF 900 billion on a transaction basis in 2025. The extent of this growth is well illustrated by the fact that, during this period, the stock of forint deposits rose by HUF 1,200 billion. The growth in foreign assets may be driven by natural diversification; however, it is necessary to examine whether there are factors arising from the specific characteristics or shortcomings of the domestic market. By understanding these characteristics and identifying the shortcomings, we can identify potential products whose development would support the growth of domestic financial markets, whilst also helping household savers to find the ideal savings product for their specific life situation on the domestic market as well.

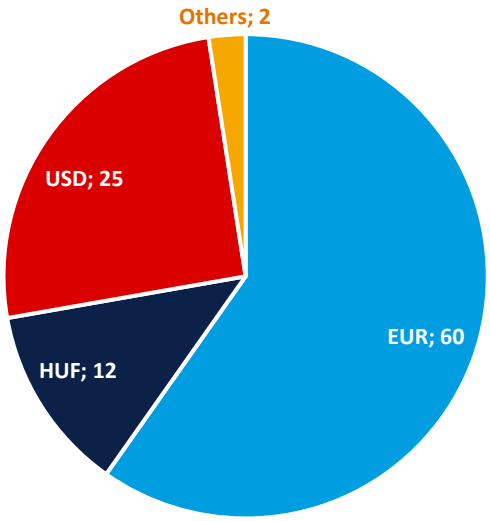
Looking at foreign assets by type of security, we can see that more than 57 percent are investment funds, nearly 22 percent are bonds, and even the proportion of shares is significant, at 21 percent (Chart 42). A different distribution can be observed for domestic securities: the biggest difference is that the proportion of bonds is twice as high. In terms of the denomination of foreign assets, EUR-denominated securities are the most popular, but the stock of USD- and HUF-denominated securities is also substantial (Chart 43). Regarding the latter, it is worth noting that 74 percent of HUF-denominated securities are investment funds. The reason for this is that HUF-denominated investment funds are often issued abroad, but the investor base remains the Hungarian population.

Chart 42: Breakdown of foreign (left) and domestic (right) securities by type of security (percent)



Source: MNB

Chart 43: Breakdown of foreign securities by denomination (percent)



Source: MNB

11.2. Distribution of foreign securities accounts

Two-thirds of the foreign securities portfolio, amounting to approximately HUF 3,400 billion, was held in domestic securities accounts in December 2025, with a total of 159,000 such accounts. This is higher than the number of accounts holding institutional government securities or domestic shares. At the same time, the number of holders of foreign securities can be considered low compared to accounts holding government securities (~800,000)[18] and investment funds (~1 million). A similar distribution emerges among holders of foreign securities as in the total sample, although the proportion of high-net-worth individuals is somewhat higher (Table 8). The number of accounts holding foreign securities has risen 1.6-fold since June 2022. A similar increase was observed in the number of accounts holding domestic investment funds. At the same time, during this period, the number of holders of government securities fell somewhat.

Table 8: Distribution of holders of foreign securities and of the total sample by wealth group

	Distribution of holders of foreign securities	Total sample
1. HUF 0–3 mn	42%	44%
2. HUF 3–5 mn	10%	12%
3. HUF 5–10 mn	15%	16%
4. HUF 10–20 mn	13%	13%
5. HUF 20–30 mn	6%	6%
6. HUF 30–50 mn	6%	5%
7. HUF 50–100 mn	5%	3%
8. HUF 100–250 mn	3%	1%
9. HUF 250–500 mn	1%	0%
10. HUF 500 mn+	0%	0%

Source: MNB

[18] The data does not include START accounts.

11.3. The rise of ETFs

Among foreign investment funds denominated in foreign currency, ETFs offering exposure to US and global equities are the most popular. Seven of the ten most popular foreign investment funds are denominated in forint. The investment scope of these funds varies: there are also examples of funds focusing on dividend income, technology and healthcare. Looking at foreign funds denominated in foreign currencies, the most popular include an ETF tracking the S&P 500[19] and a fund tracking the MSCI World Index, held in 3,500 accounts with a total value of HUF 18 billion; also worth mentioning is the ETF tracking the FTSE All-World Index, which had a total value of nearly HUF 13 billion and was held in 2,100 securities accounts in December 2025. Compared to domestic ETFs, the BUX ETF was held in nearly 2,400 household accounts with a total value of HUF 6 billion, whilst the CETOP ETF was held in 2,600 accounts with a total value of HUF 20 billion.

