

## **Hungarian Banks Protected from Global Crisis**

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The impact of the global financial crisis on the Hungarian financial sector has been limited, Hungary's financial market watchdog PSZAF said in a statement on Friday.

PSZAF said it had surveyed all segments of the financial sector asking institutions to report on their existing or potential business links or any potential losses related to battered foreign institutions.

"Based on the data in the survey, banks' risk exposure to the international players affected by the crisis amounts to about 1.3 percent of the Hungarian banking sectors' 2007 equity, and within this the really risky portfolio is only 0.15 percent," PSZAF said.

"Based on the survey, the U.S. subprime crisis has had a minor effect on Hungarian financial service providers, they operate in a stable and predictable manner," it said, adding that PSZAF continued to closely monitor the impact of market turmoil.

Earlier on Friday, central bank Governor Andras Simor said the financial crisis, which this week saw Lehman Brothers filing for bankruptcy protection, Merrill Lynch losing its independence and the U.S. government bailing out insurer AIG, would not have a significant direct impact on Hungary.

"I said and I am still saying that this financial crisis will have no direct significant impact on Hungary," Simor said.

**Source: [hvg.eu](http://hvg.eu)**