

Press release

Frankfurt am Main
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Acquisition of financial assets and financing in Germany in the third quarter of 2012

(Results of the financial accounts by sector)

The financial assets of households rose by €64 billion, or 1.3%, on the previous quarter to €4,871 billion by the end of the third quarter. The trend towards more liquid investments continued in an environment of low interest rates. At €33 billion, around one-half of the increase was due to price gains in the capital markets. Non-financial corporations' acquisition of financial assets, at more than €99 billion, showed a considerably larger increase than in the previous quarters, which meant that, despite a €56 billion rise in external financing, net acquisition of financial assets stood at €43 billion.

Households: reduced acquisition of financial assets offset by price gains, slight rise in debt

Households' **acquisition of financial assets** in the third quarter of 2012, at just under €31 billion, was – as in earlier years – significantly lower than in the preceding quarter. Once again, there were inflows, especially into bank deposits and claims on insurers. Asset acquisition through **bank deposits (including cash holdings)**, at just under €20 billion, accounted for a major part of households' net acquisition of financial assets. Despite negative real interest rates, this was due solely to inflows of funds into **sight deposits (including cash holdings)**, which amounted around €28 billion net. By contrast, households showed restraint in the case of **fixed-term and savings deposits (including savings certificates)**. There were total outflows of just

over €8 billion from this investment segment. The preference for liquidity already discernible in the second quarter persisted in the reporting period, which is likely to be a result of the interest rate environment remaining at a historic low as well as general uncertainty in connection with the debt crisis in Europe.

The capital markets presented a similar picture. In the reporting period, there were net sales of **bonds (including money market paper)** for the fifth quarter running, amounting to almost €5 billion, which was nearly twice as much as in the preceding quarter. There were also net sales of **investment fund shares** in the amount of €1 billion. Although it was mostly open-end real estate funds that were purchased on balance, these purchases were more than offset by sales of other types of funds, such as money market funds and mixed funds. **Shares (including other equities)** were purchased to a lesser extent (€0.3 billion net). **Claims on insurance corporations**, which have risen steadily over the past few years, also increased by around €9 billion in the third quarter of 2012, albeit less strongly than in the previous quarter (€12.5 billion).

These transaction-related changes in financial assets, which were equivalent to a net increase of just under €31 billion, were accompanied by **valuation gains** in the capital markets of €33 billion. The main beneficiaries of these gains were holders of shares, the prices of which made a strong recovery in the reporting period.

Financial assets thus saw an overall increase of 1.3% on the quarter to €4,871 billion at the end of the third quarter of 2012.

Household debt – as in the previous quarter – went up only slightly; on balance, **loans (including other liabilities)** worth just over €6 billion were taken up, mainly for house purchase. Total liabilities therefore amounted to €1,562 billion at the end of the quarter and households' net financial assets climbed to €3,309 billion. The **debt ratio** – defined as total liabilities as a percentage of annualised GDP – remained constant at 59.3%.

Non-financial corporations: acquisition of financial assets and external financing up considerably

Non-financial corporations' **acquisition of financial assets** amounted to €99 billion in the third quarter, increasing considerably on the previous period (€13 billion). **Bank deposits (including cash holdings)** went up by €13.5 billion net, which was a significantly larger increase than in the second quarter (€2 billion). The preference for liquidity is highlighted by the €19 billion increase in **sight deposits (including cash holdings)** among non-financial corporations. Capital-market-based acquisition of financial assets, too, increased markedly compared with one quarter earlier, when sales of securities amounted to €7 billion net, with purchases of securities worth just over €4 billion now being made. This development is likely to be connected to price recoveries on the stock markets. In addition, there were inflows of funds amounting to €11.5 billion in the case of trade credits and advances.

External financing, at around €56 billion, was considerably higher than one quarter earlier (€33 billion). Borrowing was mainly effected through **loans** (€28 billion net), which were provided by domestic and foreign non-banks (just under €35.5 billion). Loans of domestic banks in the amount of just under €7.5 billion were redeemed, however. Moreover, funds totalling €16 billion were obtained by means of **trade credit and payments on account**. Once again, capital-market-based financing was of lesser importance: Although the issuance of **bonds (including money market paper)** did, in fact, show an increase on the quarter to around €7 billion, equity financing was again down by €5 billion net. The **debt ratio** of non-financial corporations – defined as the sum of issued bonds, loans and company pension commitments over annualised GDP – was 1.3% up on the quarter and stood at 71.7% at the end of the third quarter.

