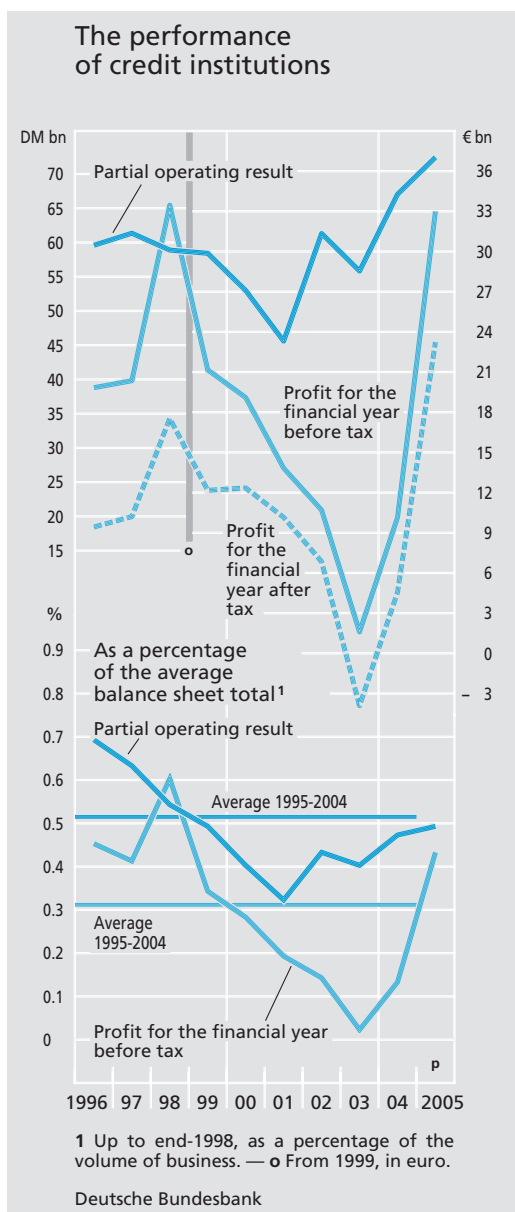


The performance of German credit institutions in 2005

The recovery in German banks' performance continued in 2005. Even more than in 2004, however, profit growth was concentrated on individual categories of banks and the big banks in particular. While the improvements in 2004 derived mainly from the cost side, there were supporting factors on both sides of the profit and loss account in the year under review. On the cost side, there was a further decline in risk provisioning, while administrative spending was again on the increase. On the income side, profit growth in interest business remained subdued. By contrast, substantial increases were achieved in net commissions received and particularly in own-account trading, which was, however, partly influenced by exceptional effects.

The published individual accounts drawn up in accordance with the German Commercial Code (*Handelsgesetzbuch*) indicate a marked increase in the operating result of German credit institutions. Owing to the declining burden from the balance of the "extraordinary account", the profit for the financial year before tax grew even more strongly, in fact. Even after tax, profit growth was substantial. Finally, it was notable that, unlike in previous years, German banks built up sizeable reserves in 2005. For the current financial year, a stabilisation in the level of income achieved has been emerging so far.



Income from interest business

Subdued growth in net interest received

After significantly adjusting their balance sheets and reducing their risk assets in previous years, German banks increased their stocks of risk assets again somewhat in 2005. Owing to the higher remuneration of these riskier assets, the net interest received by German credit institutions, at €88.2 billion, was €3.2 billion up on the year. Nevertheless, the

share of net interest received in income from overall operating business – which combines net interest and net commissions received, income from own-account trading, and net other operating income or charges – fell to 68.3%. This was due primarily to the significantly sharper increase in the net profit on financial operations.¹ The interest margin – net interest received in relation to banks' balance sheet total – also narrowed to 1.17% as the slight rise in net interest received was more than offset by a somewhat sharper expansion of the balance sheet total. The same also applies to the balance sheet total adjusted for interbank business. In this context, the interest margin likewise narrowed to 1.62%, compared with 1.63% in 2004.

As in 2004, an analysis of the result from interest business by category of banks shows that the increase was generated largely by commercial banks. Among the commercial banks, the big banks again managed to achieve a sharp increase in their net interest received to €19.4 billion after already recording a very positive result in the previous year (€17.3 billion). This was due primarily to the increase in interest received from lending and money market transactions. The expansion of interbank business, mainly with foreign banks, is likely to have been the main reason for this. Furthermore, there was an increase in big banks' earnings arising from

Improved result from interest business, primarily at commercial banks

¹ When interpreting this figure – and, incidentally, all other data involving the net profit from financial operations – it should be noted that, partly owing to an increased fair-value measurement of trading positions, the trading result of the German banks for 2005 is comparable only to a very limited extent with the previous years' figures. This affected the big banks and the Landesbanken in particular.

their markedly higher securitised lending, especially to non-residents. Owing to the positive interest rate result, the big banks' interest margin went up to 1.00%. Besides the big banks, it was mainly the regional banks that noticeably improved their interest rate result, their interest margin increasing by 0.12 percentage point to 2.17%. The recorded growth was, however, due, first and foremost, to a sharp rise in individual credit institutions' profits transferred under profit pooling and profit transfer agreements and not the result of a general expansion of lending business.

Slight narrowing of interest margin at savings banks and credit cooperatives, however

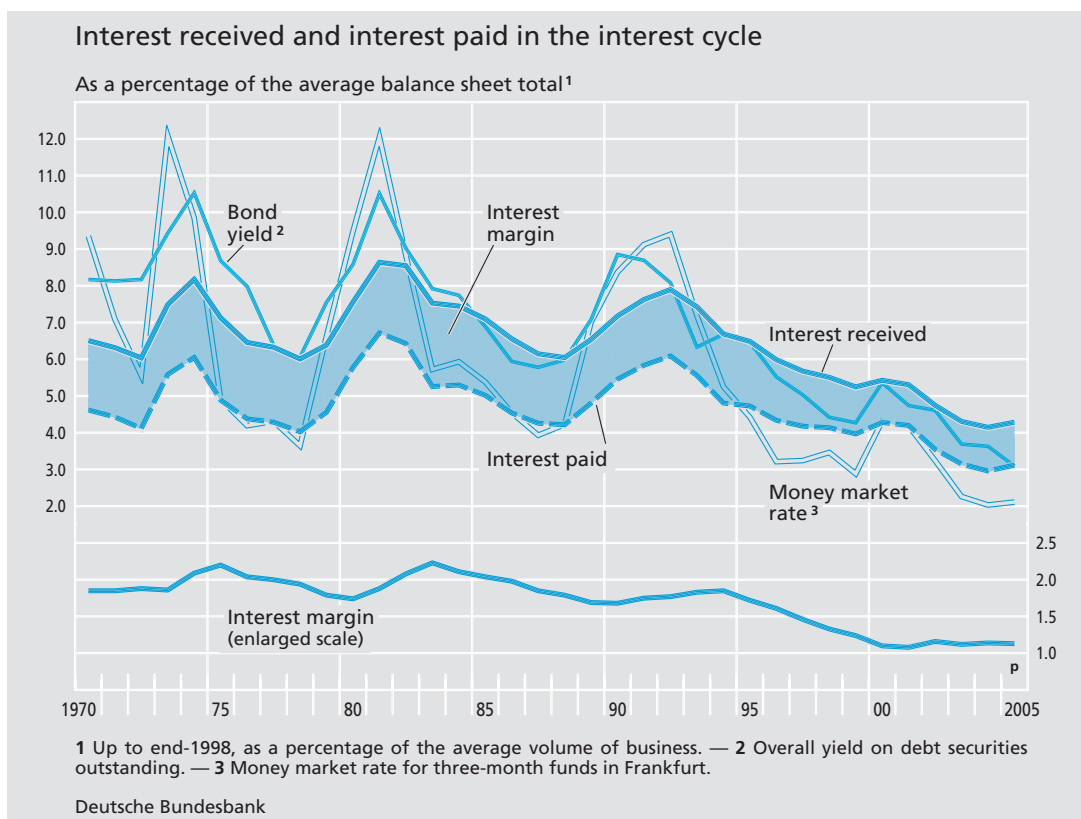
By contrast, in the case of savings banks there was a slight narrowing of the interest margin. This fell by 0.05 percentage point to 2.30% – a decline which was reinforced by the slight expansion of the balance sheet total. This is particularly notable as the share of net interest received in operating income, at 79.0%, is greater for savings banks than for all other categories of banks. Net interest received remained almost unchanged in the case of credit cooperatives, with its share of operating income falling slightly to 74.7%. Nevertheless, owing to the slight increase in the balance sheet total, the interest margin for this category of banks likewise went down, to 2.46%, during the reporting period. In the case of Landesbanken and regional institutions of credit cooperatives, which structurally have quite a small interest margin anyway owing to their focus on wholesale and interbank business, the margin fell slightly from 0.65% to 0.63% and from 0.49% to 0.47% respectively.

Interest received by credit institutions *

Item	2003	2004	2005
	€ billion		
Interest received (total)	308.7	303.6	329.1
from lending and money market transactions	243.6	235.9	252.6
from debt securities and Debt Register claims	50.7	49.9	54.1
Current income (total)	11.0	14.7	17.0
from shares and other variable-rate securities	6.5	9.6	12.4
from participating interests ¹	1.2	1.2	1.3
from shares in affiliated enterprises	3.3	3.8	3.4
Profits transferred under profit pooling and profit transfer agreements	3.5	3.2	5.3
	Year-on-year change, as a percentage ²		
Interest received (total)	- 10.4	- 1.7	+ 8.4
from lending and money market transactions	- 8.4	- 3.2	+ 7.2
from debt securities and Debt Register claims	- 12.5	- 1.6	+ 8.6
Current income (total)	- 37.1	+ 33.6	+ 15.9
from shares and other variable-rate securities	- 10.0	+ 48.1	+ 28.4
from participating interests ¹	- 33.5	- 0.7	+ 3.2
from shares in affiliated enterprises	- 61.2	+ 17.6	- 11.5
Profits transferred under profit pooling and profit transfer agreements	+ 14.5	- 8.7	+ 66.0
	As a percentage of the average balance sheet total		
Interest received (total)	4.39	4.23	4.37
from lending and money market transactions	3.46	3.28	3.36
from debt securities and Debt Register claims	0.72	0.69	0.72
Current income (total)	0.16	0.20	0.23
from shares and other variable-rate securities	0.09	0.13	0.16
from participating interests ¹	0.02	0.02	0.02
from shares in affiliated enterprises	0.05	0.05	0.04
Profits transferred under profit pooling and profit transfer agreements	0.05	0.04	0.07

* The figures for the most recent date should be regarded as provisional in all cases. — 1 Including amounts paid up on cooperative society shares. — 2 Statistical changes have been eliminated.

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Net commissions received

Perceptible increase in net commissions received ...

Net commissions received by German credit institutions rose by 10.0% during the period under review and, at €27.8 billion, attained a level comparable to that of the record year 2000. In relation to the balance sheet total, which likewise showed an overall increase, net commissions received went up by 0.02 percentage point to 0.37%. The sharp rise in share turnover and the greater number of IPOs primarily contributed to this development. Compared with 2000, however, net commissions received as a ratio of the balance sheet total failed to match the importance this item had for the German banking industry during the stock market boom.