An ETF (Exchange Traded Fund) is a type of investment fund that typically tracks a stock market index, and the funds themselves are traded on the stock exchange. The advantage of exchange-traded funds over traditional investment funds is that, like other exchange-traded securities, such as shares, they are continuously quoted and traded during stock market opening hours. At the same time, this form of investment also offers the diversification benefits of investment funds, as purchasing a single ETF allows investment in numerous securities belonging to the relevant index, thereby reducing risk. A further advantage of ETFs over traditional, mainly actively managed funds is their typically lower cost level: by contrast, actively managed funds aim to achieve a higher return than the relevant benchmark index, but at the cost of greater risk and higher costs resulting from active portfolio management. Two ETFs have been launched in Hungary to date, both under the management of OTP Fund Management. The BUX ETF invests in the domestic shares with the highest market capitalisation and trading volume traded on the Budapest Stock Exchange (BÉT), in line with the composition of the BUX index, whilst the composition of the OTP CETOP UCITS ETF Fund mirrors that of the BÉT CETOP NTR index: it selects from the 25 most actively traded shares on the Hungarian, Czech, Slovak, Polish, Croatian, Romanian and Slovenian stock exchanges.

Households purchased approximately HUF 100 billion worth of foreign ETFs in 2025, whilst the stock of domestic ETFs increased by HUF 10 billion. The inflow into ETFs last year accounted for 4.5 percent of the annual net inflow of investment funds. Households' holdings of foreign ETFs exceeded 10 percent of their total foreign investment funds, whereas the same proportion for domestic ETFs was just 0.2 percent, and their share within domestic equity funds was only 2 percent.

Households may hold several times the value of their direct ETFs indirectly through investment funds, insurance companies and pension funds. At end-2025, domestic investment funds held HUF 1,150 billion in ETFs, almost entirely foreign ones. Multiplying the value of investment funds owned by households by the proportion of ETFs within the assets of the respective fund and aggregating these figures yields HUF 600 billion in indirect ETF holdings. If we add to this the fact that ETFs accounted for 7 percent (HUF 340 billion) of insurers' assets, and apply this ratio to households' insurance reserves, indirect ETF holdings via insurers can be estimated at HUF 260 billion. Furthermore, pension funds held HUF 360 billion in ETFs, which indirectly increases fund members' ETF holdings. Thus, households' combined direct and indirect ETF holdings may exceed HUF 1,500 billion, not including ETFs held through other foreign investment funds.

11.4. Foreign shares and bonds

Foreign shares were held in 50,000 domestic securities accounts in December, with domestic shares held in 117,000 accounts. The total value of foreign equity holdings is HUF 1,050 billion, whilst domestic traded stocks holdings amount to HUF 2,900 billion at end-2025. The ten most popular international shares include the world's largest companies by market capitalisation, as well as smaller firms with domestic ties.

Around 60 percent of foreign bonds were held in domestic securities accounts. The portfolio is less concentrated, with Romanian government securities and structured bonds featuring among the largest exposures. A good example of a structured bond is a security where the interest payment depends on how many days the forint-euro cross rate remained within a given range during the year in question.

[19] The most popular indices are tracked by ETFs from more than one provider; in our calculations, we have not aggregated ETFs tracking the same indices.

In recent years, the popularity of foreign securities has risen to a similar extent as that of domestic investment funds. An analysis of the detailed data reveals that part of the portfolio consists of investments that cannot be channelled into the domestic market, as their purpose is presumably geographical diversification (e.g. direct foreign equities). That said, it can also be concluded that developing the domestic market through the creation of ETFs or more complex structured bonds could increase demand for domestic securities, albeit it is worth noting that in certain cases economies of scale and the small size of the domestic market may act as a constraint.

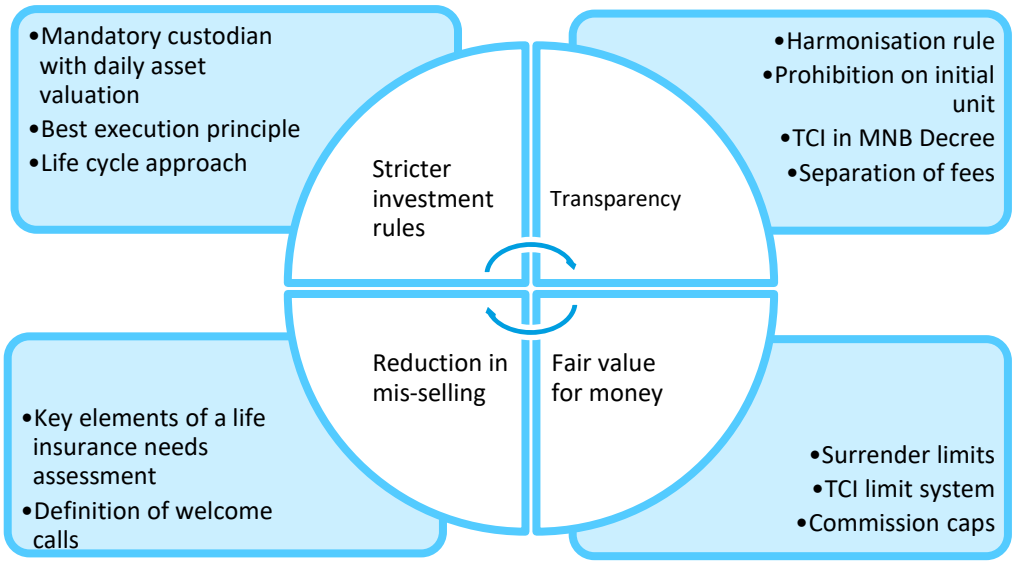
12. MNB Ethical 2.0: improved value proposition for savings life insurance products

