

**Countercyclical capital buffer rate applicable to the Hungarian exposures from 1 April 2016 and the justification thereof**

*In view of the 0 per cent capital buffer guide and the other supplementary indicators relevant in terms of the domestic financial systemic risks, the rate of the countercyclical capital buffer to be applied to exposures to counterparties in Hungary as of 1 April 2016 was set to 0 per cent.*

	<b>Current data (30/09/2015)</b>
<b>Countercyclical capital buffer rate applicable to exposures to counterparties in Hungary (per cent)</b>	<b>0</b>
Countercyclical capital buffer rate based on the additional credit-to-GDP gap (per cent) – <i>buffer guide</i>	0
Countercyclical capital buffer rate based on the standardised credit-to-GDP gap (per cent)	0
Additional credit-to-GDP ratio (per cent)	44.9
Additional credit-to-GDP gap (percentage point)	-28.2
Standardised credit-to-GDP ratio (per cent)	109.3
Standardised credit-to-GDP gap (percentage point)	-29.8

**Justification**

The current status of the credit cycle continues to signal the absence of systemic overheating and low probability of its build-up. Despite the possible reversal in the perceivable trends of the additional credit-to-GDP gap, credit growth from a low base does not pose the threat of a potential overheating on the foreseeable time horizon.

The additional credit-to-GDP gap in the third quarter of 2015 was still well below the signalling range, as it stood at -28.2 percentage points, which – similarly to the standardised credit-to-GDP gap – implies no systemic risk arising from a lending boom. The additional credit-to-GDP gap derivable on the basis of a quantitative methodology justifies a 0 per cent countercyclical capital buffer guide.

The indicators supplementing those that measure the lending boom point to the presence of minor systemic risk. The majority of the values of the indicators representing the vulnerability of the financial system also stand in the range that suggest low risk.

Based on the foregoing, the overheating and vulnerability risks of the financial system and on the whole the degree of the cyclical systemic risk may still be deemed low both at present and on a horizon of 1 year.

*For more details on the method of defining the capital buffer guide and other monitored indicators see the methodological notes, as well as the values of the indicators of the cyclical systemic risk map underlying the current decision on the rate.*