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The English translation of the **Annual Report 1996 of the Deutsche Bundesbank** is appearing in May 1997. It contains a detailed presentation of economic trends, including the most recent developments, together with comments on current monetary and general economic problems.



## Commentaries

### Monetary developments

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After the distinct decline in February, the money stock M3<sup>1</sup> – seasonally adjusted and expressed as a monthly average – grew moderately again in March. In that month, monetary expansion was stimulated by buoyant lending to the public sector and by flagging monetary capital formation. On the other hand, large outflows of funds generated by domestic non-banks' external payments curbed the money creation process. While lending to the domestic private sector, which had accelerated in the previous month, slackened again, domestic non-banks further reduced their portfolios of money market fund certificates. In March the money stock M3 exceeded its average level in the fourth quarter of 1996 by 2.7 %, which is equivalent to an annualised rate of 8.3 %, against 9.1 % in February and 11.7 % in January. In March the money stock M3 exceeded the level of the fourth quarter of 1995 by a seasonally adjusted annual rate of 8.1 %, compared with 8.3 % in February and 8.6 % in January.

*Money stock  
M3*

Of the seasonally adjusted components of the money stock, currency in circulation, sight deposits and savings deposits at three months' notice expanded strongly during March. Shorter-term time deposits, by contrast, declined.

*Components of  
the money  
stock*

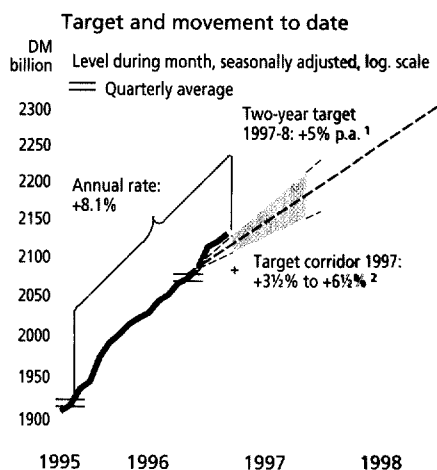
Domestic non-banks reduced their portfolios of money market fund certificates by DM 1.4

*Money market  
funds*

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<sup>1</sup> Currency in circulation and the sight deposits, time deposits for less than four years and savings deposits at three months' notice held by domestic non-banks – other than the Federal Government – at domestic credit institutions.

## Growth of the money stock M3 \*



\* Average of five bank-week return days; end-of-month levels included with a weight of 50%. — + The target corridor has not been shaded until March because M3 is normally subject to major random fluctuations around the turn of the year. — 1 Between the fourth quarter of 1996 and the fourth quarter of 1998. — 2 Between the fourth quarter of 1996 and the fourth quarter of 1997.

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billion net in March, according to provisional data. At the same time, domestic money market funds built up their deposits with domestic banks by DM 0.1 billion and reduced those with the foreign subsidiaries and foreign branches of German credit institutions by DM 0.5 billion.

Domestic non-banks' investments in money market funds are included in the money stock M3 extended,<sup>2</sup> rather than in the money stock M3. Data on that aggregate are available only up to the end of February. During that month the seasonally adjusted money stock M3 extended increased moderately. Over the previous six months (September to February) it had gone up at a seasonally adjusted annual rate of 7%, while the money stock M3 had grown at an annual rate of just

over 7½% over the same period. The pace of growth of these two aggregates has thus converged somewhat again, after the Euro-deposits, which had been reduced last year, increased strongly once more.

Monetary capital formation at credit institutions, which had picked up noticeably in the previous month, slackened markedly in March. The rise in capital market rates over the course of the month and the resulting uncertainty about future interest rate movements seem to have greatly restrained domestic non-banks' propensity to lock in funds at longer term at banks; notably the acquisition of bank bonds carrying a price risk was very sluggish. Altogether, DM 8.0 billion in longer-term funds accrued to credit institutions from domestic sources in March; that is only slightly more than a year before (DM 6.2 billion), when monetary capital formation had been exceptionally weak. In the previous six months monetary capital at banks had grown at a seasonally adjusted annual rate of just under 4½%. Investors' interest focused on long-term time deposits in March; these increased by DM 4.2 billion. The banks received DM 2.2 billion from sales of bank bonds to domestic non-banks. DM 1.2 billion net of bank savings bonds was sold. Savings deposits at over three months' notice, on the other hand, declined by DM 0.7 billion. Credit institutions' capital and reserves increased by DM 1.1 billion.

*Monetary  
capital  
formation*

<sup>2</sup> Money stock M3, domestic non-banks' deposits with the foreign subsidiaries and foreign branches of German banks and the short-term bank bonds and certificates of domestic and foreign money market funds in the hands of domestic non-banks, less the bank deposits and short-term bank bonds of domestic money market funds, calculated as the average of two end-of-month levels.

*Bank lending to  
enterprises and  
individuals*

Bank lending to enterprises and individuals, which had picked up in the previous month, declined again in March, seasonally adjusted. This was mainly due to short-term lending to the private sector, which stagnated in March after a rapid rise in February. By contrast, the pace of expansion of longer-term direct lending tended to accelerate somewhat. Lending against securities to the corporate sector increased strongly (by DM 7.5 billion). Altogether, bank lending to enterprises and individuals expanded by DM 23.2 billion in March, compared with DM 28.5 billion a year before; during the previous six months, it had grown at a seasonally adjusted annual rate of just under 8 ½ %.

*Public sector*

On balance, bank lending to the public sector had a strong expansionary impact on the money creation process in March. Public sector debt to the banks mounted by DM 14.1 billion, compared with DM 4.6 billion a year before. Lending against securities (DM 7.9 billion) accounted for the greater part of this amount. But direct bank lending to the public sector, too, grew fairly vigorously, at DM 6.2 billion, despite the "major tax payment month". The Federal Government increased its deposits in the banking system, which are not counted towards the money stock M3, by DM 0.2 billion:

*Net external  
assets*

Domestic non-banks' current and financial transactions with non-residents generated considerably larger outflows of funds in March than is usual during that month. The net external assets of the banking system, a fall in which reflects such outflows in the statistics, declined by DM 25.7 billion, compared

The money stock and its counterparts \*

DM billion

Item	1997		Com- pare 1996
	Feb.	March	March
I. Bank lending to domestic non-banks, total <sup>1</sup>	+ 33.1	+ 37.4	+ 33.1
1. Lending by the Bundesbank	± 0.0	± 0.0	± 0.0
2. Lending by credit institutions to enterprises and individuals	+ 33.1	+ 37.4	+ 33.1
of which	+ 23.5	+ 23.2	+ 28.5
Short-term lending	+ 4.5	+ 6.7	+ 7.8
to public authorities	+ 9.6	+ 14.1	+ 4.6
II. Net external assets of credit institutions and the Bundesbank	- 10.8	- 25.7	- 10.9
III. Monetary capital formation at credit institutions from domestic sources, total	+ 17.0	+ 8.0	+ 6.2
of which			
Time deposits for four years and more	+ 5.0	+ 4.2	+ 4.2
Savings deposits at over three months' notice	- 2.0	- 0.7	- 2.1
Bank savings bonds	+ 0.3	+ 1.2	- 1.0
Bank bonds outstanding <sup>2</sup>	+ 11.1	+ 2.2	+ 1.1
IV. Deposits of the Federal Government in the banking system <sup>3</sup>	- 0.1	+ 0.2	+ 0.6
V. Other factors	+ 3.4	+ 8.8	+ 16.0
VI. Money stock M3 (Balance: I plus II less III less IV less V)	+ 1.8	- 5.2	- 0.6
Currency in circulation	+ 1.1	+ 2.2	+ 3.2
Sight deposits	- 1.4	- 1.8	- 3.2
Time deposits for less than four years	- 4.8	- 7.4	- 9.5
Savings deposits at three months' notice	+ 6.9	+ 1.8	+ 8.9
Seasonally adjusted Money stock M3 as a monthly average <sup>4</sup>			
Annual change from 4th qtr of 1995 in %	+ 8.3	+ 8.1	.
Annual change from 4th qtr of 1996 in %	+ 9.1	+ 8.3	.
Annual change over the past six months in %	+ 7.7	+ 7.9	+ 9.7
Money stock M3 extended <sup>5</sup>			
Annual change over the past six months in %	+ 6.9	...	+ 6.8

\* The figures for the latest month are provisional. — 1 Including lending against Treasury bills and against securities. — 2 Excluding banks' holdings. — 3 Sight deposits and time deposits for less than four years. — 4 Derived from five bank-week return days (end-of-month levels included with a weight of 50%). — 5 Money stock M3 plus Euro-deposits, short-term bank bonds and money market funds; calculated as the average of two end-of-month levels.

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with DM 10.9 billion a year before. The sharp fall in net external assets in March apparently owed something to sales of German Government bonds by foreign investors to domestic banks. To that extent, the counterpart of the fall in the net external position is not a moderation in the growth of the money stock but an increase in bank lending to the public sector.

## Securities markets

### Bond market

#### *Sales of bonds*

In March domestic borrowers issued bonds to the market value of DM 78.0 billion, compared with DM 81.9 billion in the previous month and DM 56.9 billion in March 1996. Net of redemptions, and after taking due account of changes in issuers' holdings of their own bonds, net sales came to DM 27.6 billion, compared with DM 27.5 billion in February and DM 11.0 billion a year before. On balance, it was mainly longer-term paper (with maturities of over four years) that was sold. Foreign debt securities were sold to the amount of DM 2.8 billion (net) in the domestic market in March; on balance, they consisted exclusively of Deutsche Mark bonds (DM 4.4 billion). Combined sales of domestic and foreign bonds thus came to DM 30.4 billion in the month under review, compared with DM 33.5 billion in February and DM 11.1 billion a year before.

#### *Bank bonds*

In March, credit institutions received the total amount raised from the placement of domestic debt securities (DM 29.3 billion). At DM

11.2 billion and DM 10.5 billion, respectively, communal bonds (*Öffentliche Pfandbriefe*) and other bank debt securities were to the fore. The amount of bonds of specialised credit institutions and of mortgage bonds (*Hypothekendarlehenpfandbriefe*) outstanding in the market increased by DM 6.2 billion and DM 1.4 billion, respectively.

The public sector's bonded debt decreased by DM 1.6 billion in March. The decline in issues of the Länder Governments (by DM 2.6 billion) was accompanied by a slight increase in Federal bonds (by DM 1.4 billion). The Federal Government launched two-year Treasury notes at 3.75% with an issue volume of DM 12 billion. Such notes were sold to the amount of DM 9.8 billion net (nominal value) in the market. The outstanding amount of ten-year Federal bonds declined by DM 2.0 billion in nominal terms. In the case of five-year special Federal bonds and Federal Treasury paper redemptions likewise predominated (amount outstanding – DM 4.7 billion and – DM 1.3 billion, respectively). Other public issuers' indebtedness in the bond market changed only marginally.

*Public sector  
bonds*

In the market for foreign Deutsche Mark bonds issues to the nominal value of DM 12.8 billion were launched in March. After deducting redemptions, net sales came to DM 10.0 billion, compared with 3.2 billion in the previous month and DM 2.4 billion in March 1996. Roughly half was sold to residents and the other half to non-residents.

*Foreign  
Deutsche Mark  
bonds*

It was almost exclusively domestic credit institutions that featured on the buyers' side of

*Purchases  
of bonds*



the German bond market in March. Their bond holdings rose by DM 30.1 billion, more than half of which consisted of domestic bank bonds (DM 16.8 billion). Banks added DM 10.6 billion of German public bonds and DM 2.6 billion of debt securities issued by non-residents to their portfolios. Domestic non-banks' bond purchases virtually dried up in March, with net purchases of DM 0.2 billion. On balance, non-banks bought bonds issued by domestic banks worth DM 2.7 billion, but at the same time sold public paper to the extent of DM 2.5 billion. In March, foreign investors purchased domestic debt securities to the tune of DM 0.1 billion net. This slight change masked sizeable shifts out of public bonds (– DM 9.7 billion) into foreign paper of domestic banks (+ DM 10.1 billion).