As a result of the Ethical 2.0 regulatory package, the expected net performance of savings life insurance products at maturity has improved. At the initiative of the MNB, all requirements of the Ethical 2.0 regulatory package came into force on 1 January 2026 to improve the value for money of insurance products, which is a forward-looking initiative even at the European level. The first stage of the regulation's implementation involved requirements for the asset bases of unit-linked (UL) life insurance products, which set minimum thresholds for the performance of these asset funds. Based on an assessment of the initial results, the value proposition of savings life insurance products has improved significantly, as the expected net performance of the asset funds at maturity exceeds the inflation target, thereby ensuring real return potential for customers.

Consumer protection features as a key strategic focus in the MNB's supervisory strategy. In order to strengthen consumer protection, one key priority is to promote the consumer-centric sale of financial products in line with customers' interests. The key to long-term sustainable growth based on consumer trust is for insurance market players to offer products that meet the real needs of their customers and provide genuine customer value, and therefore manufacturers and distributors of insurance products must act with increased responsibility throughout the life cycle of the products they offer to consumers, in particular with regard to the development and marketing of products.

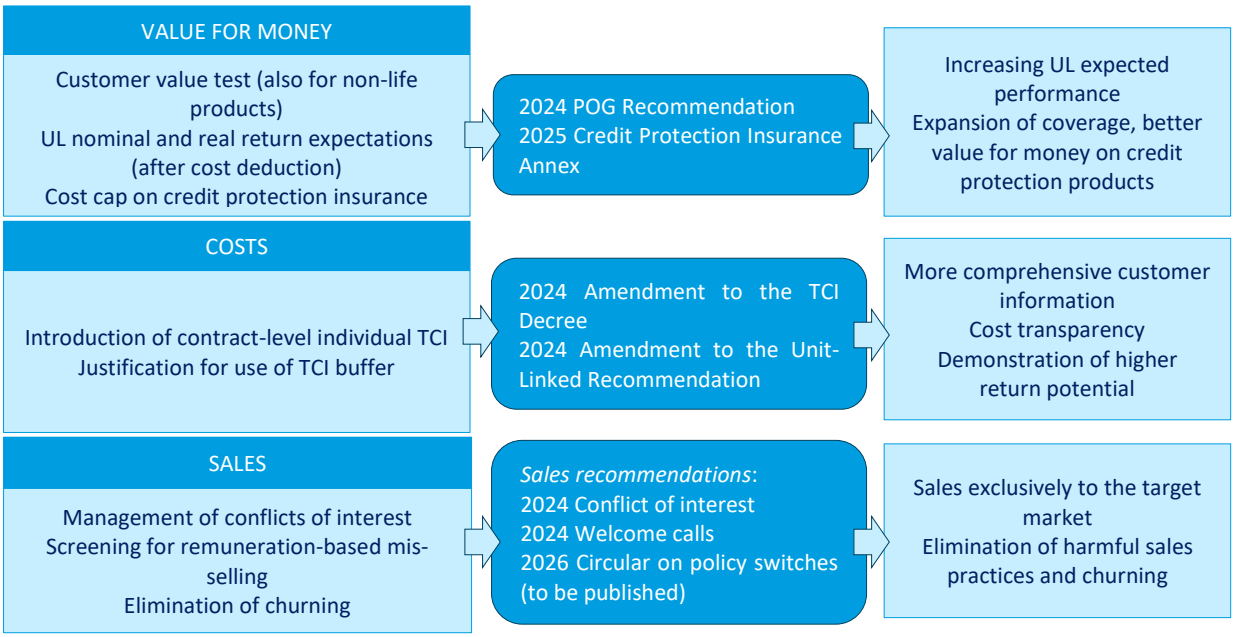
The "Ethical 1" concept launched by the MNB in 2016 has achieved significant success in the insurance market in terms of improving the value for money offered to customers. Ethical 1, which can be considered the precursor to the Ethical 2.0 package, was a regulatory package that was forward-looking even at the European level, prioritising consumers and consumer expectations, which set out requirements for insurance intermediaries regarding online sales. The regulation of the Total Cost Indicator (TCI) improved the comparability of costs, established stricter investment rules, introduced rules to prevent mis-selling, and increased the value provided to customers through surrender limits, TCI limits, and commission caps (Chart 44). The market adapted well to the requirements of Ethical 1. As a result of the regulation, the number of unit-linked products has fallen significantly since 2015, and it was primarily the expensive products with TCI values of between 6 percent and 14 percent that disappeared from the market. As a result of the measures under Ethical 1, the retention period of insurance contracts has increased, whilst the number of intermediaries has not decreased significantly. Thus, thanks to the targeted measures, market growth has not been interrupted, the sector has been able to adapt, and better products and asset funds are available to clients.