Annexes: Tables

The data on the financial accounts are available at
http://www.bundesbank.de/Navigation/EN/Statistics/Macroeconomic_accounting_systems/Financial_accounts/financial_accounts.html?nsc=true

Financial assets and liabilities (non-consolidated)

Annex

€ billion

	Households ¹						Non-financial corporations					
	2011			2012			2011			2012		
	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Financial assets												
Currency and deposits	1.884,6	1.900,2	1.927,5	1.948,6	1.971,4	1.991,4	425,5	429,9	460,5	452,6	453,0	468,3
Currency and transferable deposits	923,6	932,2	953,3	966,1	992,7	1.020,9	310,9	331,6	351,8	346,4	360,3	381,1
Time deposits	266,5	273,4	280,5	284,6	284,0	279,5	103,0	86,9	98,2	95,4	81,7	75,9
Savings deposits	613,2	611,5	608,2	613,6	611,7	611,0	6,0	5,9	5,2	5,5	5,8	6,3
Savings certificates	81,2	83,1	85,4	84,3	83,0	79,9	5,6	5,5	5,4	5,4	5,2	5,0
Bonds²	258,3	247,8	247,1	249,6	245,4	244,8	51,1	51,6	52,6	53,9	53,6	54,2
Financial derivatives												
Shares	260,1	206,3	221,5	252,4	229,9	250,0	923,7	763,4	795,3	889,0	824,1	878,7
Other equity	176,0	179,1	184,7	185,7	192,3	191,9	376,6	382,0	400,1	411,8	436,3	443,8
Mutual funds shares	421,1	389,2	394,9	410,9	401,7	414,8	120,0	117,6	123,1	120,5	119,6	123,9
Loans							467,5	481,3	485,4	492,3	500,2	498,6
Claims on insurance corporations³	1.377,0	1.385,0	1.396,8	1.413,9	1.426,4	1.435,7	39,2	39,1	38,9	38,8	38,6	38,5
short-term claims	74,1	74,3	74,5	74,7	75,0	75,1	39,2	39,1	38,9	38,8	38,6	38,5
longer-term-claims	1.302,9	1.310,7	1.322,3	1.339,2	1.351,4	1.360,5						
Claims from company pension commitments	289,9	292,6	295,4	298,2	301,0	303,8						
Other claims⁴	39,2	39,0	38,9	39,0	39,1	39,0	747,4	719,0	768,5	794,8	802,9	823,4
Trade credits and payments on account							578,4	592,0	603,6	624,9	641,1	652,6
Other claims	39,2	39,0	38,9	39,0	39,1	39,0	169,0	127,0	164,9	169,9	161,7	170,8
Total	4.706,2	4.639,3	4.706,7	4.798,2	4.807,3	4.871,4	3.151,0	2.983,8	3.124,5	3.253,7	3.228,3	3.329,4
Liabilities												
Bonds²							98,9	111,9	110,7	115,6	117,2	124,6
Shares							1.357,5	1.046,6	1.110,5	1.282,5	1.166,3	1.294,9
Other equity							714,8	716,5	719,9	722,3	723,6	718,3
Loans	1.523,8	1.535,0	1.537,4	1.535,6	1.541,9	1.547,9	1.429,5	1.461,6	1.485,9	1.485,8	1.501,9	1.524,9
from domestic MFIs	1.434,4	1.445,1	1.447,1	1.444,8	1.450,6	1.457,3	778,5	781,8	805,5	803,6	813,5	801,3
from domestic non-financial corporations and other financial institutions and from insurers	89,3	89,8	90,1	90,6	91,2	90,5	356,7	373,7	371,5	372,3	370,1	375,8
from general government and non-residents	0,2	0,1	0,1	0,1	0,1	0,2	294,3	306,1	308,8	309,9	318,3	347,8
Company pension commitments							232,1	233,5	235,0	236,5	237,9	239,4
Other liabilities	13,0	13,4	12,2	14,0	13,5	14,5	820,8	811,5	834,4	852,4	879,5	886,9
Trade credits and payments on account							561,8	577,2	594,5	603,3	616,7	632,7
Other liabilities							259,0	234,3	240,0	249,2	262,8	254,2
Total	1.536,8	1.548,4	1.549,6	1.549,6	1.555,3	1.562,4	4.653,5	4.381,6	4.496,4	4.695,0	4.626,4	4.789,0
Net financial assets⁵	3.169,5	3.090,9	3.157,1	3.248,6	3.252,0	3.309,0	-1.502,5	-1.397,7	-1.371,8	-1.441,3	-1.398,2	-1.459,6
Debt ratio⁶	60,1	60,1	59,8	59,4	59,3	59,3	68,9	70,1	70,6	70,4	70,8	71,7

1 Including non-profit organisations serving households. 2 Including money market paper. 3 Including private pension funds and burial funds, as well as occupational pension schemes and supplementary pension funds. 4 Including households' accumulated interest-bearing surplus shares with insurance corporations. 5 Financial assets less liabilities. 6 In case of households defined as total liabilities as a percentage of GDP; in case of non-financial corporations defined as the sum of issued bonds, loans and company pension commitments as a percentage of GDP.