### Equity market

#### Share sales

In March, domestic enterprises placed new shares in the German equity market to the market value of DM 2.2 billion, compared with DM 0.7 billion in February and DM 1.0 billion a year before. Foreign equities were sold in the domestic market to the amount of DM 7.7 billion net. The total amount raised in the equity market in March thus came to DM 9.9 billion, compared with DM 10.2 billion in the previous month and DM 6.2 billion in March 1996.

#### Share purchases

In March it was domestic credit institutions that channelled the bulk of funds into the equity market. They purchased equities totalling DM 8.0 billion net, DM 6.5 billion being accounted for by domestic paper. The equity holdings of domestic non-banks rose by DM

### Sales and purchases of bonds

Item	1997		1996
	Feb.	March	March
<b>Sales</b>			
Domestic bonds <sup>1</sup>	27.5	27.6	11.0
of which			
Bank bonds	22.5	29.3	14.7
Public bonds	4.9	– 1.6	– 3.6
Foreign bonds <sup>2</sup>	6.0	2.8	0.1
<b>Purchases</b>			
Residents	24.8	30.3	13.3
Credit institutions <sup>3</sup>	22.0	30.1	14.0
Non-banks <sup>4</sup>	2.8	0.2	– 0.8
of which			
Domestic bonds	5.0	0.0	0.4
Non-residents <sup>2</sup>	8.7	0.1	– 2.1
<b>Total sales or purchases</b>	<b>33.5</b>	<b>30.4</b>	<b>11.1</b>

<sup>1</sup> Net sales at market values plus/less changes in issuers' holdings of own bonds. — <sup>2</sup> Transaction values. — <sup>3</sup> Book values, statistically adjusted. — <sup>4</sup> Residual.

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2.6 billion. Foreign investors, on balance, sold German shares worth DM 0.7 billion.

### Investment funds

In March, the amount raised by domestic investment funds came to DM 10.2 billion, three-quarters of which went to the specialised funds (DM 7.6 billion). DM 4.0 billion and DM 3.0 billion, respectively, accrued to the mixed funds and the bond-based funds among the specialised funds; the share-based funds raised DM 0.7 billion. The funds open to the general public received DM 2.6 billion on balance. The share-based funds obtained DM 2.6 billion, the open-end real estate funds DM 0.7 billion, and the bond-based funds and the mixed funds raised DM 0.1 billion each. The money market funds, by con-

Amount raised

trast, had to buy back certificates totalling DM 0.9 billion (net). Certificates of foreign investment funds were sold in the domestic market to the extent of DM 1.4 billion (net).

*Purchases of investment fund certificates*

On balance, investment fund certificates were exclusively placed in the domestic market in the month under review. Non-banks purchased such securities to the amount of DM 9.1 billion, returning certificates of domestic and foreign money market funds to the extent of DM 1.4 billion. Domestic credit institutions' holdings of investment fund certificates rose by DM 2.7 billion. Foreign investors sold domestic fund certificates totalling DM 0.2 billion net.

## Public finance

### Federal cash trends

The Federal Government's cash position improved slightly in April – for the first time in any month this year. The cash deficit of DM 1¾ billion recorded was DM 1 billion lower than in April 1996. The decisive factor was that cash receipts grew by slightly more than 6% and thus more strongly than so far this year, whereas the rise in cash expenditure was much weaker at 3½%. A special factor was that the Federal Government (as in the corresponding month last year) received its share (DM 7 billion) of the Bundesbank profit provided for in the budget. In accordance with the statutory regulations, the remainder of the profit transfer (DM 1.8 billion) went to the Redemption Fund for Inherited Liabilities to redeem debts arising from reunification. In

### Federal finance on a cash basis \*

DM billion

Item	January-April		April	
	1996	1997 p	1996	1997 p
Cash receipts	166.70	173.16	40.56	43.09
Cash expenditure	189.79	213.89	43.31	44.77
Cash surplus (+) or deficit (-) <sup>1</sup>	-23.10	-40.74	-2.75	-1.68
Financing				
1. Change in cash resources <sup>2</sup>	-3.33	-2.59	-1.83	+2.94
2. Change in money market debt	+0.87	+0.90	-0.33	-11.54
3. Change in capital market debt, total	+18.90	+37.23	+1.24	+16.16
a) Treasury discount paper	-	+0.44	-	+0.19
b) Treasury financing paper	+0.70	-1.48	+0.06	-0.03
c) Federal Treasury notes	-6.10	+9.63	+0.04	+1.85
d) Special Federal bonds	-16.33	+6.40	-7.31	+3.17
e) Federal savings bonds	+9.22	+2.89	+2.69	+0.96
f) Debt securities	+35.23	+26.44	+7.97	+10.03
g) Bank advances	-3.36	-5.43	-1.60	-
h) Loans from social security funds	-	-	-	-
i) Loans from other non-banks	-0.46	-1.66	-0.60	-
j) Other debt	-0.00	-0.00	-0.00	-
4. Seigniorage	0.01	0.03	0.00	0.00
5. Total (1 less 2 less 3 less 4)	-23.10	-40.74	-2.75	-1.68
Memo items				
Increase or decrease from the previous year in %				
Cash receipts	+5.7	+3.8	+9.6	+6.2
Cash expenditure	+15.3	+12.7	+23.6	+3.4

\* The transactions recorded here as cash receipts and cash expenditure comprise payments into and out of the accounts carried by the Bundesbank for the Federal Government. The cash receipts and cash expenditure differ from those shown in the official financial statistics primarily because these transactions are recorded not at the time they are entered in the budgetary accounts but at the time of the actual inflow or outflow, and because transactions on behalf of the European Communities (which are not entered in the Federal budget) are conducted through the accounts of the Federal Government. — 1 Including special transactions. — 2 Deposits at the Bundesbank and in the money market.

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*January to April* the first four months, taken together, the cash deficit was DM 40¾ billion compared with DM 23 billion in the same period last year. However, it should always be borne in mind that the figures of the cash statistics may deviate considerably from those of the government receipts and expenditure.

### Public sector borrowing

*March* In March – a month with a major tax payment date – the central, regional and local authorities drew on the credit markets only to a small extent. All in all, debt rose by only DM ½ billion. However, the banks took over fairly substantial holdings of public sector debts from other creditor groups. Developments were rather mixed at the different levels of government. The Federal Government obtained DM 2¾ billion net, just over DM 1 billion of which came from short-term bridging loans in the money market. Furthermore, the amount of Federal Treasury notes outstanding rose very sharply owing to a new issue, whereas especially five-year special Federal bonds and debt securities were redeemed on balance. The debt of the Länder fell by DM 5¼ billion, with the redemption of short-term cash advances from banks accounting for the largest proportion of the decline. On balance, the local authorities did not draw on the credit markets. Of the special funds, the Redemption Fund for Inherited Liabilities borrowed just over DM 4 billion net, mostly in the form of short-term loans against borrowers' notes. The debt of this subsidiary budget is characterised by sharp monthly fluctuations; for the year as a whole, a redemption of debt is to be expected on bal-

### Net borrowing in the market

Borrower	1996		1997
	Total pe	of which Jan.-March	Jan.-March pe
Federal Government	+ 83.0	+ 18.9	+ 33.5
Länder Government	+ 46.7	- 0.3	+ 2.5
Local authorities <sup>1</sup> , pe	+ 8.0	+ 2.6	+ 1.6
ERP Special Fund	- 0.1	- 0.1	- 0.3
"German Unity" Fund	- 3.6	- 1.0	- 0.8
Federal Railways Fund	- 0.6	- 1.4	+ 0.3
Redemption Fund for Inherited Liabilities	- 10.1	- 1.4	- 2.9
Equalisation Fund for Safeguarding the Use of Coal	+ 0.9	+ 0.5	+ 0.1
Central, regional and local authorities, total	+ 124.2	+ 17.8	+ 33.9

<sup>1</sup> Including special-purpose associations.

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ance. Redemptions predominated in the case of the other subsidiary budgets. Owing to their extensive borrowing in the past few months, the central, regional and local authorities raised their debt by DM 34 billion in the first quarter of the year.

*April* In April gross borrowing by the Federal Government amounted to DM 26½ billion. The issue of a ten-year bond, which raised DM 10½ billion, and a *Bubill* tender worth just over DM 8½ billion accounted for the bulk of this. Sales of five-year special Federal bonds and Federal Treasury notes were also very buoyant. After the deduction of redemptions, net borrowing in the capital market came to DM 16 billion, sharply exceeding the cash deficit which has to be financed. As a result, the Federal Government was able to reduce

its money market loans by DM 11½ billion and raise its money market investment by DM 3 billion.

## Economic conditions

### Manufacturing

Demand for the products of the manufacturing sector rose perceptibly in March. Taking the first two months of this year and March together and after adjustment for seasonal and working-day variations, it exceeded the average level of the last quarter of 1996 by almost 1½% at constant prices. Compared with the same period last year, orders received by the manufacturing sector increased by 5%. The expansion in orders received by the intermediate goods industry was distinctly larger, whereas the producers of capital goods and consumer goods registered below-average growth rates.

The main stimuli were still provided by the orders from foreign customers. In seasonally adjusted terms, their orders in the first quarter exceeded the level of autumn 1996 by 5%, and the increase over the year was 11½%. Demand for capital goods, in particular, which had slackened somewhat towards the end of 1996, increased sharply again. By contrast, orders from the home market remained weak not only in this sector; the intermediate goods industry likewise received no more orders than before. Total domestic demand in the corresponding period of the previous year was exceeded by only 1% in price-adjusted terms.

In line with demand, manufacturing output picked up noticeably in the first three months of 1997. In seasonally adjusted terms, it was nearly 2½% higher than in the autumn of last year. Compared with the first quarter of 1996, there was an increase of just over 2½%, taking account of the different number of working days. According to the surveys of the ifo institute, utilisation of productive capacity rose markedly.

### Construction

The orders received by the construction sector increased distinctly, seasonally adjusted, in February (more recent data are not yet available). In January and February taken together, their volume was nevertheless just over ½% lower than in the fourth quarter of 1996, when ordering had already been weak. Orders undershot the corresponding figure in the previous year by 6½%. With the exception of industrial construction, which benefited from a large-scale order, demand continued to decline both in residential and in public construction.

After allowing for the usual seasonal fluctuations, construction output in March expanded again. On an average from January to March, however, it was still distinctly lower than in the autumn of last year when it had expanded sharply at times – not least in anticipation of the cuts in tax concessions from 1997. Nevertheless, the 1996 first-quarter figure was exceeded by almost one-tenth in the first three months of 1997; however, this was due to the long and cold winter in 1996,

*Output*

*New orders*

*Output*

*New orders*

*Foreign demand*

*Domestic demand*

which had impaired construction activity considerably.

### Labour market

*Employment* Employment fell to 34.0 million persons, seasonally adjusted, in February. Compared with the preceding year, this was a decline of 530,000, or 1.6 %, in the number of employed.

*Unemployment* Unemployment, which had decreased slightly in the previous months, rose somewhat in April, after allowing for the usual seasonal fluctuations. At a seasonally adjusted 4.30 million, the average level of the first quarter was exceeded slightly, and compared with April 1996 there was a rise of 380,000. The unemployment rate remained at 11.2 %, seasonally adjusted. In the old Länder it came to 9.8 % and in eastern Germany to 17.1 %.

### Prices

*Import prices* Although seasonally adjusted import prices rose again somewhat in March compared with February and exceeded the March 1996 level by 2.7 %, the price level in Germany has so far remained largely unaffected by this upward thrust of prices. In March industrial sales prices on the domestic market remained at the level of the two preceding months, seasonally adjusted; the year-on-year rate of increase came to 0.7 %, as in January.

*Producer prices* According to initial reports from four west German Länder, seasonally adjusted consumer prices likewise seem to have remained largely stable in April. The change over 12 months may therefore have been below the March rate of 1.5 %.