Broken down by category of banks, it was mainly commercial banks, which already generate well over half of net commissions received by German banks as a whole, which recorded a marked growth in their commissions result. In the case of big banks, this line of business has accounted for just under one-third of operating income on an average of the past ten years, and in 2005 they increased their net commissions received by 14% to €10.1 billion. This was due to quite a marked rise in commissions received combined with a simultaneous reduction in commissions paid. The regional banks and other commercial banks, too, clearly improved their result in this area. Credit cooperatives also recorded an increase, whereas net commissions received by savings banks remained nearly unchanged after a successful 2004.

... particularly at commercial banks

Performance of the various categories of banks in 2004/2005 *

€ million

Category of banks	Partial operating result 1		Operating result before valuation 2		Operating result 3		Profit for the financial year before tax 4	
	2004	2005	2004	2005	2004	2005	2004	2005
All categories of banks	34,499 (0.48)	37,261 (0.50)	39,908 (0.56)	50,391 (0.67)	22,626 (0.31)	36,335 (0.48)	10,372 (0.14)	33,237 (0.44)
Commercial banks	9,515 (0.40)	12,721 (0.50)	12,046 (0.51)	23,744 (0.93)	6,744 (0.29)	19,756 (0.77)	- 342 (- 0.01)	17,892 (0.70)
Big banks 5	3,794 (0.22)	5,649 (0.29)	5,320 (0.30)	15,578 (0.80)	2,373 (0.13)	13,865 (0.71)	- 2,067 (- 0.12)	14,867 (0.77)
Regional banks and other commercial banks 5	5,603 (0.98)	6,970 (1.16)	6,591 (1.15)	8,034 (1.33)	4,271 (0.74)	5,755 (0.96)	1,646 (0.29)	2,894 (0.48)
Branches of foreign banks	118 (0.48)	102 (0.48)	135 (0.55)	132 (0.62)	100 (0.41)	136 (0.64)	79 (0.32)	131 (0.62)
Landesbanken 6	4,944 (0.33)	4,812 (0.30)	5,787 (0.38)	4,905 (0.31)	4,988 (0.33)	4,123 (0.26)	472 (0.03)	3,030 (0.19)
Savings banks	9,847 (1.00)	9,419 (0.95)	10,212 (1.04)	9,878 (0.99)	4,329 (0.44)	4,954 (0.50)	4,400 (0.45)	4,950 (0.50)
Regional institutions of credit cooperatives	259 (0.13)	422 (0.19)	692 (0.36)	834 (0.38)	371 (0.19)	654 (0.30)	220 (0.11)	406 (0.18)
Credit cooperatives	4,971 (0.88)	4,798 (0.83)	5,915 (1.04)	5,740 (0.99)	2,873 (0.51)	2,752 (0.48)	2,977 (0.52)	4,183 (0.72)
Mortgage banks	2,420 (0.28)	2,471 (0.28)	2,590 (0.30)	2,539 (0.29)	965 (0.11)	1,411 (0.16)	566 (0.06)	161 (0.02)

* The figures for the most recent date should be regarded as provisional in all cases. Values in brackets are percentages of the average balance sheet total. — 1 Net interest and net commissions received less general administrative spending. — 2 Partial operating result plus net profit or net loss on financial operations, and net other operating income or charges. — 3 Partial operating result plus net profit or net loss on financial operations, net other

operating income or charges and net income or net charges from the valuation of assets (other than financial fixed assets). — 4 Operating result plus net other and extraordinary income or charges. — 5 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 6 From 2004, NRW.BANK allocated to the category of "Special purpose banks".

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Net profit or net loss on financial operations

Exceptionally strong growth in profits from own-account trading also due to one-off effect

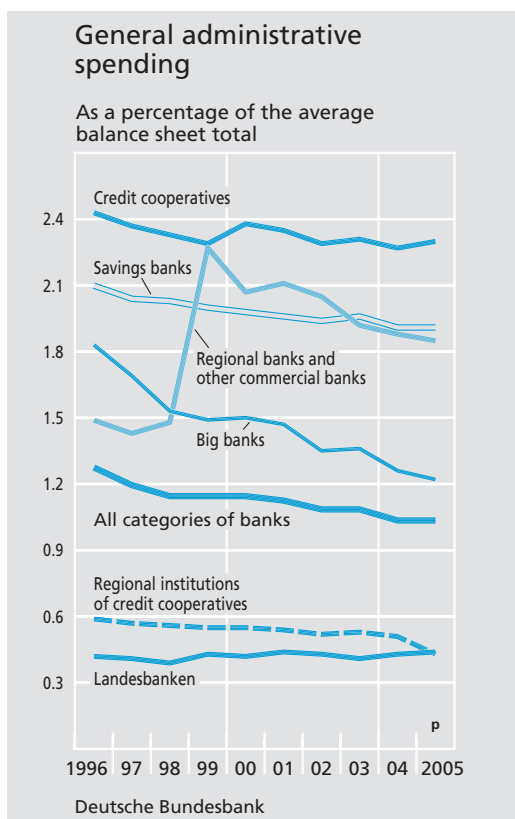
Following the quite sharp decline in 2004, the German credit institutions improved their trading result considerably in 2005, not least as a result of the recovery in the financial markets. In addition, there was also an exceptional effect in connection with the increased fair-value measurement of trading positions in some cases. The sharp rise of €10.2 billion to €11.4 billion in the net profit on financial operations was confined mainly to the big banks and – as the published individual accounts show – to no more than a small number of institutions within this category of banks. Not only the big banks, but also others, notably the credit cooperatives, increased their profits from own-account trad-

ing. In addition, the savings banks recorded perceptible growth in this line of business, whereas the net result from financial operations posed a strain on the regional banks' net result for the year. However, own-account trading is of comparatively minor importance for those institutions primarily active in retail banking.

Administrative spending

Across all credit institutions, administrative spending in 2005 showed a slight increase for the first time in three years. It rose by €3.0 billion to €78.8 billion. Staff costs, which still account for just over half of general administrative spending, went up by €2.2 billion to €43.4 billion in the reporting period, even

Increase in administrative spending



though the number of persons employed in the banking industry fell by 6,300 to 672,500 in the reporting year. As well as wage and salary increases, the increase in expenditure on retirement pensions as a result of the change in the calculation method is likely to have been the reason for this. Total other administrative spending, which essentially comprises operating expenditure, expenditure on third-party services, and write-offs and write-downs of tangible fixed assets, was also up slightly in the financial year 2005. In this area, greater savings had been possible in 2004. During the period under review, general administrative spending as a ratio of the likewise slightly higher balance sheet total was stagnating at 1.05%.

As a mirror image of the income side, here, too, it was primarily the commercial banks whose general administrative spending showed a marked increase in the year under review. Staff costs went up by €1.3 billion, or 8.9%, for these institutions, despite the continued reduction in staff levels by 1,850 employees. Especially in the case of the big banks, this is likely to be the result of performance-related salary components as well as the negotiated pay rise and increasing spending on retirement pensions. Other administrative spending also went up somewhat for the category of commercial banks, too.

Marked rise in administrative spending of commercial banks ...

The increase in general administrative spending was not quite as marked in the case of credit cooperatives and savings banks, for which the share of administrative spending in the business volume plays a more significant role than for commercial banks. The Landesbanken also recorded a slight increase in their general administrative spending. Despite a rise in the number of employees, however, this was still below the average for the German credit institutions as a whole. Among the categories of banks considered here, only the regional institutions of credit cooperatives managed to reduce their general administrative costs slightly by making considerable savings in other administrative spending.

... but only moderate increase at savings banks and credit cooperatives

Net other operating income or charges

The balance of other operating income or charges was down €2.4 billion on the year in 2005 and, at €1.7 billion, was clearly below the average of the past ten years. This decline

Weak development of net other operating income or charges ...

Structural data on German credit institutions *

Category of banks	Number of institutions 1			Number of branches 1			Number of employees 2		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
All categories of banks 3	2,294	2,229	2,169	33,753	42,659	41,394	690,350	678,800	672,500
Commercial banks 3	356	357	357	5,105	14,750	14,044	192,900	192,550	190,700
Big banks 3	4	5	5	2,221	11,962	11,446	.	.	.
Regional banks	231	224	217	2,861	2,705	2,526	.	.	.
Branches of foreign banks	121	128	135	23	83	72	.	.	.
Landesbanken 5	13	12	12	571	549	580	40,500	38,550	40,200
Savings banks	489	477	463	14,757	14,292	13,950	271,900	265,400	260,800
Regional institutions of credit cooperatives	2	2	2	12	11	11	5,400	5,050	4,950
Credit cooperatives	1,394	1,338	1,293	13,201	12,967	12,722	168,250	164,200	162,550
Mortgage banks	25	25	24	76	59	56	.	.	.
Special purpose banks 5	15	18	18	31	31	31	11,400	13,050	13,300
<i>Memo item</i>									
Building and loan associations	27	27	26	2,822	2,784	2,682	20,600	20,100	19,750
Deutsche Postbank AG 3	1	.	.	10,645

* The figures for the most recent date should be regarded as provisional in all cases. — 1 Source: Bank office statistics, in Deutsche Bundesbank, *Banking statistics*, Statistical Supplement to the Monthly Report 1, p 104 (German edition). The term "credit institution" is used as in the Banking Act, resulting in divergences from data in "Balance sheet statistics" and "Statistics on the profit and loss account". — 2 Excluding Deutsche Bundesbank and Deutsche Postbank AG. Sources: Data provided by associations. Part-time employees are counted on a per capita basis. — 3 From 2004, Deutsche

Postbank AG allocated to the category of "Big banks". — 4 Employees in private banking, including mortgage banks established under private law. — 5 From 2004, NRW.BANK allocated to the category of "Special purpose banks". — 6 Only employees whose primary occupation is in banking. — 7 Employees in public mortgage banks (mortgage banks established under public law) and special purpose banks established under public law. — 8 Only office-based employees.

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was due mainly to the sharp rise in other operating charges along with a slight decline in income.

... particularly
at big banks

Big banks, in particular, were unable to match the positive result of the previous two years and, owing to the perceptible decline in other income along with a sudden sharp rise in other charges, they recorded a negative balance of -€0.8 billion. There were very heterogeneous reasons for this development among the affected credit institutions, however. Furthermore, net other operating income or charges did not contribute as strongly as before to the profit of the Landesbanken and the regional institutions of credit cooperatives, whereas it remained virtually unchanged in the case of the credit cooperatives. It was only the regional banks and sav-

ings banks which showed an increase in this item.

