

Abstract of the articles

THE ROLE AND EFFECTS OF CREDIT INFORMATION SHARING

TULLIO JAPPELLI–MARCO PAGANO

Information sharing about borrowers' characteristics and their indebtedness can have important effects on credit market activity. First, it improves the bank's knowledge of applicants' characteristics and permits a more accurate prediction of their repayment probabilities. Second, it reduces the informational rents that banks could otherwise extract from their customers. Third, it can operate as a borrower discipline device. Finally, it eliminates borrowers' incentive to become overindebted by drawing credit simultaneously from many banks without any of them realizing.

CREDIT REGISTER WITH REGARD TO CUSTOMER PROTECTION

ERIKA MARSI

At first sight it seems contradictory that why does it serve the interests of clients if the creditors are in the possession of complete information regarding the financial position of the debtors. Would not the client be more defenceless? In my article I intend to enumerate such arguments, which supports the idea that the full-list debtors' registry strengthens consumer protection in the market of retail financial services, but the efficient operation of the system also demands from the creditors' side a client-oriented, more active client information practice than in the past.

THE CONSTITUTIONAL BACKGROUND OF POSITIVE DEBTOR'S LIST

BARNABÁS LENKOVICS

The study recites the long-known authentic registries of private law – particularly those of property law (e. g. land registry, trade register, patent list) and the private and public interests protected by them. The study considers positive debtor's list mainly as an asset register, for which personal data are necessary only secondarily.

The article is finally led to the conclusion that considering the legal and non-legal arguments for and against the establishment of a consistent and compulsory positive debtor's list the pointer of the constitutional scale tilts to the 'yes' side. This new legal institution is equally necessary and useful from the aspect of the debtors, creditors and the balance and security of the financial sector and the national economy; its restrictive effect on other fundamental rights is proportionate, and it is appropriate for the achievement of the envisaged targets. The establishment then the utilization of this institution, however, shall be defined by strict legal guarantees as in case of every huge

database including utilization possibilities of multiple directions. Lawful operation shall also be supervised by the competent authority, not forgetting the fundamental (constitutional) legal control of the whole process either.

MEASURING THE HUNGARIAN INVENTORS' RISK APPETITE

GÁBOR CZACHESZ–ISTVÁN HONICS

In this paper, we deal with various aspects of measuring risk appetite. At first we describe the most wide spread methods found in the international literature, than we analyze the situation in Hungary. We find indication that the objective and subjective risk aversion might be quite different in Hungary. We demonstrate that Hungarian individuals compared to the average Western European investor show extremely high level of risk aversion based on the aggregate savings data. On the other hand, responses of Hungarian individuals to the standard set of questions on risky alternatives do not show statistically significant difference to the Western European and American findings. We also analyzed episodes of the Hungarian version of the popular TV-show „Deal or no Deal?”. The average Hungarian player shows very similar risk aversion characteristics to the Dutch and Australian players. Because of the small sample sizes, our findings are indicative in nature, but support the notion that Hungarian investors tend to under invest in risky assets. This might lead to suboptimal aggregate savings on the long run.

THE EFFECT OF ELECTIONS ON BUDAPEST STOCK EXCHANGE

TIBOR BEDÓ

In this paper the effect of the Hungarian election on the Hungarian stock market is examined by an event study. To begin with the history, the method and the relevancy for elections of event studies are detailed. Although most of the event studies are concerned about the primacy of the market model, this paper argues – since the special case of the Hungarian stock market index – that the investigation of the Hungarian stock market is more appropriate with an average yield model.

The elections only take effect on the stock market if the outcome of the election is unexpected, hence it contains new information. Nevertheless, it is also important to take care of investigating which election round had more effect on the outcome of the election.

The results of this paper claim that Hungarian elections altogether have no significant effect on the Hungarian stock market. However, for particular stocks a significant shift in the price is possible if the outcome of the election was different than the expectations. Furthermore, for one stock the shift also correlates with the outcome of the election.