### Economic conditions in Germany \*

Seasonally adjusted

New orders (volume); 1991 = 100				
Manufacturing 1				
	Total	of which		Construction
		Domestic	Foreign	
1996 3rd qtr	98.1	90.4	113.5	109.1
4th qtr	97.7	90.0	113.0	102.4
1997 1st qtr	99.0	89.3	118.5	...
1996 Dec.	96.2	89.0	110.6	102.2
1997 Jan.	98.8	88.4	119.7	94.5
Feb.	98.6	89.4	116.8	108.9
March	99.7	90.0	119.1	...
Output; 1991 = 100				
Manufacturing				
	Total	of which		Construction
		Intermediate goods industry 2	Capital goods industry	
1996 3rd qtr	97.3	101.0	95.9	116.6
4th qtr	97.0	101.0	96.2	118.2
1997 1st qtr	99.2	103.0	98.2	105.8
1996 Dec.	97.3	101.5	96.4	123.1
1997 Jan.	98.3	100.9	99.5	93.8
Feb.	99.5	104.0	98.9	110.3
March	99.7	104.1	96.2	113.4
Labour market				
	Em- ployed 3	Vacancies	Unem- ployed	Unem- ployment rate in % 4
	Number in thousands			
1996 3rd qtr	34,458	327	3,959	10.3
4th qtr	34,279	325	4,090	10.7
1997 1st qtr	...	326	4,288	11.2
1996 Dec.	34,214	324	4,165	10.9
1997 Jan.	34,066	318	4,319	11.3
Feb.	33,994	329	4,316	11.3
March	...	338	4,291	11.2
April	...	327	4,299	11.2
Prices; 1991 = 100				
	Import prices	Producer prices of industrial products 5	Overall construc- tion price level 6	Con- sumer price index 7
1996 3rd qtr	97.4	103.5	114.9	116.8
4th qtr	98.7	103.8	114.9	117.2
1997 1st qtr	100.2	104.1	114.8	117.8
1996 Dec.	99.3	103.9	.	117.3
1997 Jan.	99.8	104.1	.	117.8
Feb.	100.2	104.1	.	117.8
March	100.5	104.1	.	117.7

\* Data in many cases provisional. — 1 Excluding food and drink industry, tobacco products. — 2 Excluding energy supply and excluding mining and quarrying. — 3 Work-place concept. — 4 In terms of the total labour force. — 5 Domestic sales. — 6 Calculated by the Bundesbank; mid-quarter level. — 7 All households.

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## Balance of payments

Current  
account

Germany's current account – the combined outcome of foreign trade, services, factor income and current transfers to non-residents – ran a deficit of DM 1.4 billion in February, compared with one of DM 9.7 billion in January. Even after adjustment for seasonal variations the deficit was considerably lower in the month under review than in the previous month. The improvement was not only attributable to the rise in the export surplus but also to the decline in Germany's traditional deficits in the area of unrequited transfer payments.

Foreign trade

The foreign trade surplus increased from DM 5.6 billion in January to DM 9.2 billion in February of this year. This was mainly due to a sharp upturn in exports which, in terms of value, exceeded their level in the corresponding period last year by 7.8%. After seasonal adjustment, however, exports went up by just under 5½% against January, when German export figures had been comparatively low. If the figures are compared on a two-month basis, exports in January-February 1997 rose by about ½% over November-December 1996. In February nominal imports exceeded their value in the corresponding period last year by 7.6%; after the elimination of seasonal influences, however, they remained unchanged against January.

Invisibles

Invisible current transactions with non-residents in March, for which figures are already available, ran a total deficit of DM 7.1 billion, compared with DM 10.5 billion in February. This was largely a result of the positive trend in the balance on factor income, which

## Major items of the balance of payments

DM billion

Item	1996 1		1997 1	
	Feb.	Feb. r	Feb. r	Mar. p
<b>I. Current account</b>				
1. Foreign trade 2				
Exports (f.o.b.)	62.9	67.8	...	...
Imports (c.i.f.)	54.5	58.6	...	...
Balance	+ 8.4	+ 9.2	...	...
Memo item				
Seasonally adjusted figures				
Exports (f.o.b.)	63.2	70.7	...	...
Imports (c.i.f.)	54.5	60.7	...	...
2. Supplementary trade items 3	- 0.1	- 0.1	...	...
3. Services				
Receipts	11.3	10.8	10.8	10.8
Expenditure	13.7	14.9	14.5	14.5
Balance	- 2.4	- 4.1	- 3.7	- 3.7
4. Factor income (net)	- 0.9	- 1.2	+ 0.8	+ 0.8
5. Current transfers				
from non-residents	1.8	2.2	1.4	1.4
to non-residents	6.2	7.4	5.6	5.6
Balance	- 4.4	- 5.2	- 4.2	- 4.2
Balance on current account	+ 0.6	- 1.4	...	...
<b>II. Capital transfers</b>				
from non-residents	0.0	0.1	0.1	0.1
to non-residents	0.6	0.5	0.1	0.1
Balance	- 0.6	- 0.4	+ 0.0	+ 0.0
<b>III. Financial account</b>				
(net capital exports: -)				
Direct investment	- 3.4	- 2.2	- 4.1	- 4.1
German investment abroad	- 3.1	- 2.9	- 3.6	- 3.6
Foreign investment in Germany	- 0.3	+ 0.7	- 0.6	- 0.6
Portfolio investment 4	+ 2.3	- 7.1	- 11.6	- 11.6
German investment abroad	- 9.1	- 16.9	- 10.4	- 10.4
Foreign investment in Germany	+ 11.4	+ 9.9	- 1.3	- 1.3
Credit transactions 4	- 2.1	+ 15.3	+ 17.4	+ 17.4
Credit institutions	- 4.9	+ 16.0	+ 20.3	+ 20.3
Long-term	+ 6.2	+ 4.1	+ 3.0	+ 3.0
Short-term	- 11.2	+ 11.9	+ 17.3	+ 17.3
Enterprises and individuals	+ 4.9	+ 2.3	- 1.9	- 1.9
Long-term	- 0.1	- 0.3	- 0.2	- 0.2
Short-term 5	+ 5.0	+ 2.6	- 1.7	- 1.7
Public authorities	- 2.1	- 3.1	- 1.0	- 1.0
Long-term	- 1.2	- 3.0	- 1.0	- 1.0
Short-term	- 0.9	- 0.1	- 0.1	- 0.1
Other investment	- 0.1	- 0.2	- 0.2	- 0.2
Overall balance on financial account	- 3.3	+ 5.8	+ 1.4	+ 1.4
<b>IV. Balance of unclassifiable transactions</b>	+ 3.1	- 5.3	...	...
<b>V. Change in the Bundesbank's net external assets at transaction values (increase: +) 6</b>				
(I plus II plus III plus IV)	- 0.1	- 1.2	- 0.2	- 0.2

1 Figures subject to major uncertainty owing to changes in the method of data collection in foreign trade. — 2 Special trade according to the official foreign trade statistics. — 3 Mainly warehouse transactions for account of residents and deduction of goods returned. — 4 Excluding direct investment. — 5 Excluding the changes in financial operations with foreign non-banks and in the trade credits for March 1997 which are not yet known. — 6 Excluding allocation of SDRs and changes due to value adjustments.

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showed a surplus of DM 0.8 billion in March, compared with a deficit of DM 1.2 billion a month earlier. The deficit on services declined from DM 4.1 billion in February to DM 3.7 billion in the month under review. Current net transfers to non-residents were likewise lower in March (DM 4.2 billion, compared with DM 5.2 billion in February).

*Financial  
transactions*

Net outflows arising from portfolio transactions with non-residents increased from DM 7.1 billion in February to DM 11.6 billion in March. This was primarily due to the fact that non-residents' investment operations resulted in net sales of domestic securities of DM 1.3 billion, compared with net purchases of DM 9.9 billion in February. Although foreign investors were still interested in bank bonds (mainly those denominated in foreign currency), they increasingly sold public bonds,

shares and investment fund certificates. Capital exports arising from German investors' acquisition of foreign securities were lower in March than they had been a month before (DM 10.4 billion net, against DM 16.9 billion in February). Residents' interest focused on foreign shares, but they also bought foreign Deutsche Mark bonds. In addition, there were net exports of DM 4.1 billion by way of direct investment in March (February: DM 2.2 billion). Credit transactions by non-banks likewise resulted in outflows of funds (DM 2.9 billion net) in March, while the banks' net external assets declined by DM 20.3 billion.

The net external assets of the Bundesbank – at transaction values – decreased by DM 1.2 billion in February and by a further DM 0.2 billion in March.

*Net external  
position of the  
Bundesbank*





## Overall financial flows in 1996

In the course of the past year the German economy experienced an upswing which again was fuelled mainly by exports but which did not embrace domestic demand. The overall financial flows were characterised chiefly by the persistent weakness of corporate capital formation. That investment restraint was compounded by the fact that, following the exceptionally buoyant level of new building in the preceding years, housing construction returned to a more normal momentum and the capital formation of the government sector was even more muted than in 1995. The decline at all levels in the acquisition of fixed assets led to a correspondingly lower need for financial resources. On the other hand, the government deficit grew further. The budget gap once again far exceeded the supply of funds available from the other sectors of the national economy. In the six years since German unification the government has been able to cover only about three-quarters of its financing requirements on average from domestic sources, with foreign lenders supplying the remainder.

### Domestic acquisition of fixed assets

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In 1996 the aggregate acquisition of fixed assets throughout the German economy reached a total of DM 296 billion; this meant that gross capital formation, after deduction of the consumption of fixed capital, was

*Fall in the  
overall ratio  
of capital  
formation*

roughly one-tenth lower than in 1995. The combined share of private and government net capital formation in the disposable income of all domestic sectors likewise declined perceptibly to slightly less than 10%; in the two preceding years the ratio of capital formation had been around 11%.

The hesitant propensity to invest and low level of investment of producing enterprises was motivated both by short-term cyclical considerations and by longer-term factors. One of the cyclical influences that made themselves felt was presumably the fact that the economic recovery was concentrated on firms active in export business, whereas those enterprises which are more heavily focused on the domestic market hardly benefited at all. It is also possible that the poorer profitability expectations, which had come about in 1995 as a result of the sharp appreciation of the Deutsche Mark in conjunction with high pay rises, have persisted last year. These short-term causes were reinforced by structural weaknesses in the medium-term underlying conditions for corporate capital formation, especially the heavy burden of taxes and social security contributions which enterprises have to bear and the high labour cost, in particular the substantial non-wage labour cost. Total net capital formation by producing enterprises in new tangible fixed assets in 1996 came to only about three-quarters of the previous year's level. This decline principally affected west German enterprises. But in eastern Germany, too, the process of constructing a modern capital stock lost much of its momentum. Nevertheless, according to the ifo institute, east German industry

invested more than twice as much per employee as its west German counterpart.

Despite the decrease in the acquisition of fixed assets by the housing industry, its capital formation ratio, at almost 5% of total disposable income, remained fairly high. In the old Länder, it had already become evident by the end of 1994 that the housing construction boom, which had persisted for many years, and which was primarily associated with the sizeable waves of immigration at the end of the eighties and the start of the nineties, was nearing its end. The fall-off in building work mainly affected apartment house construction in response to the partial supply overhangs of privately financed rented dwellings, whereas the private construction of owner-occupied houses tended to support construction activity. In the east German housing industry, which benefits substantially from the special depreciation facilities allowed under the Promotional Area Act, the demand for construction work rose further last year – albeit far less robustly than before – encouraged not least by the curtailment at the beginning of 1997 of the tax allowances designed to promote housing construction, which generated a fairly strong impulsion to complete buildings by the end of 1996.