Operating result before the valuation of assets

Besides the slight improvement in the partial operating result in 2005, which ensued from the increase in net interest and net commissions received less the slight increase in general administrative spending, there was a marked growth in the net profit on financial operations. Both of these developments together easily outweighed the decline in net other operating income or charges. Consequently, the operating result before the valuation of assets increased by €10.5 billion to €50.4 billion. However, this positive develop-

Clear increase in operating result before valuation of assets, particularly at big banks

Cost/income ratios, by category of banks *

As a percentage

Category of banks	General administrative spending in relation to ...		
	2003	2004	2005
	... gross earnings ¹		
All categories of banks	72.9	68.7	67.9
Commercial banks	87.0	77.8	73.5
Big banks ²	98.7	85.5	80.8
Regional banks and other commercial banks ²	73.7	65.9	61.7
Branches of foreign banks	58.6	60.3	63.6
Landesbanken ³	57.4	57.4	59.7
Savings banks	67.5	65.8	67.0
Regional institutions of credit cooperatives	86.2	79.5	69.8
Credit cooperatives	74.3	72.3	73.6
Mortgage banks	37.6	36.6	37.1
Special purpose banks ³	34.7	36.5	36.4
	... income from operating business ⁴		
All categories of banks	66.5	65.5	61.0
Commercial banks	74.0	73.5	59.7
Big banks ²	79.5	80.8	60.5
Regional banks and other commercial banks ²	66.9	62.2	58.3
Branches of foreign banks	53.6	57.0	57.4
Landesbanken ³	53.1	53.5	59.3
Savings banks	66.4	64.9	65.9
Regional institutions of credit cooperatives	63.1	59.2	53.9
Credit cooperatives	69.6	68.7	69.9
Mortgage banks	37.8	35.0	36.5
Special purpose banks ³	32.8	35.4	35.2

* The figures for the most recent date should be regarded as provisional in all cases. — ¹ Aggregate net interest and net commissions received. — ² From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — ³ From 2004, NRW.BANK allocated to the category of "Special purpose banks". — ⁴ Gross earnings plus net profit or net loss on financial operations and net other operating income or charges.

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ment in the operating result before the valuation of assets was primarily attributable to the big banks and their trading result. For nearly all other categories of banks, the operating result before the valuation of assets deteriorated slightly in the reporting year.

This meant that, on balance, domestic banks – as in previous years – were able to reduce their cost/income ratio in the broader sense – which is defined as the ratio of administrative spending to the sum of net interest and net commissions received, net profit or net loss on financial operations, and net other operating income or charges. With a reduction of 4.5 percentage points, there was, in fact, again a substantial improvement on the year in 2005. Similarly, in relation to gross income – the sum of net interest and net commissions received – the cost/income ratio in the narrower sense improved slightly by 0.8 percentage point. However, for both measures of cost efficiency, it was the big banks, in particular, as well as regional banks and regional institutions of credit cooperatives that were able to achieve a significant reduction in this area. For Landesbanken and savings banks, as well as for credit cooperatives, the cost/income ratio increased slightly according to both measures, however.

Marked reduction in cost/income ratio

Net income or net charges from the valuation of assets

Following the record high of €31.2 billion in 2002, German banks reduced their risk provisioning in 2005 for the third successive year. Net charges from the valuation of loans,

Continued decline in risk provisioning

Relative significance of major income and cost items for individual categories of banks in 2005 *

As a percentage of total surplus in operating business

Item	All categories of banks	Big banks	Regional banks	Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks
Net interest received	68.4	49.2	67.9	83.2	79.0	57.3	74.6	98.4
Net commissions received	21.5	25.6	26.6	16.0	19.4	19.9	20.4	- 0.1
Net profit or net loss on financial operations	8.8	27.3	- 1.3	2.0	0.6	22.4	0.3	0.1
Net other operating income or charges	1.3	- 2.1	6.8	- 1.2	1.0	0.4	4.7	1.6
Total surplus in operating business	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
General administrative spending of which	- 61.0	- 60.5	- 58.3	- 59.3	- 65.9	- 53.9	- 69.9	- 36.5
Staff costs	- 33.6	- 31.9	- 27.2	- 29.9	- 40.8	- 30.0	- 42.0	- 17.4
Other administrative spending	- 27.4	- 28.6	- 31.0	- 29.3	- 25.2	- 23.8	- 27.9	- 19.0
Net income or net charges from the valuation of assets	- 10.9	- 4.3	- 11.8	- 6.5	- 17.0	- 10.0	- 15.7	- 28.2
Net other and extraordinary income or charges	- 2.4	2.5	- 14.9	- 9.1	0.0	- 13.7	7.5	- 31.3
<i>Memo item</i>								
Profit for the financial year before tax	25.7	37.7	15.0	25.2	17.1	22.5	21.9	4.0
Taxes on income and earnings	- 7.6	- 10.2	- 5.7	- 3.4	- 7.9	- 0.6	- 7.6	- 7.8
Profit for the financial year after tax	18.2	27.5	9.3	21.7	9.1	21.9	14.3	- 3.8

* The figures for the most recent date should be regarded as provisional in all cases.

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claims and securities were down 18½% to the year to €14.1 billion. In the case of banks showing net write-offs and write-downs, these fell by €1.5 billion to €17.9 billion. This was accompanied by an increase in the write-ups and the release of provisions booked by other banks to €3.9 billion.² As a ratio of the balance sheet total, the net valuation charges of all German banks amounted to 0.19% in the year under review, compared with 0.24% in 2004. The risk provisioning quota was therefore less than half its 2002 figure. Furthermore, €7.4 billion net was transferred to the fund for general banking risks (pursuant to section 340 (g) of the German Commercial Code) in 2005. However, in the performance analysis presented here, this amount is allocated to the appropriation of profit (accumu-

lation of reserves) and is not reflected in a lower profit for the financial year.

At banking group level, the percentage decline in the net valuation result was particularly marked in the case of the big banks, the regional institutions of credit cooperatives and the savings banks, which, against the general trend, had recorded an increase in the previous year. The risk provisioning of most of the other categories of banks under consideration here went down marginally. In 2005, there was also little change in the typical split trend of the burden of risk provisions in relation to the average balance sheet total. Thus, once again, savings banks (0.49%),

Net valuation result by category of banks

² Within these items, use had already been made of the cross-offsetting option permissible under section 340 (f) (3) of the German Commercial Code.

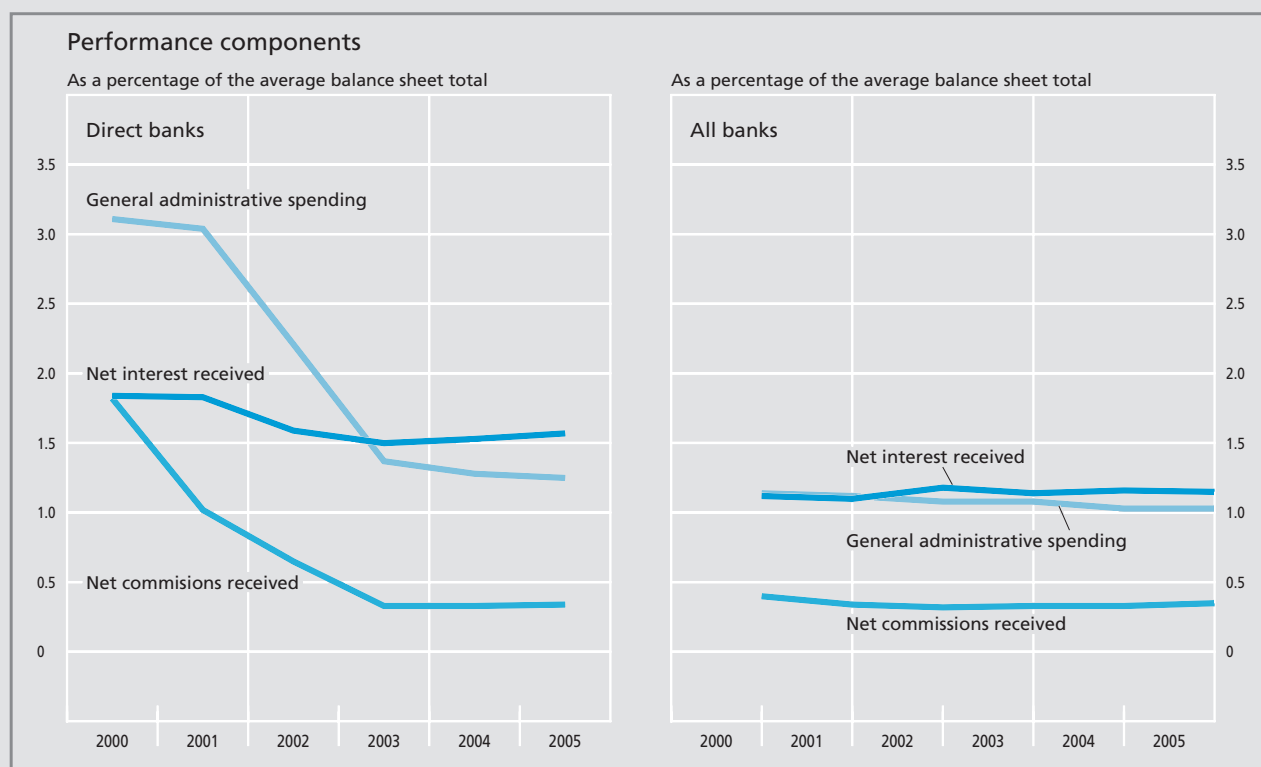
The performance of direct banks in Germany

In recent years, Germany has seen an increase in the significance of a new type of bank – the direct bank – which does not principally sell its banking services through branches but rather, mainly, via the internet (direct banking). The business development of these banks was outlined in the May 2006 Monthly Report. This box now gives an overview of the banks' performance in the past few years based on their published individual accounts drawn up in accordance with the German Commercial Code (*Handelsgesetzbuch*).¹

The performance of German direct banks is closely linked to the (re)orientation of their business model: for instance, the share of net interest received in total

operating income rose from 49% in 2000 to 80% in 2005. At the same time, the share of net commissions received – which in 2000 contributed to operating income on roughly the same scale as interest business (49%) – fell to 18% by the end of the period under review. This reflects the marked growth in German direct banks' on-balance-sheet business, which was stepped up by the banks analysed here in the wake of the developments on the stock markets in 2001.

