

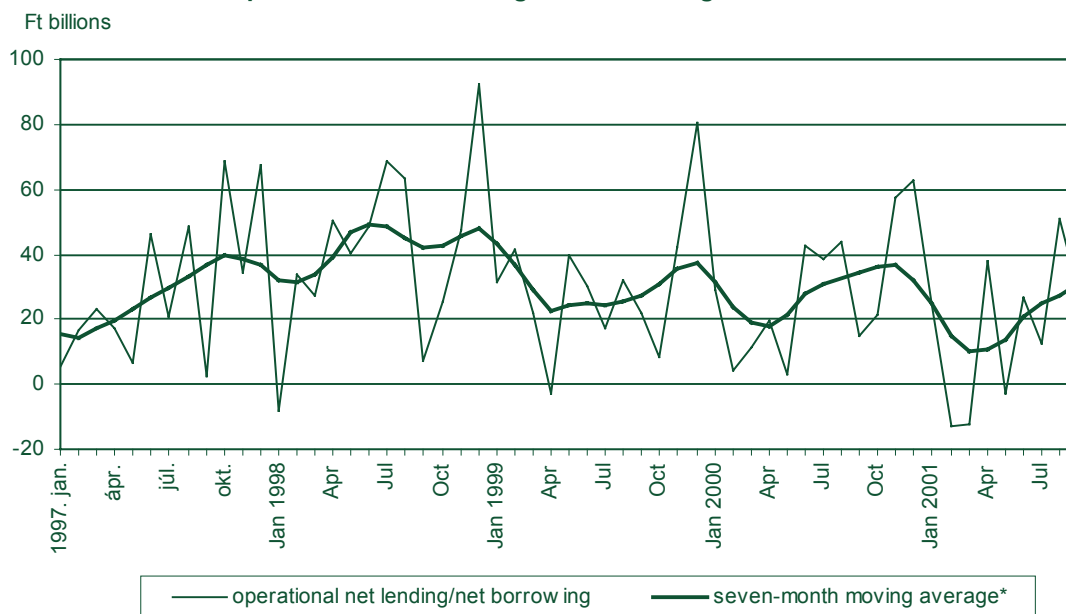
## PRESS RELEASE

### Net lending of households September 2001 (preliminary)

*In September, the value of households' operational net lending,<sup>1</sup> or inflation-adjusted savings, was higher than the monthly average of 2001 and the outturns for the same periods of previous years. As seen in August, deposit and cash holdings rose the most strongly. Holdings of securities fell. Household sector debt continued to rise robustly, similarly to the preceding few months of the year.*

According to the preliminary data, the value of household sector operational net lending was Ft 29.9 billion in September. Including compensation for inflation, which contributed Ft 25.9 billion, the value of net lending was Ft 55.8 billion. In contrast with holding losses in the preceding few months, households registered a Ft 6.5 billion holding gain due to price and exchange rate movements, and particularly the depreciation of the forint, so net financial wealth of the sector increased by Ft 62.3 billion, measured at market value.

**Operational net lending/net borrowing of households**



\* The moving average is calculated using symmetrically reduced weights going back in time from the current month. The moving average values for the final three months may change when the latest data become available.

<sup>1</sup> Operational net lending is an indicator of households' saving behaviour which eliminates the effects of compensation for inflation incorporated in interest income. Cumulative interest on financial assets and liabilities partly compensates for loss of capital incurred due to inflation. Compensation, the measure of which is determined by inflation, is treated as revaluation instead of transaction, similarly to the treatment of holding gain recorded on foreign currency deposits.

At Ft 26.2 billion, cash holdings rose more strongly than any other class of households' financial assets in the month.

Households' domestic currency claims on credit institutions were Ft 17.1 billion higher than in the preceding month. The larger part of the increase, Ft 14.8 billion, was accounted for by compensation for inflation incorporated in interest. Operational transactions contributed Ft 2.3 billion.

A part of wages due in September was paid out in August. This was reflected in the changes in unpaid wages, which caused unpaid wages to decrease in August and to increase, by Ft 18.1 billion, in September.

Households lowered their foreign currency deposits by Ft 5.8 billion in September. However, foreign currency deposit holdings increased by Ft 8.9 billion due to the Ft 13.5 billion holding gain and the Ft 1.2 billion compensation for inflation incorporated in interest.

Securities holdings fell again in the month under review, following the slight increases in July–August. The value of operational transactions was Ft –6 billion in September. Households continued to be net purchasers of investment units, particularly of those sold by funds investing in government securities. By contrast, holdings of government securities and shares fell. (Operational transactions in investment units, government securities and shares amounted to Ft 5.1 billion, Ft –8.1 billion and Ft –3 billion respectively.) Taking account of the Ft 8.7 billion compensation for inflation and the Ft 7 billion holding loss due to price changes, the market value of securities holdings fell by Ft 4.3 billion in the month under review.

Outstanding borrowings of the household sector rose by Ft 26.3 billion in September, the increases in property loans and consumer credit accounting for Ft 12.8 billion and Ft 13.5 billion respectively.