Housing construction investment per inhabitant increased fourfold in the new Länder between 1991 and 1996 measured at current prices; after allowing for the concurrent rise in construction prices, this amounted to a trebling, whereas corresponding housing investment in western Germany virtually stagnated in real terms over the same period. As

*Housing construction work back to normal*

*Housing construction in eastern Germany*

*Investment restraint on the part of producing enterprises*

## Overall asset acquisition, saving and financial balances

DM billion						
Item	1991	1992	1993	1994	1995	1996
<b>Asset acquisition</b>						
Acquisition of fixed assets <sup>1</sup>	307.0	311.3	257.1	309.9	325.4	295.8
Enterprises	251.9	245.9	193.6	244.8	264.3	240.7
Producing enterprises	154.5	124.6	56.8	84.0	98.6	73.5
Housing	88.0	108.0	118.4	145.9	153.8	149.4
Financial institutions	9.4	13.3	18.4	15.0	11.9	17.9
Government	55.1	65.4	63.5	65.1	61.1	55.1
Net lending to the rest of the world <sup>2</sup>	- 34.5	- 30.8	- 24.1	- 43.9	- 38.7	- 30.0
<b>Total</b>	<b>272.6</b>	<b>280.5</b>	<b>233.1</b>	<b>266.1</b>	<b>286.7</b>	<b>265.8</b>
<b>Memo item</b>						
Acquisition of fixed assets in % <sup>3</sup>	12.5	11.8	9.6	11.0	11.1	9.9
<b>Saving <sup>4</sup></b>						
Households	213.7	233.7	220.3	213.1	222.3	233.1
Enterprises	98.6	68.2	58.9	68.4	120.3	111.6
Producing enterprises <sup>5</sup>	30.9	11.1	20.0	15.7	54.8	43.8
Housing <sup>5</sup>	28.4	22.9	3.6	7.9	13.8	11.4
Financial institutions	39.3	34.3	35.4	44.9	51.7	56.5
Government <sup>5</sup>	- 39.7	- 21.4	- 46.1	- 15.4	- 55.9	- 78.9
<b>Total</b>	<b>272.6</b>	<b>280.5</b>	<b>233.1</b>	<b>266.1</b>	<b>286.7</b>	<b>265.8</b>
<b>Memo item</b>						
Saving in % <sup>3</sup>	11.1	10.6	8.7	9.4	9.8	8.9
<b>Financial balances</b>						
Households	213.7	233.7	220.3	213.1	222.3	233.1
Enterprises	- 153.4	- 177.7	- 134.7	- 176.4	- 144.0	- 129.1
Producing enterprises <sup>5</sup>	- 123.6	- 113.5	- 36.8	- 68.3	- 43.8	- 29.7
Housing <sup>5</sup>	- 59.7	- 85.2	- 114.8	- 138.0	- 140.0	- 138.0
Financial institutions	30.0	21.0	17.0	29.9	39.8	38.6
Government <sup>5</sup>	- 94.8	- 86.8	- 109.7	- 80.6	- 117.0	- 134.0
<b>Total <sup>6</sup></b>	<b>- 34.5</b>	<b>- 30.8</b>	<b>- 24.1</b>	<b>- 43.9</b>	<b>- 38.7</b>	<b>- 30.0</b>
<b>Memo item</b>						
Financial balances in % <sup>3</sup>						
Households	8.7	8.8	8.2	7.6	7.6	7.8
Enterprises	- 6.2	- 6.7	- 5.0	- 6.3	- 4.9	- 4.3
Producing enterprises <sup>5</sup>	- 5.0	- 4.3	- 1.4	- 2.4	- 1.5	- 1.0
Housing <sup>5</sup>	- 2.4	- 3.2	- 4.3	- 4.9	- 4.8	- 4.6
Financial institutions	1.2	0.8	0.6	1.1	1.4	1.3
Government <sup>5</sup>	- 3.9	- 3.3	- 4.1	- 2.9	- 4.0	- 4.5
<b>Total <sup>6</sup></b>	<b>- 1.4</b>	<b>- 1.2</b>	<b>- 0.9</b>	<b>- 1.6</b>	<b>- 1.3</b>	<b>- 1.0</b>

Sources: Official national accounts and Bundesbank estimates. — 1 Net acquisition of tangible fixed assets and stocks. — 2 Corresponds to the difference between saving and the acquisition of fixed assets in Germany. — 3 As % of total disposable income. — 4 Including capital transfers. — 5 In 1991 including partial remission of the Federal Railways' debt by the Federal Government amounting to DM

12.6 billion; in 1995 after eliminating the assumption of the Treuhand agency's debt and part of the old debt of east German housing enterprises by the Redemption Fund for Inherited Liabilities amounting to around DM 205 billion and DM 30 billion, respectively. — 6 Corresponds to net lending to the rest of the world.

a result of this diverse allocation of resources, nominal housing construction investment in the eastern part of Germany in 1996, at DM 4,260 per inhabitant, was almost half as high again as in the western part, above all owing to the massive outlay on renovating and modernising the partly dilapidated housing stock in eastern Germany.

The fact that the construction industry became a weak point of overall economic development last year was related not least to the investment behaviour of the public sector. At all levels of government, but particularly at the level of the local authorities (the principal source of government capital formation), the sorely needed fiscal consolidation measures focused not on consumption spending – as would have been macroeconomically appropriate – but on capital formation projects. Net capital formation by the government sector last year was around one-tenth lower than in 1995; its share in the disposable income of all domestic sectors was consequently one-fifth below the average during the previous years.

### Overall supply of savings

The overall supply of savings likewise fell in 1996, although not as much as the acquisition of fixed assets. Private saving was once again a mainstay of domestic saving activity; for the second year in succession its share in saving from households' disposable income remained virtually unchanged at 12½%. However, this constant saving ratio masks contradictory influences on private saving behaviour which probably stem predom-

inantly from shifts in the weights of individual components of disposable income. Thus last year the weight of "mass income" (i.e. net wages and salaries plus government current transfers), out of which comparatively little is saved, contracted further, whereas that of the other components, chiefly entrepreneurial income and property income (which facilitate a higher saving ratio), expanded correspondingly. In 1996 the saving effects resulting from the disparate income trends appear to have roughly cancelled each other out. However, private saving from current income is not identical to the contribution made by households to the overall supply of funds. The latter is merely that portion of households' saving which remains after deducting own funds for private expenditure on tangible fixed assets. Defined in this way, households' financial surplus in 1996, at DM 233 billion, was some 5% higher than in 1995.

By contrast, the amount of profits (including investment grants received) ploughed back by producing enterprises was smaller (at least according to the currently available figures), even though operating profits improved somewhat further overall in 1996 – albeit differentiated, *inter alia*, according to the degree of orientation towards export activity. Distributions made to shareholders by incorporated enterprises apparently likewise increased sharply last year thanks to a more generous dividend policy. In addition, self-employed persons and members of the professions probably withdrew larger amounts of funds from their enterprises. Past experience suggests that a major part of such funds is

*Smaller amount  
of profits  
ploughed back  
by enterprises*

*Renewed  
curbing of  
government  
capital forma-  
tion*

*Stable private  
saving ratio*

used for private pension provisions, for which tax-favoured investment vehicles are quite often chosen.

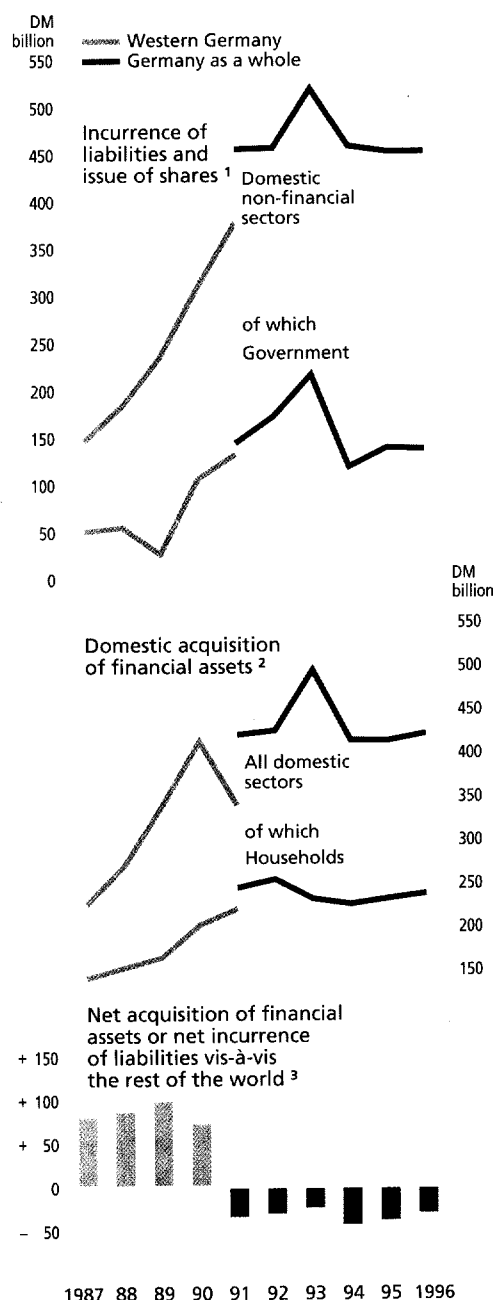
*Own funds of the housing sector*

The level of own funds in the housing sector probably likewise showed a declining trend. That may appear surprising as the shifts in the financing structures associated with the lower level of new construction of rented dwellings would normally tend to result in a higher self-financing ratio and hence a greater portion of own funds. However, this tendency was broken last year, presumably because individuals again invested heavily in east German real estate so as to take advantage of the more favourable depreciation rates that applied up to the end of 1996 under the Promotional Area Act. Although such buildings are purchased as a rule by investors in the higher income brackets, they are traditionally financed to a fairly considerable extent by borrowing, with the anticipated tax refunds being used subsequently to top up the required amount of equity.

*Higher deficit of the government sector*

Although parts of the government sector showed perceptible restraint in their expenditure policy in 1996, that was not enough to prevent a further rise in the public sector deficits, to which not least unexpected revenue shortfalls also contributed. The Federal Government, in particular, was confronted with higher shortfalls on current account (including capital transfers). The government's larger negative contribution to saving lowered total saving in 1996 to DM 266 billion; this represented a share in total income of not quite 9%. Consequently, domestic saving was once again unable to fully cover the ac-

**Overall financial flows**



<sup>1</sup> Borrowing by households, non-financial enterprises and the government. — <sup>2</sup> Acquisition of financial assets by households, non-financial enterprises and the government; including the financial surplus of financial institutions and the balancing item of the balance of payments recorded as a counterentry in the financial account of enterprises — <sup>3</sup> Corresponds to the financial balance vis-à-vis the rest of the world.

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quisition of fixed assets, although the shortfall of DM 30 billion was somewhat smaller than in 1995.

### Financial balances of the sectors

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*Enterprises' external financing requirements*

However, it should be noted that the narrowing of the overall financing gap was largely attributable to the low level of capital formation. This was mirrored, *inter alia*, in the fact that the corporate sector's net external financing requirements were quite small; the financing deficit of producing enterprises as a percentage of overall income came to only 1% in 1996. As a result, it is likely that the balance sheet ratios and the financial soundness of enterprises improved overall last year.

*Government deficit*

By contrast, the government budget deficit (as defined in the national accounts) rose substantially in 1996 to DM 134 billion. Private saving was therefore channelled increasingly to public authorities and hence no doubt predominantly into consumption, whereas enterprises drew less on households' savings on account of their lower expenditure on tangible fixed assets. Although this combination of circumstances facilitated the funding of the government deficits last year, it runs counter to the objective of reducing the high level of unemployment. For that purpose, the share of corporate capital formation in overall income needs to be far higher – on a permanent basis; the appropriate underlying conditions and the necessary financial leeway for that must be created, in particular, through charting a suitable economic and fiscal policy course.