Specifically, the German direct banks' interest margin was noticeably higher than that of the banking industry as a whole throughout the observation period from 2000 to 2005. In this regard, the direct banks' ratio of



¹ For a definition of the banks analysed here and information on their business development, see Deutsche Bundesbank, Development Deutsche Bundesbank

of direct banks in Germany, Monthly Report, May 2006, pp 28-29. All of the ratios examined here are considered in relation to the balance

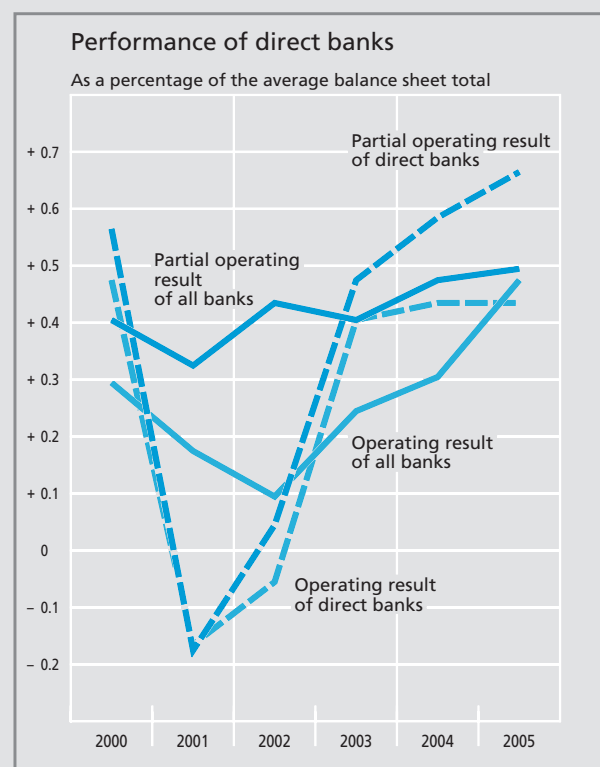
interest income to the balance sheet total differs only marginally from that of all German banks, while their interest expenditure is significantly lower than the average level for all institutions. Although a number of the direct banks under consideration here pay interest rates which are noticeably higher than the market rates for some types of deposits, the fact that these are mainly short-term and thus comparatively modestly remunerated deposits is likely to be of significance. At the start of the observation period, the direct banks' net commissions received were still distinctly higher in relation to the balance sheet total than the figure reported for all German banks. In the wake of the stock market developments in 2001, there was a sharp decline in the contribution to income from this business line, which was attributable almost entirely to losses in income. By contrast, the direct banks managed to reduce their relevant expenditure only gradually. The net commissions received by direct banks have now reached a level similar to the average for all German banks, although both income and expenditure – measured in relation to the balance sheet total – are higher in the case of the direct banks.

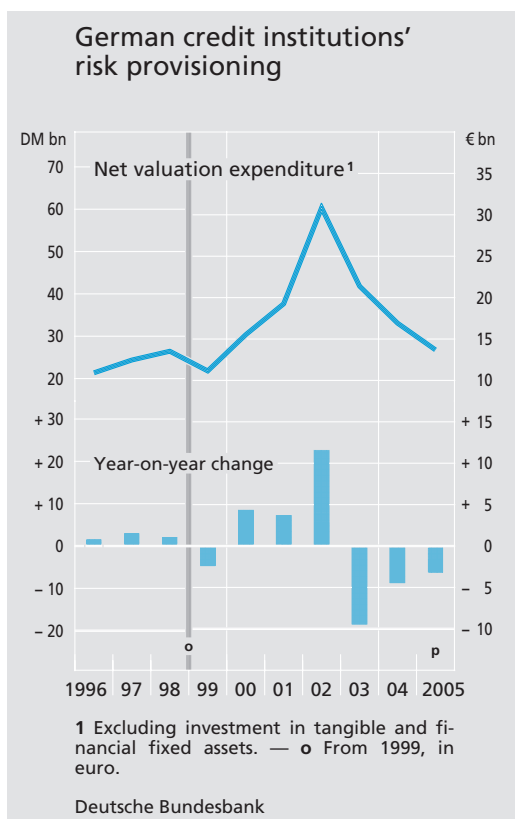
In the past five years, the direct banks have managed to reduce their (initially significantly higher) general administrative spending in relation to their (strongly increased) balance sheet total. Such spending has gone down to a level which is only slightly higher than the average for German credit institutions as a whole. This decline has affected not only staff costs but also, first and foremost, other administrative spending. In the years up to 2002, the latter was far higher than the corresponding figures for all banks. Apart from the equipment – above all, IT – costs associated with setting up new banks, marketing costs are also likely to have played a major role to begin with. As in previous years, the direct banks were again

sheet total in order to enable a comparison with all other German banks.

able to reduce their net expenditure in relation to earnings from operating business in the financial year 2005. Nevertheless, at the end of the period under review, their cost/income ratio was still 63.8% compared with the average of 61.0% for all German banks.

In summary, the direct banks' partial operating result (net interest received plus net commissions received less general administrative spending) shows that they were much more affected by the stock market developments in 2001 than the German banking industry as a whole. At present, however, their partial operating result is again higher than the average for all banks. The direct banks' operating result presents a similar development.





credit cooperatives (0.52%) and regional and other commercial banks (0.38%) – ie those institutions which are primarily engaged in retail banking – recorded comparatively high net charges from the valuation of assets. By contrast, the corresponding figures of those banks primarily engaged in wholesale banking showed a perceptibly lower level. In relation to the average balance sheet total, the big banks, regional institutions of credit cooperatives and Landesbanken allocated 0.09%, 0.08% and 0.05% respectively to their risk provisioning. They therefore clearly undershot the long-term average calculated for the years prior to 2002.

At €2.2 billion, write-downs on fixed-interest securities, which are partly recorded under the net income or net charges from the valu-

ation of assets, were clearly up on the 2004 figure of €0.6 billion. Apart from this, it is likely that the German banking industry's risk provisioning derived largely from domestic lending business in 2005, too. As in the previous year, German banks encountered a declining number of corporate insolvencies; the figure fell by 6% to just under 37,000.³ At the same time, however, there was an increase of 40½% in the number of consumer insolvencies to just under 69,000. Nevertheless, since there was a continuation of the trend towards a lower loss per case of both corporate and customer insolvency – a development that had already become apparent in previous years – the level of receivables affected was 8% down on the year, despite the overall increase in the number of insolvencies in Germany. This meant that banks' profitability was much less affected by insolvencies than in 2004.

Supported by the declining burden of risk provisions, the operating result of the German banking industry as a whole improved by €13.7 billion to €36.3 billion in the year under review. The category of big banks, which benefited from the marked improvement in the trading result, accounted for by far the greatest part of the increase. Regional banks, savings banks and regional institutions of credit cooperatives also improved their operating result. By contrast, credit cooperatives recorded a slight fall and the Landesbanken a larger decline in their operating result.

Risk provisioning in domestic lending business shaped by insolvency trend

Higher operating result, especially at commercial banks

³ For more information on this and insolvencies in 2005 generally, see J Angele and S von Karmainsky, *Insolvenzen 2005*, Statistisches Bundesamt, Wirtschaft und Statistik, 4/2006, pp 351-359.

Breakdown of other and extraordinary income or charges *

€ million			
Item	2003	2004	2005
Net other and extraordinary income or charges	- 15,452	- 12,254	- 3,098
Income (total)	3,845	3,320	8,243
from value adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	2,188	1,070	4,967
from the release of special reserves	450	49	82
from loss transfers	96	485	53
Extraordinary income	1,111	1,716	3,141
Charges (total)	- 19,297	- 15,574	- 11,341
Write-offs and write-downs in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	- 7,480	- 1,352	- 709
Charges incurred through loss transfers	- 2,861	- 1,427	- 1,397
Transfers to special reserves	- 63	- 37	- 36
Extraordinary charges	- 5,264	- 8,893	- 4,540
Profits transferred under profit pooling and profit transfer agreements	- 3,629	- 3,865	- 4,659

* The figures for the most recent date should be regarded as provisional in all cases.

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Other and extraordinary income
or charges

Significant improvement in balance of "extraordinary account"

The balance of other and extraordinary income or charges was again negative, but, in the year under review, showed a noticeable improvement from -€12.3 billion in 2004 to -€3.1 billion. This development was, however, confined to only a few categories of banks. Firstly, these were those groups of institutions whose "extraordinary account" had been having a particularly negative impact in the past few years. The balance of the "extraordinary account" at big banks (+€1.0 billion) bolstered the earnings situation again for the first time since 2001, with the published individual accounts showing that some of the institutions in this category earned considerable income from sales of participating interests.

In the case of the Landesbanken, which, in 2004, were still having to cope with the repayment obligations resulting from the EU investigations into the granting of state aid, there was a marked reduction in the negative balance of the "extraordinary account" (-€1.1 billion, compared with -€4.5 billion in the previous year), even though this item was still in deficit. Secondly, the credit cooperatives – for which this item does not, typically, play a major role – achieved a considerable net profit (+€1.4 billion) in connection with the transfer of shareholdings to a holding company. By contrast, the balance of the "extraordinary account" changed very little for the other categories of banks under consideration here.

Return on capital of individual categories of banks *

As a percentage

Category of banks	2001		2002		2003		2004		2005	
All categories of banks	6.19	(4.57)	4.49	(2.91)	0.72	(- 1.45)	4.19	(1.93)	12.68	(8.95)
Commercial banks	4.74	(4.24)	0.97	(0.04)	- 6.24	(- 6.57)	- 0.42	(- 1.42)	21.75	(15.46)
<i>of which</i>										
Big banks ¹	4.96	(5.69)	- 3.14	(- 3.30)	- 12.85	(- 11.99)	- 3.97	(- 3.56)	31.72	(23.12)
Regional banks and other commercial banks ¹	4.13	(1.26)	8.99	(6.62)	4.53	(2.25)	5.66	(2.16)	8.44	(5.25)
Landesbanken ²	4.78	(4.01)	2.80	(1.94)	- 4.25	(- 5.17)	1.07	(- 0.83)	6.44	(5.56)
Savings banks	9.16	(5.06)	8.15	(4.65)	10.89	(4.00)	9.72	(5.03)	10.47	(5.61)
Regional institutions of credit cooperatives	4.43	(2.74)	4.56	(4.95)	0.66	(2.30)	2.91	(3.97)	2.91	(2.84)
Credit cooperatives	7.46	(4.41)	9.68	(6.60)	10.64	(5.24)	10.32	(5.26)	13.88	(9.04)
Mortgage banks	8.92	(6.48)	9.12	(7.36)	5.34	(3.70)	3.32	(1.39)	0.91	(- 0.86)

* The figures for the most recent date should be regarded as provisional in all cases. Profit for the financial year before tax (in brackets: after tax) as a percentage of the average capital as shown in the balance sheet (including the fund for general banking risks, but excluding partici-

pation rights capital). — 1 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 2 From 2004, NRW.BANK allocated to the category of "Special purpose banks".

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Result from financial investment business positive again

Specifically, the result from German banks' financial investment business, at +€4.3 billion during the reporting year, made a significant positive contribution to the "extraordinary account" for the first time since the sharp fall in 2003. For those institutions which showed net charges from value adjustments in respect of participating interests, shares in affiliated enterprises, and securities treated as fixed assets, these halved to €0.7 billion. The sharp increase in net income recorded by the other banks to €5.0 billion, compared with €1.1 billion in the previous year, had a similar effect.⁴ In 2005, this positive development in financial investment business was accompanied by an improvement in net extraordinary income and charges in the narrower sense (-€1.4 billion, compared with -€7.2 billion in the previous year), which had been largely affected by

the EU investigations into the granting of state aid in 2004. Furthermore, net income from the release of special reserves went up slightly to €46 million in 2005, compared with €12 million in 2004. All in all, these components did not, however, fully offset the other extraordinary sub-items, which typically show a negative balance. Thus, loss transfers totalled -€1.3 billion in 2005 (compared with -€0.9 billion in 2004) and profits had a greater overall impact than in the previous year; €4.7 billion compared with €3.9 billion.

⁴ In the case of income or charges on financial investment business, the credit institutions made use, as usual, of the option of offsetting these two items (pursuant to section 340 (c) (2) of the German Commercial Code).

