

The Development of the NPL Market in Hungary

By JOHN FENEMORE, ANDREA SPISÁK and BALÁZS KÁNTOR



The problem

After a number of years of anticipation, 2016 saw a number of large non-performing loan portfolio sales in the Hungarian market.

Following the collapse of communism in 1989, Hungary was quick to introduce market reforms. Widespread privatization opened the market to large scale foreign investment. Although Hungary retained the Hungarian forint (HUF) as its national currency, capital controls were gradually lifted throughout the 1990's ending completely with Hungary's accession to the EU on 1 May 2004. Membership of the EU and NATO promised political stability and security and Hungary became highly integrated into the global economy.