The government's heavy direct recourse to the supply of savings is compounded by the fact that in recent years the ability of households to save has been adversely affected by the growing burden of taxes and social security contributions; in other words, domestic saving has been reduced. At almost 8% of the disposable income of all domestic sectors, the financial surplus of households in Germany is still relatively high – compared, say, with the Anglo-Saxon countries; but it has fallen since the beginning of the nineties, when the overall taxes and social security ratio began to rise again. On average over the past two years, these burdens (to the extent that they are allocated direct to households in the national accounts) amounted to 22½% of households' gross income, compared with 20% in 1990. The private saving ratio and hence households' overall financial contribution have declined on the same scale since then.

*Supply of private savings*

### Basic tendencies of the overall financial flows

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Last year it again became clearly apparent that the trend in and level of interest rates have a major bearing on the financial flows. In view of the lower interest rates, the maturity preferences of borrowers and investors diverged sharply, and greater maturity transformation demands were made on financial institutions. On the borrowers' side, enterprises and households raised a much smaller volume of short-term funds in 1996, whereas the government sector resorted more extensively to such financial resources, primarily in

*Different maturity preferences*

## Financial assets and liabilities \* of domestic non-financial sectors

DM billion

Item	End-of-year-level				Changes	
	1970 1	1980 1	1990	1996 e	1995	1996
<b>Financial assets</b>						
Longer-term						
with banks 2	187.1	439.1	707.3	780.9	33.8	- 8.0
with other institutional investors in the securities market 3	110.4	325.7	695.1	1,092.2	71.0	82.5
other investments 4	209.5	454.5	1,323.6	2,501.5	107.9	33.6
other investments 4	82.4	230.3	529.9	666.3	11.6	43.3
Subtotal	589.4	1,449.7	3,255.9	5,041.0	224.4	151.4
Short-term						
with banks 2	315.5	805.0	1,651.1	2,492.2	80.6	173.4
other investments 5	69.4	211.9	490.9	684.7	33.2	63.3
Subtotal	384.9	1,017.0	2,142.1	3,176.8	113.7	236.7
<b>Grand total</b>	<b>974.3</b>	<b>2,466.6</b>	<b>5,397.9</b>	<b>8,217.8</b>	<b>338.1</b>	<b>388.1</b>
of which						
Households	524.3	1,483.5	3,185.1	4,955.0	235.5	241.2
Enterprises 4, 6	250.8	661.9	1,610.8	2,670.0	108.1	140.7
Government	199.2	321.2	602.1	592.8	- 5.5	6.3
Memo item						
Financial assets as % of GDP	144.2	167.0	202.2	234.3	9.8	11.1
<b>Liabilities and shares outstanding</b>						
Longer-term						
to banks 2	397.8	1,197.9	2,252.4	3,687.5	279.2	262.6
to other institutional investors in the securities market 7	83.2	236.1	358.7	465.6	14.5	10.4
to other lenders 4	196.5	371.4	1,123.8	2,502.3	68.3	73.2
to other lenders 4	79.9	219.7	488.1	559.6	- 2.0	16.5
Subtotal	757.4	2,025.1	4,222.9	7,215.1	360.0	362.7
Short-term						
to banks 2	136.9	335.2	617.1	817.5	75.3	42.2
to other lenders 5	46.7	110.8	217.2	300.7	2.2	50.7
Subtotal	183.6	446.0	834.3	1,118.2	77.6	92.9
<b>Grand total</b>	<b>941.0</b>	<b>2,471.1</b>	<b>5,057.2</b>	<b>8,333.2</b>	<b>437.6</b>	<b>455.5</b>
of which						
Households	32.5	143.2	274.3	387.6	13.2	8.1
Enterprises 4, 6	786.5	1,869.9	3,678.8	5,648.9	312.9	307.2
Government 4	122.0	458.0	1,104.1	2,296.7	111.5	140.2
Memo item						
Liabilities as % of GDP	139.3	167.3	189.4	237.6	12.7	13.0

\* Including shares outstanding. — 1 Western Germany. — 2 In Germany and abroad. — 3 Stocks of bonds, investment fund certificates and shares. — 4 The changes in 1995 are shown after the elimination of transactions associated with the assumption of the Treuhand agency's debt and

part of the old debt of east German housing enterprises by the Redemption Fund for Inherited Liabilities. — 5 Including money market paper. — 6 Including housing. — 7 Liabilities arising from bonds and shares outstanding.

the money market. Consequently, the total amount of short-term liabilities incurred was actually a little higher than before. Nevertheless, the demand for longer-term funding, particularly from banks, remained relatively high in 1996, at DM 362 billion; this amount corresponded to almost four-fifths of all additional external resources. On the investors' side, by contrast, only one-third of the financial resources was locked in for longer periods, whereas short maturities were chosen for two-thirds. This trend basically reflects the investment behaviour of households and enterprises.

Despite these tendencies towards greater liquidity in the economy, the maturity structure of domestic financial assets changed only little in 1996. At the end of last year households, enterprises and public authorities held financial assets amounting to around DM 8,220 billion, of which roughly 40% were of a short-term nature. Of the liabilities, which totalled DM 8,330 billion, short-term commitments had a much lower weight of 14%.<sup>1</sup> The weight of short-term commitments has declined significantly on both sides of the balance sheet for quite some time. The difference in the maturity patterns also shows that changes in interest rates are reflected as a rule much more promptly in financial assets than in liabilities – with corresponding consequences for the net interest received or paid by the individual sectors.

### Financing pattern of producing enterprises

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Even in gross terms, i.e. prior to deducting the consumption of fixed capital, enterprises (excluding financial institutions and excluding housing) reduced their expenditure on tangible fixed assets and stocks in 1996 compared with the previous year by 4½% to DM 392 billion. A noticeable symptom of the investment weakness can be seen, on the one hand, in the curbing, in particular, of spending on industrial and commercial buildings, a type of capital formation which is normally more closely associated with capacity extensions than are other forms of investment. On the other hand, more was spent on machinery and equipment than in the previous year, not least presumably under the pressure of rationalisation. Enterprises likewise displayed a cautious attitude towards stockpiling, which may have been prompted in part by the fall in the prices of important raw materials in the course of last year.

*Gross capital formation*

This lacklustre capital formation by the corporate sector cannot be attributed to any shortage of funds available for investment purposes. This can be deduced alone from the fact that expenditure on tangible fixed assets contracted overall to a greater extent

*Internal resources*

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<sup>1</sup> The comparatively small share of short-term financing is, however, partly a consequence of the consolidated recording of assets and liabilities in the financial flows and financial assets and liabilities accounts. They focus on the credit operations between the different economic sectors, whereas borrowing and lending within the sectors are ignored. This leads above all to a neglecting of the financial operations between domestic enterprises which – owing to the mutual trade debtors and trade creditors on which they are principally based – are primarily short-term.



## Producing enterprises' asset acquisition and its financing

DM billion

Item	1991	1992	1993	1994	1995	1996
<b>Asset acquisition</b>						
Gross capital formation	409.2	402.0	350.8	386.1	409.8	391.6
Tangible fixed assets	396.4	405.5	362.4	369.8	382.1	374.6
Stocks	12.8	- 3.5	- 11.6	16.4	27.7	17.0
Acquisition of financial assets	128.9	133.1	164.6	124.1	117.3	136.5
Funds placed with banks <sup>1</sup>	49.7	104.0	98.4	- 16.9	41.5	75.2
Short-term	48.8	106.1	104.1	- 12.6	30.8	68.5
Longer-term	0.9	- 2.1	- 5.7	- 4.3	10.7	6.7
Acquisition of bonds <sup>2</sup>	29.5	22.4	8.6	70.9	6.6	- 19.2
Acquisition of shares <sup>3</sup>	38.3	31.9	38.4	29.6	45.0	25.1
Other claims	11.5	- 25.2	19.3	40.4	24.1	55.3
on residents <sup>4, 5</sup>	1.4	3.5	8.5	9.3	- 1.1	6.6
on non-residents	10.1	- 28.7	10.8	31.1	25.2	48.7
<b>Total</b>	<b>538.1</b>	<b>535.1</b>	<b>515.4</b>	<b>510.3</b>	<b>527.1</b>	<b>528.2</b>
<b>Financing</b>						
Internal resources	285.6	288.4	314.0	317.9	366.0	361.9
Net retained income <sup>5, 6</sup>	30.9	11.1	20.0	15.7	54.8	43.8
Depreciation allowances	254.7	277.4	294.1	302.2	311.2	318.2
Incurrence of liabilities <sup>7</sup>	240.6	239.6	227.8	211.0	182.1	165.1
with banks <sup>1, 5</sup>	172.8	137.8	97.6	50.9	143.0	101.6
Short-term	81.6	20.8	- 18.5	13.0	70.1	29.7
Longer-term	91.2	117.0	116.1	37.9	72.9	71.9
with insurance enterprises	0.7	- 1.8	- 5.9	- 0.6	1.6	- 1.3
in the bond market <sup>5, 8</sup>	7.5	41.8	91.8	90.5	- 6.4	- 8.6
in the equity market <sup>3</sup>	14.5	19.2	20.0	36.7	45.1	34.4
with other lenders	45.2	42.6	24.5	33.5	- 1.3	39.0
in Germany	25.7	31.5	13.5	11.9	- 15.7	11.6
abroad	19.5	11.1	11.0	21.6	14.4	27.4
<b>Total</b>	<b>526.2</b>	<b>528.1</b>	<b>541.9</b>	<b>528.8</b>	<b>548.0</b>	<b>527.0</b>
Net acquisition of financial assets	- 111.7	- 106.5	- 63.3	- 86.8	- 64.8	- 28.5
Statistical discrepancy <sup>9</sup>	11.9	7.1	- 26.4	- 18.6	- 21.0	1.1
Financial balance <sup>10</sup>	- 123.6	- 113.5	- 36.8	- 68.3	- 43.8	- 29.7

<sup>1</sup> In Germany and abroad. — <sup>2</sup> Including money market paper and investment fund certificates. — <sup>3</sup> Including other participatory instruments. — <sup>4</sup> Including claims on property insurance enterprises. — <sup>5</sup> In 1995 after the elimination of transactions associated with the transfer of the Treuhand agency's debt to the Redemption Fund for Inherited Liabilities. — <sup>6</sup> Including capital transfers received (net). —

<sup>7</sup> Including the procurement of investment capital. — <sup>8</sup> Including money market paper. — <sup>9</sup> Corresponds to the balancing item in the financial account with the rest of the world owing to unclassifiable payment transactions with non-residents. — <sup>10</sup> Internal resources less gross capital formation.

than internal resources. At an estimated DM 362 billion, the aggregate financial resources available to enterprises in 1996 from depreciation allowances, reinvested profits and investment grants were slightly lower than in 1995.<sup>2</sup> The main factor behind this decline – as mentioned previously – was the higher dividend distributions by means of which larger firms on the “upside” of the business cycle, in particular, allowed their shareholders to participate more directly than before in their commercial success. This is confirmed, among other things, by the profit transfers of foreign subsidiaries to their parent companies.

In the wake of the muted investment activity, the overall net external financing requirements of producing enterprises fell appreciably further in 1996 (by one-third) to DM 30 billion. Recourse to additional loans and participating interests decreased by a smaller percentage. This typically indicates a further differentiation of financing patterns within the enterprise sector that are more redolent of recessionary periods. Firms which do not reinvest their recovered capital or which do so only partly, preferring instead to keep it liquid for the time being, stand in contrast to other enterprises which, having a shortage of own funds, need to step up their borrowing in order to finance involuntary stockbuilding, growing trade debtors or expenditure on tangible fixed assets. In 1996, too, this phenomenon was reinforced by various other influences. Thus, *inter alia*, in the wake of focusing on their “core business”, internationally operating German and also foreign groups, in particular, selectively sold off peripheral or

less profitable divisions or participating interests in order to improve their earnings potential. As a rule, the proceeds from such transactions are initially allocated to the liquid reserves and can be used subsequently to fund acquisitions which fit better into the more streamlined corporate concept or to improve the balance sheet structure. By contrast, firms on the purchasing side during such restructuring moves mostly require extra external resources.