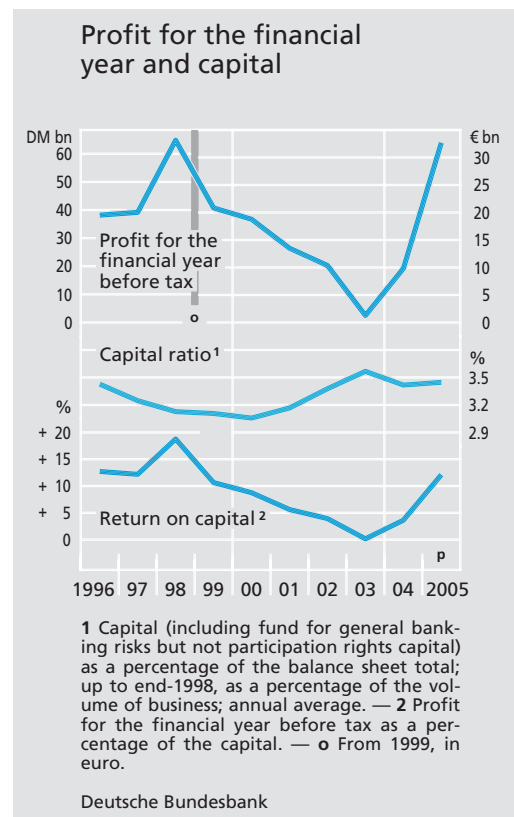
Profit for the financial year, taxes on income and earnings

Profit again for all categories of banks for financial year before tax

Given the considerably weaker adverse impact of the "extraordinary account", the German banking industry's recorded profit for the year before tax rose considerably in the financial year 2005 to €33.2 billion, compared with €10.4 billion in 2004 and €1.8 billion in 2003. This increase was therefore significantly larger than the increase in the operating result. Looking at the individual banking categories, it was again the institutions which had had to cope with a very marked deterioration in profitability over the past few years which recorded substantial profit increases for the financial year before tax, ie the big banks (€14.9 billion, compared with -€2.1 billion in 2004) and the Landesbanken (€3.0 billion, compared with €0.5 billion). Owing to the balance of the "extraordinary account", credit cooperatives also achieved a perceptibly higher increase in their net profit for the year before tax. Most of the other categories of banks under consideration in this article also increased their pre-tax profit in the year under review. Mortgage banks were the only category of banks to record a drop in profit for 2005 (by €0.4 billion to €0.2 billion). Thus, all of the categories of banks considered here recorded a positive pre-tax result for the first time again.

Further increase in return on equity

In line with this, the German banking industry's average return on equity before tax went up to 12.68% in 2005, compared with 4.19% in 2004 and 0.72% in 2003. It therefore exceeded the average level of the period 1997-2001 prior to the sharp decline in earn-



ings. Although most of the categories of banks under consideration in this article increased their return on equity, this did not match their earlier levels in all cases.

There was a sharp rise in taxes on income and earnings in 2005, which went up from €5.6 billion in 2004 to €9.8 billion. Although the tax expenses of most categories of banks changed only slightly on the year, they were up considerably for the big banks at €4.0 billion, compared with -€0.2 billion in 2004. After tax, the German banking industry's profit for the financial year 2005 totalled €23.5 billion, compared with €4.8 billion in the previous year.

Increase in taxes on income and earnings

As in previous years, substantial losses carried forward, totalling €2.7 billion for the German

Higher balance sheet profit

banking industry as a whole, reduced the profit for the financial year after tax in 2005 as well. In addition, considerably more resources were allocated to the fund for general banking risks than in 2004. The relevant balance from additions and deductions amounted to €7.4 billion, compared with €1.4 billion in the previous year. Finally, €4.2 billion flowed to the accumulation of reserves and participation rights capital after the German banks had drawn on these provisions in the previous year to stabilise their recorded profit. On balance, there was a sharp year-on-year rise in the recorded balance sheet profit for the German banking industry as a whole; it amounted to €9.2 billion in 2005, compared with €4.0 billion in 2004 and €3.6 billion in 2003.

Outlook

*Outlook for
2006*

For the current financial year, a stabilisation in the achieved level of income is becoming apparent so far. German credit institutions' interest business is likely to benefit from the upturn in the German economy. Given the current interest rate environment, it is uncertain how far this will lead to an increase in

net interest received. Much as in 2005, a perceptible growth in profit is far more likely to depend on net commissions received and on the trading result, the development of which is closely linked to the situation in the capital markets. According to the figures available to date, the rise in share prices in the first quarter made a more positive contribution to profit than in the previous year. Owing to greater uncertainty in the capital markets which occurred in the second quarter, it will probably be difficult to achieve as high a level of net income in the financial year 2006 as in 2005. On the cost side, it remains to be seen to what extent general administrative spending will be further contained by the restructuring measures implemented over the past few years. As things stand at present, owing to the continued decline in the number of corporate insolvencies in the first half of the year, it is unlikely that there will be a significant increase in the German banking industry's risk provisioning. However, it is also unlikely that there will be major scope for a further significant reduction in the burden of value adjustments as, on a longer-term comparison, the level now reached by some categories of banks is already rather low.

The tables accompanying this article are printed on pages 31-41.

Major components of credit institutions' profit and loss accounts,
by category of banks *

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which							
			Big banks 1	Regional banks and other commercial banks 1						
Interest received (total) 3										
1999	5.33	5.00	4.85	5.45	5.28	5.71	4.11	5.60	6.04	5.11
2000	5.51	5.32	5.24	5.58	5.63	5.72	5.04	5.69	5.81	5.03
2001	5.39	5.12	4.91	5.68	5.47	5.75	4.91	5.76	5.73	4.95
2002	4.83	4.41	4.09	5.18	4.67	5.53	4.15	5.47	5.36	4.59
2003	4.39	3.82	3.42	4.74	4.25	5.20	3.42	5.12	5.09	4.15
2004	4.23	3.60	3.30	4.57	4.39	4.92	3.28	4.88	4.85	3.97
2005	4.37	3.98	3.79	4.64	4.69	4.75	3.05	4.72	4.88	4.05
Interest paid										
1999	4.05	3.57	3.69	3.30	4.66	3.23	3.51	3.10	5.51	4.49
2000	4.36	4.15	4.30	3.85	5.07	3.39	4.26	3.24	5.35	4.46
2001	4.28	3.97	4.02	3.85	4.88	3.47	4.29	3.36	5.30	4.43
2002	3.63	3.07	2.99	3.25	4.08	3.15	3.49	2.98	4.97	4.01
2003	3.23	2.65	2.57	2.83	3.63	2.80	2.96	2.61	4.66	3.60
2004	3.04	2.35	2.31	2.48	3.74	2.57	2.79	2.37	4.41	3.47
2005	3.20	2.71	2.79	2.47	4.05	2.45	2.57	2.26	4.44	3.56
Excess of interest received over interest paid = net interest received (interest margin)										
1999	1.28	1.43	1.15	2.15	0.62	2.48	0.60	2.49	0.52	0.62
2000	1.14	1.17	0.94	1.72	0.56	2.33	0.78	2.45	0.45	0.57
2001	1.12	1.15	0.89	1.83	0.60	2.28	0.62	2.41	0.43	0.53
2002	1.20	1.34	1.10	1.93	0.59	2.38	0.66	2.49	0.40	0.59
2003	1.16	1.17	0.85	1.91	0.63	2.40	0.46	2.51	0.43	0.55
2004	1.18	1.25	0.98	2.09	0.65	2.35	0.49	2.51	0.44	0.50
2005	1.17	1.27	1.00	2.17	0.63	2.30	0.47	2.46	0.45	0.49
Excess of commissions received over commissions paid = net commissions received										
1999	0.37	0.70	0.63	0.89	0.11	0.52	0.18	0.62	-0.01	0.05
2000	0.42	0.76	0.68	0.99	0.13	0.55	0.21	0.69	-0.01	0.05
2001	0.36	0.64	0.57	0.85	0.11	0.50	0.15	0.58	-0.01	0.05
2002	0.34	0.60	0.53	0.79	0.11	0.49	0.14	0.57	-0.01	0.09
2003	0.35	0.59	0.54	0.71	0.11	0.53	0.17	0.61	-0.01	0.09
2004	0.35	0.57	0.50	0.78	0.11	0.56	0.16	0.65	0.00	0.09
2005	0.37	0.60	0.52	0.85	0.12	0.56	0.16	0.67	0.00	0.09

* The figures for the most recent date should be regarded as provisional in all cases. — ° Excluding the balance sheet total of the foreign branches of savings banks. From 2004, excluding

the balance sheet total of the foreign branches of regional institutions of credit cooperatives. — For footnotes 1–3 see p 32.

**Major components of credit institutions' profit and loss accounts,
by category of banks * (cont'd)**

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks				Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which		Regional banks and other commercial banks 1						
			Big banks 1								
General administrative spending											
1999	1.16	1.71	1.50	2.28	0.44	2.01	0.56	2.30	0.15	0.19	
2000	1.16	1.67	1.51	2.08	0.43	1.99	0.56	2.39	0.15	0.19	
2001	1.14	1.65	1.48	2.12	0.45	1.97	0.55	2.36	0.15	0.18	
2002	1.10	1.55	1.36	2.06	0.44	1.95	0.53	2.30	0.14	0.22	
2003	1.10	1.53	1.37	1.93	0.42	1.97	0.54	2.32	0.16	0.22	
2004	1.05	1.41	1.27	1.89	0.44	1.92	0.52	2.28	0.16	0.22	
2005	1.05	1.38	1.23	1.86	0.45	1.92	0.44	2.31	0.17	0.21	
Partial operating result											
1999	0.50	0.42	0.29	0.76	0.29	0.99	0.22	0.81	0.36	0.48	
2000	0.41	0.26	0.11	0.64	0.26	0.89	0.43	0.75	0.30	0.43	
2001	0.33	0.15	-0.02	0.56	0.25	0.81	0.22	0.63	0.27	0.39	
2002	0.44	0.38	0.27	0.65	0.26	0.92	0.27	0.76	0.25	0.47	
2003	0.41	0.23	0.02	0.69	0.31	0.95	0.09	0.80	0.27	0.42	
2004	0.48	0.40	0.22	0.98	0.33	1.00	0.13	0.88	0.28	0.37	
2005	0.50	0.50	0.29	1.16	0.30	0.95	0.19	0.83	0.28	0.37	
Net profit or net loss on financial operations											
1999	0.06	0.15	0.17	0.07	0.03	0.03	0.12	0.01	0.00	0.00	
2000	0.10	0.24	0.32	0.07	0.05	0.02	0.09	0.00	0.00	0.00	
2001	0.08	0.20	0.30	-0.03	0.04	0.00	0.06	-0.01	0.00	0.00	
2002	0.04	0.09	0.13	0.01	0.04	0.00	0.11	-0.01	0.00	0.00	
2003	0.09	0.24	0.32	0.07	0.02	0.02	0.18	0.02	0.00	0.00	
2004	0.02	0.02	0.04	-0.04	0.02	0.02	0.19	0.01	0.00	0.00	
2005	0.15	0.41	0.56	-0.04	0.02	0.02	0.18	0.01	0.00	0.00	
Net income or net charges from the valuation of assets											
1999	-0.19	-0.23	-0.24	-0.22	-0.11	-0.17	-0.17	-0.39	-0.10	-0.24	
2000	-0.24	-0.18	-0.16	-0.25	-0.12	-0.46	-0.47	-0.47	-0.19	-0.15	
2001	-0.28	-0.26	-0.24	-0.33	-0.20	-0.52	-0.32	-0.50	-0.12	-0.15	
2002	-0.44	-0.39	-0.38	-0.42	-0.47	-0.71	-0.42	-0.67	-0.20	-0.21	
2003	-0.31	-0.33	-0.31	-0.37	-0.23	-0.54	-0.25	-0.56	-0.13	-0.13	
2004	-0.24	-0.22	-0.17	-0.40	-0.05	-0.60	-0.17	-0.54	-0.19	-0.05	
2005	-0.19	-0.16	-0.09	-0.38	-0.05	-0.49	-0.08	-0.52	-0.13	-0.01	

*, ° For footnotes, see p 31. — 1 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 2 From 2004, NRW.BANK allocated to the category of "Special purpose

banks". — 3 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements.