Chart 44: Ethical 1 regulatory package and related elements (2016–2017)



The European Union institutions also treat requirements relating to Product Oversight and Governance (POG) measures as a priority. EU-level regulation places great emphasis on customer-centric product development and sales and requires the prior testing and continuous monitoring of the customer value provided by products. Changes to the EU regulatory framework have also made it necessary to review domestic regulations The Ethical Insurance 2.0 package was published at the end of 2024, with the aim of promoting long-term sustainable growth based on consumer confidence. The package included the amendment of two existing regulatory instruments and the issuance of three new recommendations.

Chart 45: Objectives and related elements of the Ethical 2.0 regulatory package (2024–2026)



As part of the Ethical Insurance 2.0 package, the transparency and comparability of deducted costs is facilitated by the introduction of a contract-level specific TCI. The MNB's Recommendation requires justification of costs above the TCI limits by substantiating the expected achievement of a higher return potential.

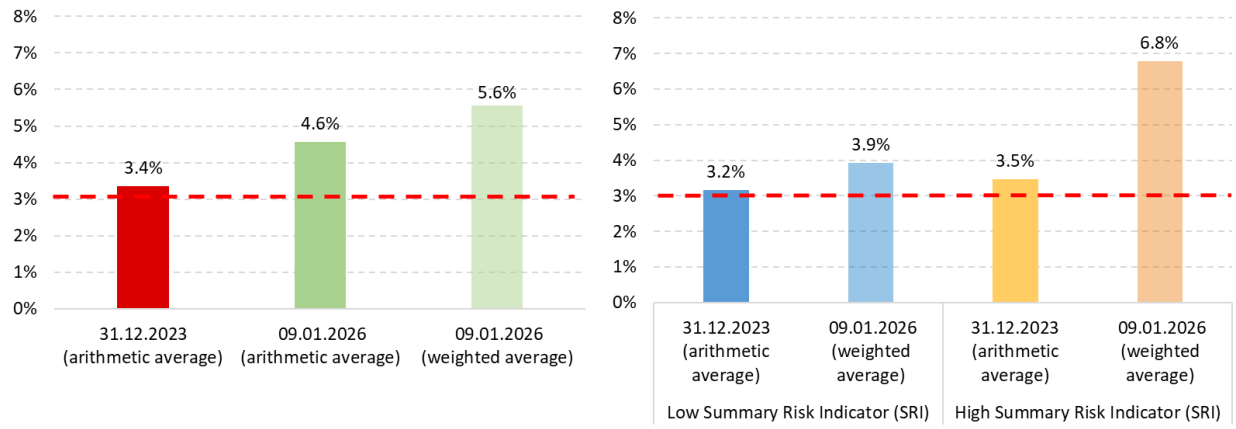
Improvements to the value for money offered by products are ensured by strict, customer-centric regulation of insurance product development, as well as the requirement for customer-centric testing of value for money, also supported by an MNB recommendation. The recommendation sets out specific return expectations for the products most sensitive to customer value. For unit-linked products, in a moderate scenario, the expectation for low-risk (Summary Risk Indicator 1–3) asset funds is a nominal expected net return above 0 percent (the average annual return shown in the Key Information Document (KID)), whereas for high-risk asset funds (Summary Risk Indicator 4–7), an expected net return above the inflation target is required over the recommended holding period. Separate requirements also apply to credit protection insurance. A cost limit has been introduced to ensure appropriate customer value. The proportion of deducted costs, calculated as a percentage of the gross premium excluding tax, must not exceed 70 percent, whilst for longer-term products (mortgage loans and childbirth incentive loans) this figure may be no more than 60 percent.