The procurement of funds by enterprises was chiefly characterised by their desire to consolidate their financial ratios and to widen their risk capital base. In 1996 enterprises took up DM 107 billion, or one-tenth more than in the previous year, in the form of longer-term loans and equity capital. As a result, the weight of longer-term financing again increased perceptibly within the smaller overall volume of procured funds; this remains true even if the analysis is confined to the persistently high level of longer-term borrowing.

In 1996 firms had greater recourse than in previous years to the domestic equity market, through which around DM 31 billion, or nearly one-fifth of the additional external financial resources, was raised. However, this record figure was attributable solely to the

*Longer-term  
procurement of  
funds*

*Greater  
recourse to the  
equity market*

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<sup>2</sup> In this context the assumption of the Treuhand agency's debt amounting to DM 205 billion by the Redemption Fund for Inherited Liabilities at the beginning of 1995, which (in purely statistical terms) represents a capital transfer for the enterprise sector, has been disregarded. This transfer obscures enterprises' real credit transactions (because of the accompanying entries showing “notional” redemptions of liabilities to banks and to the bond market), and hence the elimination of this special factor is appropriate for analytical reasons.

public listing of Deutsche Telekom, which in this way procured DM 20 billion of funds; this allowed it to reduce its massive debt mountain and to finance further restructuring moves in readiness for the tougher competition in future on the telecommunications market. The other enterprises, by contrast, stayed away from the equity market – despite the overwhelmingly favourable stock exchange climate – in part no doubt because they feared that the huge volume of the Deutsche Telekom share issue would saturate the market and therefore deferred their own equity issue plans for the time being.

Far fewer funds flowed to enterprises from foreign investors in the form of other participating interests. The total amount of investment capital raised in 1996 (including the flotation of Deutsche Telekom shares) was DM 34 billion; that was more than in the two preceding years, both absolutely and relatively, if the transformation of the Federal Railways and the Federal Post Office into public limited companies is disregarded as that did not actually entail any recourse to the market in 1994 and 1995.

*Persistently  
high refinancing  
via banks  
and ...*

The procurement of risk capital from the organised capital markets is normally confined to a small number of major enterprises, whereas the bulk of German firms traditionally resort to bank borrowing as their source of finance.<sup>3</sup> The total of around DM 72 billion that was raised in 1996 from domestic and foreign banks in the form of investment and consolidation loans was almost as much as in 1995. The borrowers' statistics indicate that, in particular, enterprises in the expanding ser-

vices sectors and some firms in the manufacturing sector, which is subject to fierce international competitive pressure, had a greater need for credit last year. The distribution and energy sectors, on the other hand, substantially cut back their procurement of longer-term funds from banks. In the transport and telecommunications sector loan repayments again predominated, partly owing to the redemptions made by Deutsche Telekom, which used the proceeds from its share issue in 1996 in order to repay a total of DM 12½ billion of bank and bonded liabilities incurred by the former Federal Post Office. Liabilities arising from bonds were therefore likewise reduced substantially last year on balance, even though a number of enterprises raised some extra funds via bond issues for the first time in a long while; in some cases this took the form of tranches as part of medium-term note programmes.

*... repayment  
of bonded debt*

In contrast to the longer-term procurement of funds, shorter-term financing declined considerably in significance in 1996. This was attributable to the presumably smaller need to finance stocks and sales in view of the weak domestic demand and to the large-scale repayment of outstanding debt. At around DM 30 billion, enterprises borrowed only half the overall volume of short-term funds from domestic and foreign banks in 1996 compared with 1995. Only industries whose volume of business expanded or in which payment flows diverged, such as in the construction or distribution sectors, required

*Less shorter-  
term borrowing*

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<sup>3</sup> See Deutsche Bundesbank, Shares as financing and investment instruments, Monthly Report, January 1997, page 27 ff.

a higher amount of working funds or bridging loans. This finding of lower short-term borrowing overall still holds after taking into account the fact that a larger quantity of such funds came from abroad. These cases, no doubt, related in the main to operations in the context of the greater centralisation of financial management in internationally operating enterprises.

*Large rise in short-term funds placed with banks*

The fact that the acquisition of financial assets increased in 1996 to DM 137 billion is ultimately ascribable to the mixed cyclical picture. The rise owed much to the fact that – as mentioned – many enterprises kept their depreciation allowances and other income in a liquid form for the time being on account of their hesitant investment behaviour. This tendency was reinforced by the temporary liquid holding of share issue proceeds (Deutsche Telekom) and by advance payments for tax-favoured real estate projects by means of which investors sought to safeguard the more generous depreciation facilities which applied to eastern Germany up to the end of 1996. This transfer of funds led to a considerable increase in liquidity not only in the housing industry as such but also among property developers and construction investment associations (which belong to the enterprise sector). The upshot was that in 1996 more than twice the volume of short-term funds was placed with domestic and foreign banks than in the previous year. The weight of shorter-term assets was also increased by the substantial allocation of working funds to affiliated enterprises abroad, especially in the chemical and electrical engineering industries, as well as by other intra-group financial

### Producing enterprises' financial assets and external resources

End-of-year level, DM billion

Item	1990	1995	1996 e
<b>Financial assets</b>			
with banks <sup>1</sup>	674.5	956.2	1,064.8
Short-term	608.0	887.7	986.2
Longer-term	66.5	68.5	78.7
in the form of bonds <sup>2</sup>	95.2	232.3	242.2
in the form of shares <sup>3</sup>	469.0	794.9	840.5
in the form of other claims	358.9	434.5	491.1
on residents <sup>4</sup>	68.0	114.6	122.6
on non-residents	290.9	319.9	368.5
<b>Total</b>	<b>1,597.6</b>	<b>2,417.9</b>	<b>2,638.7</b>
<b>External resources</b>			
from banks <sup>1</sup>	1,275.2	1,820.6	1,950.8
Short-term	562.2	687.9	744.4
Longer-term	713.0	1,132.6	1,206.4
from insurance enterprises	86.4	100.1	110.1
from the bond market <sup>5</sup>	65.2	110.5	101.5
from the equity market <sup>3</sup>	665.4	1,078.2	1,229.2
from other lenders	526.5	555.3	571.0
in Germany	365.8	337.3	349.0
abroad	160.7	218.0	222.1
<b>Total</b>	<b>2,618.7</b>	<b>3,664.7</b>	<b>3,962.6</b>

<sup>1</sup> In Germany and abroad. — <sup>2</sup> Including money market paper and investment fund certificates. — <sup>3</sup> Including other participatory instruments. — <sup>4</sup> Including claims on property insurance enterprises. — <sup>5</sup> Including money market paper.

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transactions affecting both sides of the balance sheet.

By contrast, far fewer funds were placed at longer term in 1996 than in 1995. This was mainly due to the fact that enterprises ran down their bond holdings appreciably – by an estimated DM 27 billion – either by not re-investing funds that had become due or through portfolio sales. The acquisition of participating interests in Germany and abroad was also well below the previous year's comparatively high level, a fact to which a number of large-scale transactions had contributed.

*Lower longer-term assets*

Thanks to their continuing consolidation efforts, producing enterprises were able to lower their indebtedness appreciably during

*Improvement in indebtedness and liquidity*

the past few years. Since 1993 enterprises' liabilities have increased perceptibly more slowly than their gross income – as is customary in the wake of recessionary phases. Aggregate liabilities came to around DM 2,730 billion at the end of 1996, or four times the gross income, compared with approximately 4.3 times in 1993. This drop in debt, together with the fall in interest rates, pushed down the interest expenditure ratio, as the corporate balance sheet statistics confirm. In addition, the liquidity position of enterprises improved on average – gauged by the ratio of short-term bank deposits to short-term bank loans – although that by no means rules out liquidity problems in many individual instances.

### Households' saving and investment behaviour

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*Preferences for the acquisition of fixed assets*

Given a virtually unchanged propensity to save, households had around 4 % more investable funds, at DM 286 billion, in 1996 than a year before. As in previous years, just under one-fifth was channelled into the acquisition of housing via building and loan associations. However, that does not fully reflect households' predilection for the acquisition of fixed assets as they also procure funds for this purpose by other means; since these other resources cannot be quantified precisely, they are included neither in households' income nor in their saving. The desire to acquire fixed assets appears to have strengthened in 1996. Under the impact of falling construction and housing prices and historically low borrowing rates, private

demand for new and older dwellings grew; that is indicated, among other things, by the greater number of building permits for one-family houses and by the scale of mortgage commitments to fund new and older properties. On the other hand – as mentioned several times already – the curtailing of the depreciation facilities available for east German real property encouraged higher-income households to participate in closed real estate funds and construction investment associations engaged in building new rented accommodation or in renovating older properties in the new Länder.

Last year households showed a preference in acquiring financial assets for short-term risk-free financial instruments, partly because of the low interest rates but partly no doubt also on account of the labour market risks. This substantially boosted private money balances, especially cash reserves and short-term savings deposits towards which the weight of special savings schemes has shifted more and more in recent years.<sup>4</sup> At the end of 1996 around DM 680 billion, or 61 % of the savings balances held by individuals, was invested under special terms; ten years previously the figure had been only 22 %. Two-thirds of these special savings schemes were concentrated on the short-term investment segment. The sustained preference for alternative forms of investment which are short-term but at the same time carry a fairly attractive rate of interest shows that the bulk of such funds are more akin to capital market

*Greater preference for special savings schemes*

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<sup>4</sup> See Deutsche Bundesbank, The longer-term trend in savings deposits and its implications for monetary targeting, Monthly Report, May 1997, page 43 ff.

resources than to funds held for consumption purposes. This supposition is indirectly corroborated by the fact that the sale of Deutsche Telekom shares at the end of last year noticeably slowed the growth of private cash holdings as the associated share purchases were evidently financed mainly by dissolving shorter-term savings accounts or by selling money market fund certificates. In the upshot households added DM 109 billion to their liquid funds in 1996, which was more than half as much again as in the previous year; but additions to liquid resources were still below the record result of 1993.

The steep increase in cash holdings probably also owed something to major shifts in private savings at the expense of longer-term funds placed with banks or in the bond market. According to our calculations, net purchases of bonds in 1996 amounted to no more than one-third of the volume in the previous year. The interest of investors was focused principally on Federal savings bonds, which are devoid of any market price risk, and similar bond market products (such as bonds with progressively rising interest rates), which were likewise bought with the aim of limiting risk to a certain extent, but also on foreign bonds bearing attractive rates of interest – some of which were bought for speculative reasons. In other categories of debt securities, especially bank bonds (which are held mainly by households) redemptions predominated. Some of these matured funds flowed into other securities, such as investment fund certificates into which private savers channelled rather more resources on balance in 1996 than a year before. As is

mostly the case in low-interest-rate phases, they chiefly favoured certificates of real estate funds in which around DM 14 billion, or twice as much as in 1995, was invested, with the result that these funds actually had to suspend the sale of their certificates temporarily. Given the globally buoyant stock exchange climate, more certificates of foreign share-based funds and in part certificates of German bond-based funds were purchased, whereas money market fund certificates were generally returned on balance.

Owing to households' participation in the public launching of Deutsche Telekom, their purchases of shares also increased markedly in 1996. According to the allotment of the Deutsche Telekom share issue, which was oversubscribed threefold, private investors (including Deutsche Telekom employees) acquired more than two-fifths of the 713 million shares for a total of roughly DM 8½ billion. Together with their other purchases, households may have invested over DM 10 billion – or 4% of their aggregate acquisition of financial assets – in equities on balance in 1996. As a result, purchases of shares attained a significance similar to that in 1987, when private investors had bought equities on an exceptionally large scale in the wake of that year's stock market crash.