Major components of credit institutions' profit and loss accounts,
by category of banks * (cont'd)

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which							
			Big banks 1	Regional banks and other commercial banks 1						
Operating result										
1999	0.41	0.38	0.20	0.81	0.25	0.87	0.19	0.54	0.27	0.27
2000	0.30	0.36	0.24	0.63	0.22	0.44	0.05	0.35	0.14	0.30
2001	0.18	0.14	0.05	0.36	0.14	0.32	0.01	0.22	0.18	0.27
2002	0.10	0.15	0.00	0.50	-0.13	0.27	0.06	0.17	0.06	0.26
2003	0.25	0.21	0.04	0.58	0.14	0.46	0.06	0.46	0.14	0.33
2004	0.31	0.29	0.13	0.74	0.33	0.44	0.19	0.51	0.11	0.35
2005	0.48	0.77	0.71	0.96	0.26	0.50	0.30	0.48	0.16	0.38
Net other and extraordinary income or charges										
1999	-0.05	0.00	0.04	-0.07	-0.01	-0.27	-0.04	-0.06	-0.03	-0.02
2000	-0.01	-0.07	-0.03	-0.16	-0.03	0.11	0.30	0.05	-0.05	0.00
2001	0.02	0.04	0.13	-0.18	-0.03	0.06	0.12	0.14	-0.05	-0.07
2002	0.06	-0.11	-0.12	-0.08	0.21	0.08	0.09	0.29	0.07	-0.03
2003	-0.22	-0.47	-0.52	-0.36	-0.28	0.02	-0.04	0.07	-0.04	-0.10
2004	-0.17	-0.30	-0.25	-0.46	-0.30	0.01	-0.08	0.02	-0.05	-0.04
2005	-0.04	-0.07	0.05	-0.47	-0.07	0.00	-0.11	0.25	-0.14	-0.01
Profit for the financial year before tax										
1999	0.35	0.38	0.23	0.74	0.24	0.60	0.16	0.48	0.24	0.25
2000	0.29	0.29	0.21	0.47	0.19	0.55	0.36	0.40	0.09	0.30
2001	0.20	0.18	0.18	0.18	0.11	0.38	0.13	0.35	0.13	0.20
2002	0.15	0.04	-0.12	0.41	0.08	0.35	0.14	0.46	0.14	0.23
2003	0.03	-0.25	-0.48	0.22	-0.14	0.48	0.02	0.52	0.09	0.22
2004	0.14	-0.01	-0.12	0.29	0.03	0.45	0.11	0.52	0.06	0.31
2005	0.44	0.70	0.77	0.48	0.19	0.50	0.18	0.72	0.02	0.37
Profit for the financial year after tax										
1999	0.20	0.28	0.20	0.45	0.13	0.24	0.11	0.21	0.13	0.22
2000	0.19	0.26	0.24	0.30	0.10	0.25	0.24	0.19	0.04	0.28
2001	0.15	0.16	0.21	0.05	0.10	0.21	0.08	0.21	0.09	0.18
2002	0.10	0.00	-0.13	0.30	0.05	0.20	0.16	0.31	0.11	0.21
2003	-0.05	-0.27	-0.44	0.11	-0.17	0.18	0.08	0.26	0.07	0.21
2004	0.07	-0.05	-0.10	0.11	-0.02	0.23	0.15	0.27	0.03	0.29
2005	0.31	0.50	0.56	0.30	0.17	0.27	0.18	0.47	-0.02	0.36

For footnotes, see p 31.

Deutsche Bundesbank

Credit institutions' profit and loss accounts *

Financial year	Interest business			Non-interest business			General administrative spending			Partial operating result (col 1 plus col 4 less col 7)
	Net interest received (col 2 less col 3)	Interest received (total) 1	Interest paid	Net commissions received (col 5 less col 6)	Commissions received	Commissions paid	Total (col 8 plus col 9)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	
	DM billion									
1998	147.5	602.9	455.3	37.0	43.6	6.6	125.2	70.1	55.1	59.3
1999	152.2	631.5	479.3	43.9	52.3	8.4	137.3	75.2	62.1	58.9
	€ billion									
1999	77.8	322.9	245.0	22.5	26.8	4.3	70.2	38.4	31.8	30.1
2000	76.9	369.9	293.1	28.1	33.8	5.7	77.7	42.0	35.7	27.3
2001	79.2	382.4	303.2	25.3	31.2	5.9	81.0	43.0	38.0	23.5
2002	85.6	344.5	258.9	24.3	30.2	5.9	78.3	41.6	36.7	31.6
2003	81.7	308.7	227.0	24.4	30.6	6.3	77.3	41.6	35.7	28.8
2004	85.0	303.6	218.6	25.3	32.0	6.8	75.8	41.2	34.6	34.5
2005	88.2	329.1	240.9	27.8	35.4	7.6	78.8	43.4	35.3	37.3
	Year-on-year percentage change 5									
1999	3.0	4.7	5.2	18.7	19.9	26.4	9.6	7.2	12.8	- 1.1
2000	- 1.2	14.6	19.6	25.1	26.3	32.5	10.6	9.3	12.3	- 9.2
2001	3.0	3.4	3.5	- 9.8	- 7.6	3.3	4.3	2.5	6.6	- 13.8
2002	8.0	- 9.9	- 14.6	- 4.0	- 3.2	0.0	- 3.3	- 3.4	- 3.3	34.2
2003	- 4.5	- 10.4	- 12.3	0.4	1.7	7.2	- 1.2	0.1	- 2.5	- 9.1
2004	4.0	- 1.7	- 3.7	3.8	4.5	7.4	- 2.0	- 0.9	- 3.2	19.9
2005	3.9	8.5	10.2	10.0	10.4	12.0	4.0	5.4	2.3	8.1
	As a percentage of the average balance sheet total									
1998	1.37	5.59	4.22	0.34	0.40	0.06	1.16	0.65	0.51	0.55
1999	1.28	5.33	4.05	0.37	0.44	0.07	1.16	0.63	0.52	0.50
2000	1.14	5.51	4.36	0.42	0.50	0.08	1.16	0.63	0.53	0.41
2001	1.12	5.39	4.28	0.36	0.44	0.08	1.14	0.61	0.54	0.33
2002	1.20	4.83	3.63	0.34	0.42	0.08	1.10	0.58	0.52	0.44
2003	1.16	4.39	3.23	0.35	0.44	0.09	1.10	0.59	0.51	0.41
2004	1.18	4.23	3.04	0.35	0.45	0.09	1.05	0.57	0.48	0.48
2005	1.17	4.37	3.20	0.37	0.47	0.10	1.05	0.58	0.47	0.50

* The figures for the most recent date should be regarded as provisional in all cases. — 1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depreciation of and adjustments for tangible and intan-

gible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — 3 Up to end-1998, volume of business; from 1999, balance sheet total. — 4 Excluding the volume of business/

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 10 to col 13)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 14 plus col 15)	Taxes on income and earnings	Profit or loss (-) for the financial year after tax (col 16 less col 17)	Memo item Balance sheet total ^{3,4}	Financial year
11	12	13	14	15	16	17	18	19	
DM billion									
7.1	5.2	-27.2	44.4	21.5	65.9	31.1	34.7	10,778.2	1998
7.0	4.8	-22.5	48.1	- 6.3	41.8	17.6	24.2	11,845.3	1999
€ billion									
3.6	2.4	- 11.5	24.6	- 3.2	21.4	9.0	12.4	6,056.4	1999
6.4	2.0	- 15.9	19.9	- 0.6	19.3	6.7	12.6	6,716.3	2000
5.4	3.5	- 19.6	12.8	1.2	14.1	3.7	10.4	7,090.8	2001
3.0	3.7	- 31.2	7.0	3.9	10.9	3.9	7.1	7,129.1	2002
6.4	3.8	- 21.8	17.3	- 15.5	1.8	5.5	- 3.7	7,038.2	2003
1.3	4.1	- 17.3	22.6	- 12.3	10.4	5.6	4.8	7,183.7	2004
11.4	1.7	- 14.1	36.3	- 3.1	33.2	9.8	23.5	7,524.7	2005
Year-on-year percentage change ⁵									
1.7	- 7.7	17.1	8.3	.	- 36.5	- 43.6	- 30.2	9.9	1999
79.8	16.4	- 38.0	- 19.1	81.4	- 9.6	- 24.9	1.5	10.9	2000
- 16.7	73.0	23.5	- 35.6	.	- 27.3	- 45.6	- 17.5	5.6	2001
- 45.1	4.4	- 59.1	- 45.4	220.2	- 22.2	4.9	- 31.8	0.5	2002
118.6	3.1	30.3	146.1	.	- 84.7	42.9	.	- 1.3	2003
- 80.5	9.0	20.5	31.0	20.7	469.0	1.4	.	2.1	2004
807.0	- 57.7	18.6	60.9	74.7	221.1	75.4	391.0	4.8	2005
As a percentage of the average balance sheet total									
0.07	0.05	- 0.25	0.41	0.20	0.61	0.29	0.32	.	1998
0.06	0.04	- 0.19	0.41	- 0.05	0.35	0.15	0.20	.	1999
0.10	0.03	- 0.24	0.30	- 0.01	0.29	0.10	0.19	.	2000
0.08	0.05	- 0.28	0.18	0.02	0.20	0.05	0.15	.	2001
0.04	0.05	- 0.44	0.10	0.06	0.15	0.05	0.10	.	2002
0.09	0.05	- 0.31	0.25	- 0.22	0.03	0.08	- 0.05	.	2003
0.02	0.06	- 0.24	0.31	- 0.17	0.14	0.08	0.07	.	2004
0.15	0.02	- 0.19	0.48	- 0.04	0.44	0.13	0.31	.	2005

balance sheet total of the foreign branches of savings banks. From 2004, excluding the balance sheet total of the foreign branches of regional institutions of credit cooperatives. Statistical increase in the

volume of business due to the inclusion of the foreign branches: in 1998, mortgage banks + DM1.3 billion. — ⁵ Statistical changes have been eliminated.