Two recommendations promote sales in line with consumer interests: these regulate the management of conflicts of interest arising during the sale of insurance-based investment products, as well as the prevention of mis-selling and churning that is detrimental to the customer. To prevent churning that is detrimental to customers, a management circular will be issued in 2026.

The components of the Ethical Insurance 2.0 package were issued in September and December 2024, whilst the annex relating to credit protection insurance was issued in December 2025. Insurers were required to review the distributed asset funds by 1 July 2025 and, where customer value was inadequate, to take corrective measures. From 1 January 2026 – with the exception of requirements relating to existing credit protection products – full compliance with the regulatory package's requirements is mandatory.

The Ethical 2.0 package not only regulates costs, but also emphasises the investment opportunities available within a given product and asset fund. In terms of value for money, UL products are based on expected net performance, which takes into account both return expectations and costs. As a result of Ethical 2.0, the expected average net performance of unit-linked asset funds on the market has improved significantly (Chart 46). Over the recommended holding period, the arithmetic mean of the average annual return under the moderate scenario as per the KID rose from 3.4 percent at the end of 2023 to 4.6 percent by early 2026, which, when weighted by net asset value, stood at 5.6 percent. This shows that clients typically hold less wealth in lower-performing asset funds, and therefore the weighted average better reflects the achievable performance. The largest increase is seen in asset funds with high risk indicators, where the average expected return rose from 3.5 percent to 6.0 percent, which, weighted by net asset value, was 6.8 percent.

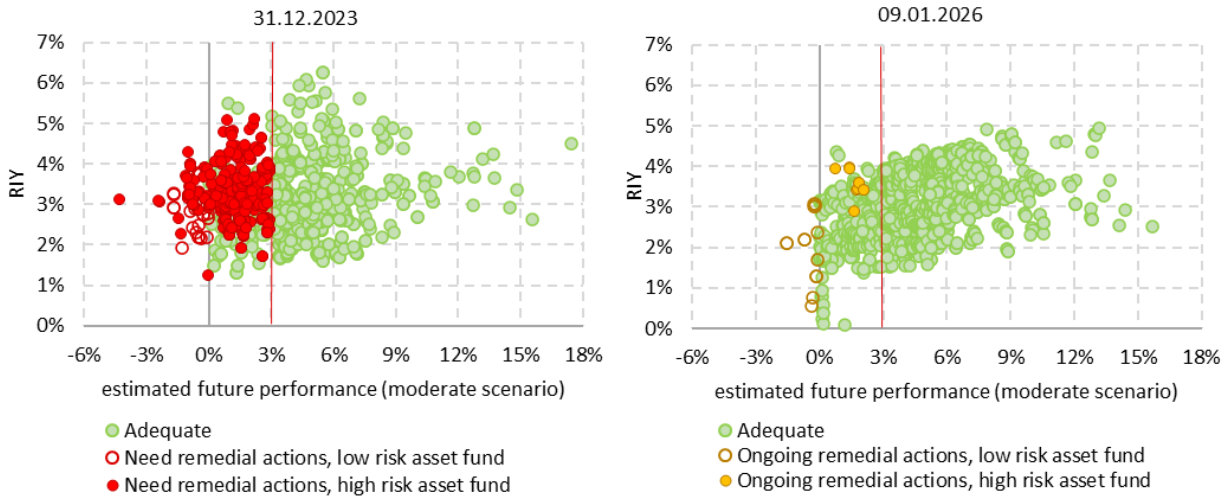
Chart 46: Change in estimated average net performance of unit-linked product-asset fund combinations (arithmetic and weighted average)



Source: MNB

As a result of Ethical 2.0, the number of non-compliant UL product–asset fund combinations has fallen significantly (Chart 47). Substantial remedial measures had been taken or are currently underway for 74 percent of unit-linked funds that were non-compliant at the end of 2024 (101 funds). Twenty-three percent of the affected asset funds have been closed or are scheduled for closure, whilst 51 percent have undergone some form of modification. As a result, there are currently a total of 11 asset funds below the threshold on the market, for which further measures are planned to ensure compliance.

Chart 47: Distribution of unit-linked product-asset fund combinations by estimated future net performance and Reduction in Yield (RIY)



Source: MNB

Overall, the Ethical 1 and Ethical 2.0 frameworks initiated by the MNB represent forward-looking regulations even at the European level, marking a significant step forward in terms of improving the value for money of insurance products. Based on the initial results, the regulations have led to a significant improvement in the value proposition of savings life insurance products, ensuring potential real returns for customers at maturity.

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