As is frequently the case at times when saving is relatively subdued on the whole, contractual saving outside banks gained ground in 1996. The change in the government's programme for promoting saving with building and loan associations, which significantly expanded the number of potential beneficiar-

*Purchases of  
shares*

*Saving with  
building and  
loan  
associations*

*Shifts away  
from portfolio  
investment*

## Households' saving, acquisition of financial assets and incurrence of liabilities

DM billion

Item	1991	1992	1993	1994	1995	1996
<b>Income and saving</b>						
Disposable income	1,892.2	2,037.2	2,101.8	2,169.6	2,251.9	2,328.4
Private consumption	1,630.3	1,754.7	1,829.8	1,902.9	1,974.7	2,039.1
Private saving	261.9	282.5	272.0	266.8	277.2	289.2
<b>Memo item</b>						
Saving ratio in % <sup>1</sup>	13.8	13.9	12.9	12.3	12.3	12.4
Capital transfers (net) <sup>2</sup>	- 1.5	- 2.0	- 2.0	- 2.4	- 2.8	- 3.6
<b>Investable funds</b>	260.3	280.6	270.0	264.3	274.4	285.6
Acquisition of housing <sup>3</sup>	46.6	46.9	49.7	51.3	52.1	52.5
<b>Acquisition of financial assets</b>						
Funds placed with banks <sup>4</sup>	79.8	109.3	151.0	26.5	77.5	85.9
Currency and sight deposits	14.2	41.7	35.1	15.7	23.6	33.5
Time deposits	55.9	47.5	47.3	- 56.6	- 54.0	- 38.4
Savings bonds	7.9	3.1	- 20.4	- 13.2	4.8	- 4.4
Savings deposits	1.8	16.9	88.9	80.6	103.1	95.3
Funds placed with building and loan associations	6.4	6.6	6.8	6.2	3.4	9.5
Funds placed with insurance enterprises	52.0	60.3	69.6	74.6	86.0	86.8
Acquisition of securities	94.1	62.7	- 2.3	110.3	56.9	47.3
Bonds <sup>5</sup>	66.6	12.6	- 25.0	38.6	39.9	13.7
Investment fund certificates	27.0	54.0	36.1	69.7	20.4	23.1
Shares	0.5	- 3.9	- 13.4	2.0	- 3.4	10.5
Other assets <sup>6</sup>	15.9	18.9	10.2	11.7	11.7	11.7
<b>Total</b>	248.1	257.8	235.3	229.2	235.5	241.2
<b>Incurrence of liabilities <sup>7</sup></b>	34.4	24.2	15.0	16.1	13.2	8.1
<b>Memo items</b>						
Total financial assets <sup>8</sup>	3,473.7	3,721.6	4,109.8	4,290.0	4,657.1	e 4,955.0
Total liabilities <sup>8</sup>	1,181.5	1,260.6	1,372.3	1,496.3	1,604.3	e 1,720.8
Consumer credit	314.0	338.5	353.6	365.2	372.1	e 387.6
Building loans <sup>9</sup>	867.5	922.1	1,018.7	1,131.1	1,232.2	e 1,333.2
Net financial assets	2,292.2	2,461.0	2,737.5	2,793.7	3,052.8	e 3,234.2
do. in % <sup>10</sup>						
Total financial assets	184	183	196	198	207	e 213
Total liabilities	63	62	65	69	71	e 74
Consumer credit	17	17	17	17	17	e 17
Building loans	46	45	48	52	55	e 57

<sup>1</sup> Private saving as % of disposable income. — <sup>2</sup> Premiums and bonuses in connection with government saving promotion schemes less inheritance tax. — <sup>3</sup> Outpayments of balances with building and loan associations after allocation of contracts, and repayments of building and loan association loans, which are recorded as capital transfers to

housing. — <sup>4</sup> In Germany and abroad. — <sup>5</sup> Including money market paper. — <sup>6</sup> Mainly claims under company pension commitments. — <sup>7</sup> For consumption purposes. — <sup>8</sup> End-of-year levels. — <sup>9</sup> For new buildings and modernisations. — <sup>10</sup> As % of disposable income.

ies, led to a surge in new savings and loan contracts for building purposes which surpassed the 1995 result by one-third both in terms of the number of contracts signed and in terms of the amounts involved. Consequently, the inflows of funds to building and loan associations grew sharply, whereas the outpayments of loans allocated and contract cancellations both stagnated.

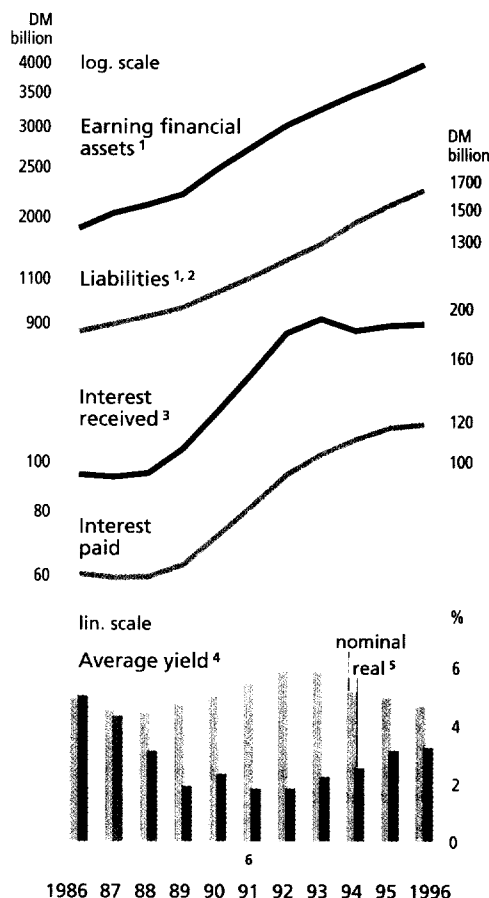
*Funds placed with insurance enterprises*

Saving through insurance enterprises likewise expanded fairly substantially. The stock of capital at life insurance enterprises alone grew, at around DM 63 billion, 6% more strongly than previously. This was fostered by the raising of contribution rates and of the income thresholds for assessing contributions to the statutory pension insurance scheme at the beginning of last year, to which "adjustable" contracts are oriented, and was reinforced by the persistently strong inflows into private pension insurance funds, which evidently profited from the uncertainties surrounding the statutory retirement pension system. Corporate customer business in this segment was also buoyant. But enterprises sought to involve their employees more in the premiums through payments of their own (by way of salary conversions). While "savings balances" with life insurance enterprises increased, outpayments to insured persons also rose substantially. Thus the sum of approximately DM 65 billion which households received in 1996 was about half of the gross amount that they concurrently paid in.

*Take-up of consumer credit*

Households showed marked restraint in 1996 in borrowing for consumption purposes – presumably also owing to growing employ-

### Households' financial assets and liabilities



1 Annual averages. — 2 Building loans and consumer credit. — 3 Including dividends. — 4 Average yield of earning private financial assets. — 5 After allowing for general price rises as measured by the (west German) consumer price index. — 6 From 1991 Germany as a whole.

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ment risks. That applies particularly to new borrowing at short maturities which is mostly used for financing purchases of consumer goods or holiday trips. The demand for longer-term personal loans, by contrast, was probably just as strong as in the previous year. Presumably this was due primarily to the increased purchases of cars, whereas credit requirements for furniture, household furnishings and appliances tended to fall in line



with the smaller number of housing completions. It should be noted, however, that the informative value of the item "Consumer credit" granted by banks is being increasingly impaired as an indicator of the financing of private consumption by the fact that the non-instalment loans included in this category (with the exception of account overdrafts) are more and more taking on the character of loans by means of which private investors prefer to finance tax-saving investments, as apparently occurred once again on a major scale towards the end of 1996. But according to the sectoral definitions currently used in the national accounts such loans are attributable not to households but to enterprises.

amounted in all to approximately DM 1,720 billion; they thus continued to increase sharply last year – owing to the preference for the acquisition of fixed assets. The associated interest payments came to an estimated DM 120 billion. This was counterbalanced by about DM 190 billion that accrued in the form of interest and dividends from income-yielding private financial assets, which had reached a total of DM 4,370 billion by the end of 1996. Aggregate property income was only slightly higher than in 1995 as the upward thrust stemming from the growth of assets and savers' greater concentration on forms of investment carrying more attractive interest rates was virtually neutralised by the general fall in yields. On average private financial assets earned a nominal yield of just over 4½% in 1996, compared with 5% in the previous year and almost 6% on average in the years 1992-3. In real terms, however, the average yield was on a par with the 1995 figure.

*... and income  
from financial  
assets*

*Households'  
debt level ...*

At the end of 1996 households' liabilities arising from instalment credit and personal credit lines granted by banks as well as other borrowing for consumption purposes totalled around DM 250 billion. After adding the loans taken out for tax-saving investment and the acquisition of housing, private liabilities

**The tables accompanying this article  
appear on the following pages.**

## Capital finance account for 1995 <sup>P</sup>

DM billion

Item	Households	Enterprises			Government <sup>1</sup>	All domestic non-financial sectors
		Total	Producing enterprises	Housing		
Acquisition of fixed assets and saving						
Net capital formation	.	252.36	98.57	153.79	61.11	313.47
Gross capital formation	.	669.44	409.79	259.65	86.73	756.17
Consumption of fixed capital	.	417.08	311.22	105.86	25.62	442.70
Saving and capital transfers	222.33	303.15	259.36	43.79	-290.50	234.98
Saving	277.20	-14.41	27.60	-42.01	-22.79	240.00
Capital transfers (net)	-54.87	317.56	<sup>5</sup> 231.76	<sup>5</sup> 85.80	<sup>5</sup> -267.71	-5.02
Financial surplus or deficit <sup>3</sup>	222.33	50.79	160.79	-110.00	-351.61	-78.49
Statistical discrepancy <sup>4</sup>	.	-20.97	-20.97	.	.	-20.97
Acquisition of financial assets						
Funds placed with banks	80.32	53.30	61.80	-8.50	-0.28	133.34
Currency and sight deposits	23.61	60.76	69.26	-8.50	-1.62	82.75
Time deposits	-46.41	-9.40	-9.40	.	1.04	-54.78
Savings deposits	103.12	1.94	1.94	.	0.31	105.37
Funds placed with building and loan associations	3.44	-0.01	-0.01	.	0.12	3.55
Funds placed with insurance enterprises	86.00	4.52	4.52	.	0.16	90.68
Purchases of money market paper	-3.66	-9.23	-9.23	.	-0.13	-13.02
Purchases of bonds	43.55	10.46	10.46	.	-0.27	53.75
Purchases of investment fund certificates	20.38	5.33	5.33	.	0.31	26.01
Purchases of shares	-3.40	20.75	20.75	.	<sup>6</sup> 10.81	28.16
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	.	.	.	.	.	.
Short-term bank loans	.	.	.	.	.	.
Longer-term bank loans	.	.	.	.	.	.
Building and loan association loans	.	.	.	.	.	.
Insurance enterprise loans	.	.	.	.	.	.
Other claims	8.89	41.06	<sup>7</sup> 41.77	.	-16.24	33.71
Total	235.52	126.17	135.39	-8.50	-5.52	356.17
Incurrence of liabilities and sales of shares						
Funds placed with banks	.	.	.	.	.	.
Currency and sight deposits	.	.	.	.	.	.
Time deposits	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Funds placed with building and loan associations	.	.	.	.	.	.
Funds placed with insurance enterprises	.	.	.	.	.	.
Sales of money market paper	.	-0.19	-0.19	.	-12.91	-13.10
Sales of bonds	.	-161.70	<sup>7</sup> -161.70	.	<sup>7</sup> 202.16	40.46
Sales of investment fund certificates	.	.	.	.	.	.
Sales of shares	.	27.85	<sup>6</sup> 27.80	0.05	.	27.85
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	12.99	193.58	105.98	87.61	143.31	349.88
Short-term bank loans	2.44	64.48	<sup>7</sup> 60.17	4.31	<sup>7</sup> 3.02	69.94
Longer-term bank loans	10.55	129.10	<sup>7</sup> 45.81	83.29	<sup>7</sup> 140.29	279.94
Building and loan association loans	.	6.31	-2.07	8.38	-0.12	6.19
Insurance enterprise loans	0.22	8.40	3.69	4.71	-0.29	8.33
Other liabilities	-0.02	22.10	22.06	0.76	<sup>7</sup> 13.94	36.03
Total	13.19	96.35	-4.44	101.50	346.09	455.63