Credit institutions' profit and loss accounts *

€ million

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
All categories of banks											
2000	2,636	76,894	369,946	293,052	28,095	33,793	5,698	77,673	41,997	35,676	27,316
2001	2,423	79,229	382,414	303,185	25,349	31,236	5,887	81,045	43,031	38,014	23,533
2002	2,268	85,568	344,472	258,904	24,327	30,212	5,885	78,324	41,578	36,746	31,571
2003	2,128	81,709	308,742	227,033	24,356	30,645	6,289	77,296	41,585	35,711	28,769
2004	2,055	84,998	303,615	218,617	25,282	32,039	6,757	75,781	41,223	34,558	34,499
2005	1,988	88,245	329,128	240,883	27,803	35,359	7,556	78,787	43,443	35,344	37,261
Commercial banks											
2000	224	25,731	117,211	91,480	16,822	19,617	2,795	36,806	18,562	18,244	5,747
2001	213	27,230	120,978	93,748	15,227	18,588	3,361	38,909	19,155	19,754	3,548
2002	206	30,850	101,741	70,891	13,894	17,145	3,251	35,897	17,414	18,483	8,847
2003	193	26,334	85,993	59,659	13,250	16,612	3,362	34,451	17,024	17,427	5,133
2004	187	29,471	85,000	55,529	13,430	17,143	3,713	33,386	16,606	16,780	9,515
2005	179	32,595	102,085	69,490	15,368	19,374	4,006	35,242	17,890	17,352	12,721
Big banks 6											
2000	4	14,174	79,073	64,899	10,205	11,251	1,046	22,770	12,182	10,588	1,609
2001	4	14,727	81,187	66,460	9,454	11,134	1,680	24,505	12,688	11,817	- 324
2002	4	17,615	65,553	47,938	8,481	10,073	1,592	21,768	11,107	10,661	4,328
2003	4	13,035	52,461	39,426	8,223	10,191	1,968	20,992	10,957	10,035	266
2004	5	17,340	58,161	40,821	8,836	11,087	2,251	22,382	11,473	10,909	3,794
2005	5	19,419	73,595	54,176	10,076	12,189	2,113	23,846	12,564	11,282	5,649
Regional banks and other commercial banks 6											
2000	193	11,377	36,799	25,422	6,550	8,291	1,741	13,696	6,296	7,400	4,231
2001	188	12,341	38,240	25,899	5,701	7,376	1,675	14,248	6,399	7,849	3,794
2002	183	13,060	35,015	21,955	5,317	6,969	1,652	13,954	6,229	7,725	4,423
2003	170	13,134	32,665	19,531	4,885	6,272	1,387	13,279	5,990	7,289	4,740
2004	163	11,967	26,211	14,244	4,461	5,917	1,456	10,825	5,057	5,768	5,603
2005	155	13,061	27,936	14,875	5,127	7,015	1,888	11,218	5,241	5,977	6,970
Branches of foreign banks											
2000	27	180	1,339	1,159	67	75	8	340	84	256	- 93
2001	21	162	1,551	1,389	72	78	6	156	68	88	78
2002	19	175	1,173	998	96	103	7	175	78	97	96
2003	19	165	867	702	142	149	7	180	77	103	127
2004	19	164	628	464	133	139	6	179	76	103	118
2005	19	115	554	439	165	170	5	178	85	93	102
Landesbanken 7											
2000	13	8,386	84,761	76,375	1,943	3,185	1,242	6,479	3,364	3,115	3,850
2001	13	9,519	87,500	77,981	1,745	2,831	1,086	7,255	3,613	3,642	4,009
2002	14	9,743	76,744	67,001	1,794	2,963	1,169	7,210	3,579	3,631	4,327
2003	13	10,260	69,740	59,480	1,748	3,016	1,268	6,898	3,378	3,520	5,110
2004	12	9,886	66,634	56,748	1,718	3,010	1,292	6,660	3,342	3,318	4,944
2005	12	10,019	74,094	64,075	1,933	3,455	1,522	7,140	3,607	3,533	4,812

For footnotes, see p 38.

Deutsche Bundesbank

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 11 to col 14)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings ³	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital ⁴	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item Average annual balance sheet total ⁵	Financial year
12	13	14	15	16	17	18	19	20	21	22	
All categories of banks											
6,449	2,046	- 15,886	19,925	- 601	19,324	6,747	12,577	- 3,975	8,602	6,716,341	2000
5,370	3,540	- 19,616	12,827	1,225	14,052	3,672	10,380	- 3,797	6,583	7,090,826	2001
2,950	3,693	- 31,217	6,997	3,923	10,920	3,850	7,070	- 2,267	4,803	7,129,090	2002
6,449	3,808	- 21,751	17,275	- 15,452	1,823	5,505	- 3,682	7,270	3,588	7,038,224	2003
1,260	4,149	- 17,282	22,626	- 12,254	10,372	5,583	4,789	- 831	3,958	7,183,653	2004
11,429	1,701	- 14,056	36,335	- 3,098	33,237	9,768	23,469	- 14,301	9,168	7,524,659	2005
Commercial banks											
5,371	868	- 4,012	7,974	- 1,563	6,411	695	5,716	- 1,147	4,569	2,201,783	2000
4,719	1,245	- 6,166	3,346	905	4,251	446	3,805	- 2,040	1,765	2,362,423	2001
2,144	1,515	- 9,034	3,472	- 2,563	909	869	40	769	809	2,309,650	2002
5,363	1,633	- 7,345	4,784	- 10,472	- 5,688	302	- 5,990	5,661	- 329	2,251,587	2003
414	2,117	- 5,302	6,744	- 7,086	- 342	825	- 1,167	615	- 552	2,361,952	2004
10,549	474	- 3,988	19,756	- 1,864	17,892	5,177	12,715	- 8,488	4,227	2,563,000	2005
Big banks ⁶											
4,761	- 327	- 2,352	3,691	- 510	3,181	- 443	3,624	- 1,325	2,299	1,508,019	2000
4,882	195	- 3,900	853	2,098	2,951	- 438	3,389	- 1,154	2,235	1,653,158	2001
2,074	- 225	- 6,119	58	- 1,989	- 1,931	96	- 2,027	2,889	862	1,601,526	2002
4,901	233	- 4,751	649	- 7,964	- 7,315	- 490	- 6,825	7,698	873	1,533,976	2003
619	907	- 2,947	2,373	- 4,440	- 2,067	- 218	- 1,849	3,337	1,488	1,764,080	2004
10,775	- 846	- 1,713	13,865	1,002	14,867	4,030	10,837	- 7,941	2,896	1,939,373	2005
Regional banks and other commercial banks ⁶											
442	1,151	- 1,651	4,173	- 1,052	3,121	1,125	1,996	186	2,182	659,720	2000
- 192	1,035	- 2,231	2,406	- 1,197	1,209	840	369	- 883	- 514	672,803	2001
59	1,719	- 2,844	3,357	- 568	2,789	735	2,054	- 2,120	- 66	676,254	2002
451	1,382	- 2,566	4,007	- 2,506	1,501	754	747	- 2,035	- 1,288	689,268	2003
- 210	1,198	- 2,320	4,271	- 2,625	1,646	1,017	629	- 2,722	- 2,093	573,493	2004
- 248	1,312	- 2,279	5,755	- 2,861	2,894	1,094	1,800	- 547	1,253	602,475	2005
Branches of foreign banks											
168	44	- 9	110	- 1	109	13	96	- 8	88	34,044	2000
29	15	- 35	87	4	91	44	47	- 3	44	36,462	2001
11	21	- 71	57	- 6	51	38	13	0	13	31,870	2002
11	18	- 28	128	- 2	126	38	88	- 2	86	28,343	2003
5	12	- 35	100	- 21	79	26	53	0	53	24,379	2004
22	8	4	136	- 5	131	53	78	0	78	21,152	2005
Landesbanken ⁷											
680	573	- 1,756	3,347	- 504	2,843	1,371	1,472	- 629	843	1,506,853	2000
573	859	- 3,181	2,260	- 423	1,837	296	1,541	- 637	904	1,599,330	2001
644	677	- 7,746	- 2,098	3,400	1,302	399	903	- 129	774	1,644,026	2002
345	639	- 3,754	2,340	- 4,573	- 2,233	482	- 2,715	3,619	904	1,639,615	2003
262	581	- 799	4,988	- 4,516	472	835	- 363	1,161	798	1,519,005	2004
241	- 148	- 782	4,123	- 1,093	3,030	413	2,617	- 1,715	902	1,581,453	2005

Credit institutions' profit and loss accounts * (cont'd)

€ million

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
Savings banks											
2000	561	21,526	52,774	31,248	5,052	5,355	303	18,335	10,993	7,342	8,243
2001	536	21,606	54,522	32,916	4,743	5,019	276	18,688	11,076	7,612	7,661
2002	519	23,234	53,932	30,698	4,784	5,065	281	19,022	11,324	7,698	8,996
2003	489	23,504	50,962	27,458	5,180	5,495	315	19,349	11,725	7,624	9,335
2004	477	23,192	48,524	25,332	5,562	5,912	350	18,907	11,587	7,320	9,847
2005	463	22,929	47,330	24,401	5,620	5,996	376	19,130	11,829	7,301	9,419
Regional institutions of credit cooperatives											
2000	3	1,821	11,800	9,979	499	979	480	1,323	621	702	997
2001	2	1,480	11,769	10,289	354	647	293	1,316	614	702	518
2002	2	1,414	8,865	7,451	303	565	262	1,135	540	595	582
2003	2	936	6,972	6,036	343	629	286	1,103	523	580	176
2004	2	948	6,362	5,414	317	704	387	1,006	518	488	259
2005	2	1,037	6,698	5,661	359	795	436	974	543	431	422
Credit cooperatives											
2000	1,791	12,887	29,920	17,033	3,601	3,988	387	12,547	7,252	5,295	3,941
2001	1,619	12,855	30,783	17,928	3,107	3,460	353	12,592	7,352	5,240	3,370
2002	1,488	13,648	29,958	16,310	3,124	3,491	367	12,615	7,442	5,173	4,157
2003	1,392	13,987	28,514	14,527	3,401	3,802	401	12,915	7,619	5,296	4,473
2004	1,336	14,249	27,687	13,438	3,685	4,184	499	12,963	7,677	5,286	4,971
2005	1,292	14,250	27,328	13,078	3,895	4,508	613	13,347	8,022	5,325	4,798
Mortgage banks											
2000	31	3,995	51,095	47,100	-47	187	234	1,337	689	648	2,611
2001	27	4,005	53,012	49,007	-75	182	257	1,402	694	708	2,528
2002	25	3,695	49,868	46,173	-55	208	263	1,347	664	683	2,293
2003	25	3,795	44,657	40,862	-58	256	314	1,405	663	742	2,332
2004	25	3,847	42,398	38,551	-31	247	278	1,396	663	733	2,420
2005	24	3,934	42,930	38,996	-5	331	336	1,458	697	761	2,471
Special purpose banks 7											
2000	13	2,548	22,385	19,837	225	482	257	846	516	330	1,927
2001	13	2,534	23,850	21,316	248	509	261	883	527	356	1,899
2002	14	2,984	23,364	20,380	483	775	292	1,098	615	483	2,369
2003	14	2,893	21,904	19,011	492	835	343	1,175	653	522	2,210
2004	16	3,405	27,010	23,605	601	839	238	1,463	830	633	2,543
2005	16	3,481	28,663	25,182	633	900	267	1,496	855	641	2,618
Memo item: Banks majority-owned by foreign banks 8											
2000	55	2,517	7,105	4,588	1,262	2,049	787	2,840	1,381	1,459	939
2001	51	3,019	11,676	8,657	1,426	2,233	807	3,216	1,474	1,742	1,229
2002	49	3,430	15,964	12,534	1,186	1,929	743	3,381	1,486	1,895	1,235
2003	45	3,521	14,921	11,400	1,425	1,818	393	3,325	1,443	1,882	1,621
2004	42	3,931	15,124	11,193	1,724	2,167	443	3,534	1,473	2,061	2,121
2005	41	8,220	29,497	21,277	3,385	4,242	857	7,267	3,410	3,857	4,338