Source: Deutsche Bundesbank

Acquisition of financial assets and financing (non-consolidated)

Annex

€ billion

	Households ¹						Non-financial corporations					
	2011			2012			2011			2012		
	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Acquisition of financial assets												
Currency and deposits	17,44	15,57	27,30	21,11	22,15	19,88	-17,12	1,62	23,64	-8,62	2,08	13,35
Currency and transferable deposits	12,15	8,63	21,09	12,77	25,59	28,15	-2,30	20,54	19,81	-5,38	14,95	19,11
Time deposits	5,68	6,82	7,18	4,05	-0,27	-4,47	-14,84	-18,80	4,24	-3,44	-13,05	-6,03
Savings deposits	-4,14	-1,75	-3,33	5,40	-1,84	-0,74	-0,04	-0,05	-0,30	0,22	0,37	0,45
Savings certificates	3,75	1,87	2,35	-1,11	-1,33	-3,07	0,07	-0,07	-0,12	-0,02	-0,19	-0,18
Bonds ²	1,82	-4,03	-2,16	-2,79	-2,38	-4,65	-0,72	0,92	1,20	0,19	-0,02	-0,35
Financial derivatives							2,01	4,32	3,47	0,12	2,09	1,68
Shares	0,51	6,14	6,22	-1,04	0,54	-0,48	5,42	6,63	6,66	8,42	-10,03	2,22
Other equity	0,73	0,84	0,74	0,78	0,74	0,77	24,65	0,62	7,91	11,18	11,32	10,16
Mutual funds shares	-0,05	-6,97	-3,99	-1,57	-2,07	-0,98	1,71	1,54	4,12	-5,25	1,01	0,74
Loans							11,04	13,77	4,17	6,87	7,94	-1,67
Claims on insurance corporations ³	10,47	8,41	12,35	17,12	12,38	9,26	-0,15	-0,15	-0,15	-0,15	-0,15	-0,15
short-term claims	0,22	0,18	0,19	0,25	0,23	0,18	-0,15	-0,15	-0,15	-0,15	-0,15	-0,15
longer-term-claims	10,25	8,23	12,16	16,87	12,16	9,08						
Claims from company pension commitments	2,83	2,75	2,79	2,77	2,86	2,77						
Other claims ⁴	1,70	7,86	-9,61	13,77	5,48	4,19	18,86	-5,89	-22,10	24,24	-1,34	73,29
Trade credits and payments on account							12,44	13,61	11,56	21,28	16,25	11,48
Other claims	1,70	7,86	-9,61	13,77	5,48	4,19	6,42	-19,50	-33,67	2,96	-17,58	61,81
Total	35,43	30,57	33,63	50,16	39,71	30,77	45,71	23,37	28,91	37,01	12,91	99,27
External financing												
Bonds ²							-2,93	7,01	-0,98	3,08	3,87	7,09
Shares							5,54	-0,29	1,87	0,57	0,97	0,39
Other equity							1,53	1,68	3,41	2,40	1,36	-5,30
Loans	4,88	6,74	2,67	-1,05	6,74	6,12	23,22	31,91	20,59	-2,69	18,82	27,72
from domestic MFIs	5,12	6,27	2,29	-1,54	6,19	6,80	-7,86	2,22	15,24	-2,17	9,72	-7,70
from domestic non-financial corporations and other financial institutions and from insurers	-0,20	0,49	0,38	0,50	0,55	-0,72	17,44	17,00	-2,22	0,75	-2,18	5,70
from general government and non-residents	-0,04	-0,02	0,01	-0,01	0,01	0,04	13,64	12,70	7,57	-1,27	11,27	29,72
Company pension commitments							1,46	1,46	1,46	1,46	1,46	1,46
Other liabilities	0,05	0,03	-0,05	0,20	0,07	0,05	7,61	17,67	10,88	20,85	6,19	24,82
Trade credits and payments on account							10,87	15,71	17,56	8,81	13,39	16,01
Other liabilities							-3,26	1,96	-6,67	12,04	-7,20	8,81
Total	4,93	6,77	2,63	-0,84	6,81	6,17	36,43	59,44	37,23	25,67	32,67	56,18
Net acquisition of financial assets ⁵	30,50	23,80	31,00	51,00	32,90	24,60	9,28	-36,07	-8,33	11,34	-19,76	43,09

¹ Including non-profit organisations serving households. ² Including money market paper. ³ Including private pension funds and burial funds, as well as occupational pension schemes and supplementary pension funds. ⁴ Including households' accumulated interest-bearing surplus shares with insurance corporations. ⁵ Acquisition of financial assets less external financing.

Source: Deutsche Bundesbank