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## INFORMATION RELEASE

### Bank card turnover continues to expand rapidly

*In the second quarter of 2015, the volume of electronic payment methods continued to increase. In terms of the development of the payment infrastructure required for conducting electronic payments, the number of household payment accounts and cards remained unchanged and the number of POS terminals enabling card payments rose slightly, while the number of contactless payment card infrastructure continued to increase at a rapid pace. The ratio of frauds to total domestic payment turnover is relatively low; however, the number of frauds continued to increase on both the issuer and acquirer sides, as seen in previous periods. Liquidity in the payment systems did not change significantly, remaining ample in the period.*

In the second quarter of 2015, the number of payment accounts (10.4 million) was practically unchanged relative to the previous quarter. Similarly, the number of payment cards (8.9 million) was broadly unchanged. By contrast, the number of contactless payment cards rose significantly, by 7 per cent. As a result, these cards, at 4.2 million, account for nearly one-half of total payment cards in Hungary. In terms of the number of physical acceptance points, the payment card acquiring network grew slightly, by 3.1 per cent, and the number of POS terminals operating at such points increased similarly, exceeding 98,000. Fifty-five per cent of POS terminals are equipped with a feature enabling contactless payment. This represents an increase of 10 per cent relative to the first quarter of 2015. Internet acceptance points also grew strongly, by nearly 6 per cent. This means that consumers are already able to pay with their bank cards in 7,600 Internet shops in the network of domestic payment service providers.

In the second quarter of 2015, the significant increase in the number of domestic purchase transactions completed with payment cards issued in Hungary continued, with the number of transactions rising by 19.1 per cent and their value by 18.6 per cent relative to the same period a year earlier. The number of card-not-present transactions rose by nearly one-third and their value by around 38 per cent relative the same period of 2014; however, this accounted for only 5.2 per cent of the total number of card payments and for 8 per cent in value terms. Both the number and value of cash withdrawals using domestic payment cards increased, by 2.8 per cent and 8.7 per cent, respectively. The average amount of cash withdrawn in one transaction exceeded HUF 62,000.

The volume of direct debits used mainly in regular payments by households grew, with the number of domestic transactions rising by nearly 11 per cent relative to the second quarter of 2014. Their total volume exceeded HUF 108 billion, after rising by around 15 per cent.

In the first quarter of 2015, frauds related to domestically issued payment cards and the domestic acceptance network increased more strongly than in the same period of 2014. Four-fifths of frauds committed with domestically issued cards (more than 4,000) were related to cross-border payment transactions, and the value of damage caused using these cards was nearly HUF 143 million. The share of frauds related to card-not-present transactions, typically managed on the Internet, increased relative to the same period of 2014, with this type of fraud accounting for 70.1 per cent of total frauds and 63.2 per cent of total damage. In the domestic card acceptance network, the value of damage caused by 650 frauds committed during the period exceeded HUF 29 million. The ratio of frauds to total turnover continues to be low.

VIBER (the real-time gross settlement system) turnover fell by 5 per cent in the second quarter of 2015 relative to the previous quarter and also on a year-on-year basis. This mainly reflected declines of 12 per cent and 10 per cent in settlements of securities transactions' cash leg and customer items, respectively. The number of transactions basically remained unchanged.

At system level, no significant change took place in the liquidity of VIBER participants, as it continued to be abundant. Potential liquidity rose slightly by 5 per cent, mainly reflecting an increase in the portfolio of additionally pledgeable securities. At aggregate level, maximum utilisation of intraday credit line (MICL) did not change (8-12 per cent). The number of credit institutions using a large part of their available intraday credit lines to execute their payments fell slightly. Lower and upper liquidity bounds were not breached, which was also a proof of ample liquidity in the system. One of the most determining tools of banks in payments related to liquidity management is the intraday timing of VIBER transactions. In this regard, no significant change occurred in the period. Following the change of monetary instruments, the ratio of government securities pledged by banks to the MNB accounted for 50–55 per cent of the total amount of securities pledged. This ratio rose slightly, to 55–60 per cent in the second quarter of 2015.

Compared to the same period of 2014, turnover in the Interbank Clearing System (BKR) rose by 4 per cent (in volume terms) and 8 per cent (in value terms) in the first quarter of 2015, which is mainly attributable to increased turnover generated in intraday clearing. At system level, the number and value of transactions rolled over between cycles in intraday clearing of the ICS continued to be negligible. Significant roll-overs occurred in May–June; however, these mainly reflected individual liquidity management errors by banks rather than actual liquidity shortage.

The value of spot capital market turnover guaranteed by KELER KSZF (CCP in Hungary) continuously decreased in the second quarter of 2015, while turnover in the derivatives market increased. The number of open positions basically remained unchanged at the end of the second quarter compared to March 2015.

**MAGYAR NEMZETI BANK**  
**DIRECTORATE STATISTICS**

*By law, achieving and maintaining price stability is the primary objective of the Magyar Nemzeti Bank. The MNB is responsible for the safe operation of payment and securities settlement systems, the smooth execution of payments, it safeguards the financial stability of the banking system, manages the foreign currency reserves of the country, collects and provides statistical data and issues the forint, the national means of payment.*

Detailed tables: [Payment table set](#)

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