* The figures for the most recent date should be regarded as provisional in all cases. Excluding building and loan associations, institutions in liquidation and institutions with a truncated financial year. — 1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depre-

ciation of and adjustments for tangible and intangible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — 3 In part, including taxes paid by legally dependent building and loan associations affiliated to Landesbanken. — 4 Including profit or loss brought forward and withdrawals from or transfers to the fund for general

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 11 to col 14)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings ³	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital ⁴	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item: Average annual balance sheet total ⁵	Financial year
12	13	14	15	16	17	18	19	20	21	22	
Savings banks											
150	- 109	- 4,229	4,055	977	5,032	2,770	2,262	- 976	1,286	922,381	2000
- 11	408	- 4,980	3,078	571	3,649	1,633	2,016	- 829	1,187	948,723	2001
- 43	615	- 6,927	2,641	786	3,427	1,471	1,956	- 676	1,280	975,490	2002
215	256	- 5,247	4,559	197	4,756	3,011	1,745	- 580	1,165	980,622	2003
159	206	- 5,883	4,329	71	4,400	2,122	2,278	- 885	1,393	985,944	2004
181	278	- 4,924	4,954	- 4	4,950	2,298	2,652	- 1,133	1,519	995,377	2005
Regional institutions of credit cooperatives											
219	17	- 1,108	125	710	835	265	570	- 465	105	234,249	2000
132	138	- 772	16	286	302	115	187	- 108	79	239,709	2001
234	209	- 905	120	189	309	- 27	336	- 259	77	213,520	2002
370	98	- 514	130	- 81	49	- 123	172	- 93	79	203,899	2003
376	57	- 321	371	- 151	220	- 80	300	- 202	98	194,244	2004
405	7	- 180	654	- 248	406	10	396	- 223	173	219,881	2005
Credit cooperatives											
23	325	- 2,445	1,844	250	2,094	1,096	998	85	1,083	525,687	2000
- 41	495	- 2,671	1,153	735	1,888	772	1,116	- 182	934	534,337	2001
- 28	503	- 3,687	945	1,572	2,517	801	1,716	- 768	948	548,026	2002
138	1,027	- 3,095	2,543	380	2,923	1,484	1,439	- 440	999	556,946	2003
40	904	- 3,042	2,873	104	2,977	1,458	1,519	- 437	1,082	567,674	2004
51	891	- 2,988	2,752	1,431	4,183	1,458	2,725	- 1,521	1,204	578,641	2005
Mortgage banks											
1	305	- 1,681	1,236	- 462	774	463	311	188	499	880,137	2000
- 1	273	- 1,121	1,679	- 495	1,184	324	860	680	1,540	924,683	2001
5	138	- 1,843	593	692	1,285	247	1,038	- 331	707	929,571	2002
2	- 26	- 1,110	1,198	- 368	830	255	575	14	589	877,381	2003
1	169	- 1,625	965	- 399	566	328	238	587	825	875,035	2004
3	65	- 1,128	1,411	- 1,250	161	313	- 152	906	754	879,136	2005
Special purpose banks ⁷											
5	67	- 655	1,344	- 9	1,335	87	1,248	- 1,031	217	445,251	2000
- 1	122	- 725	1,295	- 354	941	86	855	- 681	174	481,621	2001
- 6	36	- 1,075	1,324	- 153	1,171	90	1,081	- 873	208	508,807	2002
16	181	- 686	1,721	- 535	1,186	94	1,092	- 911	181	528,174	2003
8	115	- 310	2,356	- 277	2,079	95	1,984	- 1,670	314	679,799	2004
- 1	134	- 66	2,685	- 70	2,615	99	2,516	- 2,127	389	707,171	2005
Memo item: Banks majority-owned by foreign banks ⁸											
- 116	454	- 324	953	21	974	251	723	229	952	126,022	2000
- 143	327	- 422	991	- 266	725	349	376	134	510	168,517	2001
108	561	- 632	1,272	- 18	1,254	449	805	- 310	495	284,168	2002
287	292	- 799	1,401	- 837	564	274	290	390	680	291,782	2003
- 85	262	- 612	1,686	- 874	812	494	318	206	524	313,299	2004
345	163	- 2,041	2,805	- 786	2,019	720	1,299	- 481	818	649,191	2005

banking risks. — **5** Excluding the balance sheet total of the foreign branches of savings banks. From 2004, excluding the balance sheet total of the foreign branches of regional institutions of credit cooperatives. — **6** From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — **7** From 2004, NRW.BANK, allocated to the category of "Special purpose

banks". — **8** Separate presentation of the (legally independent) credit institutions majority-owned by foreign banks and included in the categories "Big banks", "Regional banks and other commercial banks" and "Mortgage banks".

Credit institutions' charge and income items *

Financial year	Number of reporting institutions	Charges					General administrative spending					
		Total	Interest paid	Commissions paid	Net loss on financial operations	Gross loss on transactions in goods and subsidiary transactions	Total	Staff costs			Other administrative spending ¹	
								Total	Wages and salaries	Social security costs and costs relating to pensions and other benefits		
										Total		of which Pensions
1997	3,359	597,592	409,914	4,960	625	0	106,781	67,097	52,182	14,915	5,563	39,684
1998	3,167	666,066	455,339	6,593	289	0	114,367	70,123	53,679	16,444	6,524	44,244
1999	2,897	696,747	479,259	8,408	1,048	0	126,396	75,174	58,217	16,957	6,902	51,221
		€ million										
1999	2,897	356,241	245,041	4,299	536	0	64,625	38,436	29,766	8,670	3,529	26,189
2000	2,636	412,264	293,052	5,698	370	0	71,853	41,997	32,772	9,225	3,843	29,856
2001	2,423	430,361	303,185	5,887	831	0	75,237	43,031	33,766	9,265	3,899	32,206
2002	2,268	400,045	258,904	5,885	884	0	72,472	41,578	32,514	9,064	3,489	30,894
2003	2,128	364,797	227,033	6,289	354	0	71,901	41,585	32,088	9,497	3,946	30,316
2004	2,055	346,700	218,617	6,757	898	0	70,989	41,223	31,626	9,597	4,028	29,766
2005	1,988	373,002	240,883	7,556	637	0	74,439	43,443	33,290	10,153	4,524	30,996

* The figures for the most recent date should be regarded as provisional in all cases. — 1 Spending item does not include depreciation of and adjustments for tangible and intangible assets, shown net of

depreciation of assets leased ("narrow" definition). All other tables are based on a broad definition of "other administrative spending". —

Financial year	Income										
	Total	Interest received			Current income				Profits transferred under profit pooling and profit transfer agreements	Commissions received	
		Total	from lending and money market transactions	from debt securities and Debt Register claims	Total	from shares and other variable yield securities	from participating interests ¹	from shares in affiliated enterprises			
	DM million										
1997	617,995	535,553	452,798	82,755	16,737	8,301	2,900	5,536	2,184	39,056	
1998	700,804	578,663	488,258	90,405	22,551	10,627	3,628	8,296	1,640	43,603	
1999	720,993	604,647	505,191	99,456	24,546	12,969	2,789	8,788	2,275	52,338	
	€ million										
1999	368,638	309,151	258,300	50,851	12,550	6,631	1,426	4,493	1,163	26,760	
2000	424,841	351,570	290,904	60,666	16,994	7,951	2,219	6,824	1,382	33,793	
2001	440,741	363,138	298,110	65,028	17,379	9,849	2,169	5,361	1,897	31,236	
2002	407,115	323,949	266,031	57,918	17,446	7,226	1,835	8,385	3,077	30,212	
2003	361,115	294,244	243,578	50,666	10,975	6,503	1,220	3,252	3,523	30,645	
2004	351,489	285,732	235,855	49,877	14,666	9,631	1,212	3,823	3,217	32,039	
2005	396,471	306,791	252,643	54,148	16,998	12,364	1,251	3,383	5,339	35,359	

¹ Including amounts paid up on cooperative society shares.

Deutsche Bundesbank

Value adjustments in respect of tangible and intangible assets		Other operating charges	Value adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	Charges incurred through loss transfers	Transfers to special reserves	Extraordinary charges	Taxes on income and earnings ²	Other taxes	Profits transferred under profit pooling and profit transfer agreements	Financial year
Total	of which Assets leased										
DM million											
10,564	478	6,022	28,655	596	909	609	4,258	19,838	2,016	1,845	1997
11,328	494	6,362	30,059	545	1,294	358	6,395	31,148	243	1,746	1998
11,680	792	6,122	30,339	1,078	1,013	8,479	3,237	17,579	376	1,735	1999
€ million											
5,972	405	3,130	15,512	551	518	4,335	1,655	8,988	192	887	1999
6,243	423	4,280	17,902	1,747	751	59	2,271	6,747	179	1,112	2000
5,975	167	4,237	22,327	1,827	2,785	113	2,221	3,672	215	1,849	2001
5,995	143	4,288	34,213	3,412	4,550	64	2,102	3,850	185	3,241	2002
5,520	125	5,404	23,325	7,480	2,861	63	5,264	5,505	169	3,629	2003
4,904	112	3,763	19,439	1,352	1,427	37	8,893	5,583	176	3,865	2004
4,348	0	5,905	17,923	709	1,397	36	4,540	9,768	202	4,659	2005

² In part, including taxes paid by legally dependent building and loan associations affiliated to Landesbanken.

Net profit on financial operations	Gross profit on transactions in goods and subsidiary transactions	Value re-adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value re-adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	Other operating income		Income from the release of special reserves	Extraordinary income	Income from loss transfers	Financial year
				Total	of which from leasing business				
DM million									
5,931	507	3,564	2,264	10,246	1,841	822	820	311	1997
7,368	457	2,895	15,740	11,826	988	298	15,087	676	1998
8,064	432	7,825	6,083	11,645	1,021	319	2,607	213	1999
€ million									
4,123	221	4,001	3,110	5,954	522	163	1,333	109	1999
6,819	201	2,016	2,329	6,727	536	1,840	1,025	145	2000
6,201	183	2,711	5,787	7,976	247	1,502	2,378	353	2001
3,834	170	2,996	12,040	8,139	243	889	3,586	777	2002
6,803	165	1,574	2,188	9,341	220	450	1,111	96	2003
2,158	160	2,157	1,070	8,040	239	49	1,716	485	2004
12,066	163	3,867	4,967	7,645	46	82	3,141	53	2005