<sup>1</sup> Including social security funds and special funds. — <sup>2</sup> Credit institutions including the Bundesbank. — <sup>3</sup> Saving and capital transfers (net) less net capital formation. — <sup>4</sup> Corresponds to the balancing item in the financial account with the rest of the world owing to unclassifiable payment transactions with non-residents. — <sup>5</sup> Including the

assumption of the Treuhand agency's debt and of part of the old debt of east German housing enterprises by the Redemption Fund for Inherited Liabilities, which in the national accounts is treated as a capital transfer from the government to enterprises. — <sup>6</sup> Including

Deutsche Bundesbank

Financial sectors						Rest of the world	All sectors	Item
Total	Banks 2	Building and loan associations	Insurance enterprises	Investment funds				
Acquisition of fixed assets and saving								
11.93	5.88	0.00	1.25	4.80	.	325.40	Net capital formation	
22.20	13.10	0.22	4.08	4.80	.	778.37	Gross capital formation	
10.27	7.22	0.22	2.83	-	.	452.97	Consumption of fixed capital	
51.74	39.40	0.20	12.14	-	38.68	325.40	Saving and capital transfers	
51.54	39.40	0.20	11.94	-	33.86	325.40	Saving	
0.20	-	-	0.20	-	4.82	-	Capital transfers (net)	
39.81	33.52	0.20	10.89	- 4.80	38.68	-	Financial surplus or deficit 3	
.	.	.	.	.	20.97	-	Statistical discrepancy 4	
Acquisition of financial assets								
62.30	.	- 0.06	59.84	2.52	124.26	319.90	Funds placed with banks	
1.50	.	0.84	0.72	- 0.06	16.09	100.34	Currency and sight deposits	
60.54	.	- 0.90	58.87	2.57	106.02	111.78	Time deposits	
0.26	.	.	0.26	.	2.15	107.78	Savings deposits	
0.18	0.18	.	.	.	- 0.02	3.70	Funds placed with building and loan associations	
.	.	.	.	.	0.41	91.09	Funds placed with insurance enterprises	
- 0.67	- 0.39	-	-	- 0.28	- 5.69	- 19.38	Purchases of money market paper	
87.61	45.19	- 0.75	12.37	30.79	86.09	227.44	Purchases of bonds	
29.94	11.81	0.37	17.77	.	- 0.84	55.10	Purchases of investment fund certificates	
36.02	13.94	0.01	7.08	14.99	- 1.27	62.91	Purchases of shares	
9.95	9.95	.	.	.	- 3.75	6.21	External position of the Bundesbank	
435.90	435.90	.	.	.	.	435.90	Bank loans	
128.98	128.98	.	.	.	.	128.98	Short-term bank loans	
306.92	306.92	.	.	.	.	306.92	Longer-term bank loans	
6.73	.	6.73	.	.	.	6.73	Building and loan association loans	
8.78	.	.	8.78	.	.	8.78	Insurance enterprise loans	
1.24	.	.	.	1.24	39.83	74.77	Other claims	
677.96	516.57	6.30	105.84	49.26	239.03	1,273.16	Total	
Incurrence of liabilities and sales of shares								
319.90	319.90	.	.	.	.	319.90	Funds placed with banks	
100.34	100.34	.	.	.	.	100.34	Currency and sight deposits	
111.78	111.78	.	.	.	.	111.78	Time deposits	
107.78	107.78	.	.	.	.	107.78	Savings deposits	
3.70	.	3.70	.	.	.	3.70	Funds placed with building and loan associations	
91.09	.	.	91.09	.	.	91.09	Funds placed with insurance enterprises	
- 5.54	- 5.54	.	.	.	- 0.73	- 19.38	Sales of money market paper	
162.86	162.59	0.27	.	.	24.13	227.44	Sales of bonds	
54.07	.	.	.	54.07	1.03	55.10	Sales of investment fund certificates	
11.92	6 9.03	0.02	2.88	.	23.14	62.91	Sales of shares	
- 3.75	- 3.75	.	.	.	9.95	6.21	External position of the Bundesbank	
2.34	.	2.02	0.33	- 0.01	83.67	435.90	Bank loans	
- 1.76	.	- 0.84	- 0.45	- 0.48	60.80	128.98	Short-term bank loans	
4.10	.	2.86	0.77	0.47	22.87	306.92	Longer-term bank loans	
- 0.12	- 0.11	.	- 0.01	.	0.66	6.73	Building and loan association loans	
0.09	.	0.09	.	.	0.36	8.78	Insurance enterprise loans	
1.59	0.93	.	0.66	.	37.16	74.77	Other liabilities	
638.15	483.05	6.10	94.95	54.06	179.38	1,273.16	Total	

the transformation of the successor institutions to the Federal Post Office into public limited companies (DM 12.8 billion). — 7 In line with the method used in the national accounts, the assumption of the Treuhand agency's debt and of part of the old debt of east German

housing enterprises by the Redemption Fund for Inherited Liabilities is shown as a liability incurred by the government and a repayment by enterprises (including bonds totalling DM 155.5 billion and bank loans amounting to DM 61.0 billion).

## Capital finance account for 1996 <sup>P</sup>

DM billion

Item	Households	Enterprises			Govern- ment 1	All domestic non- financial sectors
		Total	Producing enterprises	Housing		
<b>Acquisition of fixed assets and saving</b>						
Net capital formation	.	222.85	73.46	149.39	55.06	277.91
Gross capital formation	.	650.81	391.61	259.20	81.32	732.13
Consumption of fixed capital	.	427.96	318.15	109.81	26.26	454.22
Saving and capital transfers	233.09	55.17	43.77	11.40	- 78.91	209.35
Saving	289.23	- 28.35	17.12	- 45.47	- 49.99	210.89
Capital transfers (net)	- 56.14	83.52	26.65	56.87	- 28.92	- 1.54
Financial surplus or deficit <sup>3</sup>	233.09	- 167.68	- 29.69	- 137.99	- 133.97	- 68.56
Statistical discrepancy <sup>4</sup>	.	1.15	1.15	.	.	1.15
<b>Acquisition of financial assets</b>						
Funds placed with banks	88.37	79.27	75.27	4.00	2.46	170.10
Currency and sight deposits	33.50	77.90	73.90	4.00	5.41	116.81
Time deposits	- 40.39	0.44	0.44	.	- 3.06	- 43.00
Savings deposits	95.25	0.92	0.92	.	0.11	96.28
Funds placed with building and loan associations	9.48	0.32	0.32	.	0.15	9.94
Funds placed with insurance enterprises	86.75	6.88	6.88	.	0.11	93.73
Purchases of money market paper	- 0.34	- 3.01	- 3.01	.	0.01	- 3.35
Purchases of bonds	14.09	- 27.20	- 27.20	.	- 1.83	- 14.94
Purchases of investment fund certificates	23.09	10.98	10.98	.	0.48	34.55
Purchases of shares	10.50	3.30	3.30	.	0.22	14.03
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	.	.	.	.	.	.
Short-term bank loans	.	.	.	.	.	.
Longer-term bank loans	.	.	.	.	.	.
Building and loan association loans	.	.	.	.	.	.
Insurance enterprise loans	.	.	.	.	.	.
Other claims	9.26	70.14	70.01	.	4.66	84.06
<b>Total</b>	<b>241.19</b>	<b>140.67</b>	<b>136.54</b>	<b>4.00</b>	<b>6.26</b>	<b>388.12</b>
<b>Incurrence of liabilities and sales of shares</b>						
Funds placed with banks	.	.	.	.	.	.
Currency and sight deposits	.	.	.	.	.	.
Time deposits	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Funds placed with building and loan associations	.	.	.	.	.	.
Funds placed with insurance enterprises	.	.	.	.	.	.
Sales of money market paper	.	0.11	0.11	.	19.66	19.78
Sales of bonds	.	- 8.70	- 8.70	.	50.88	42.18
Sales of investment fund certificates	.	.	.	.	.	.
Sales of shares	.	31.00	30.97	0.03	.	31.00
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	8.18	232.09	101.71	130.38	66.68	306.95
Short-term bank loans	- 2.25	38.00	29.65	8.35	7.54	43.29
Longer-term bank loans	10.43	194.09	72.06	122.03	59.14	263.66
Building and loan association loans	.	6.48	- 1.38	7.86	0.03	6.51
Insurance enterprise loans	- 0.08	3.88	0.03	3.85	0.08	3.88
Other liabilities	0.01	42.34	42.34	- 0.13	2.90	45.25
<b>Total</b>	<b>8.10</b>	<b>307.20</b>	<b>165.09</b>	<b>141.99</b>	<b>140.23</b>	<b>455.54</b>

1 Including social security funds and special funds. — 2 Credit institutions including the Bundesbank. — 3 Saving and capital transfers (net) less net capital formation. — 4 Corresponds to the balancing item in

the financial account with the rest of the world owing to unclassifiable payment transactions with non-residents.

Deutsche Bundesbank

Financial sectors						Rest of the world	All sectors	Item
Total	Banks 2	Building and loan associations	Insurance enterprises	Investment funds				
Acquisition of fixed assets and saving								
17.88	5.57	0.03	1.09	11.19	.	295.79	Net capital formation	
28.45	13.03	0.23	4.00	11.19	.	760.58	Gross capital formation	
10.57	7.46	0.20	2.91	-	.	464.79	Consumption of fixed capital	
56.45	41.17	0.20	15.08	-	29.99	295.79	Saving and capital transfers	
56.31	41.17	0.20	14.94	-	28.59	295.79	Saving	
0.14	-	-	0.14	-	1.40	-	Capital transfers (net)	
38.58	35.60	0.17	13.99	- 11.19	29.99	-	Financial surplus or deficit 3	
.	.	.	.	.	- 1.15	-	Statistical discrepancy 4	
Acquisition of financial assets								
78.21	.	6.42	63.31	8.48	56.14	304.44	Funds placed with banks	
5.67	.	0.02	2.38	3.31	39.98	162.46	Currency and sight deposits	
71.94	.	6.44	60.33	5.18	14.45	43.39	Time deposits	
0.60	.	.	0.60	.	1.72	98.60	Savings deposits	
0.84	0.84	.	.	.	0.08	10.86	Funds placed with building and loan associations	
.	.	.	.	.	0.27	94.00	Funds placed with insurance enterprises	
4.34	6.86	-	-	- 2.52	22.70	23.70	Purchases of money market paper	
172.91	112.29	- 0.39	1.65	59.35	97.23	255.20	Purchases of bonds	
52.16	18.05	1.88	32.24	-	2.35	84.36	Purchases of investment fund certificates	
40.48	18.18	0.01	9.93	12.36	20.40	74.90	Purchases of shares	
- 2.40	- 2.40	.	.	.	- 1.77	- 4.17	External position of the Bundesbank	
383.88	383.88	.	.	.	.	383.88	Bank loans	
93.52	93.52	.	.	.	.	93.52	Short-term bank loans	
290.37	290.37	.	.	.	.	290.37	Longer-term bank loans	
5.72	.	5.72	.	.	.	5.72	Building and loan association loans	
3.93	.	.	3.93	.	.	3.93	Insurance enterprise loans	
- 6.21	.	.	.	- 6.21	33.74	111.58	Other claims	
733.85	537.70	13.64	111.05	71.46	226.43	1,348.40	Total	
Incurrence of liabilities and sales of shares								
304.44	304.44	.	.	.	.	304.44	Funds placed with banks	
162.46	162.46	.	.	.	.	162.46	Currency and sight deposits	
43.39	43.39	.	.	.	.	43.39	Time deposits	
98.60	98.60	.	.	.	.	98.60	Savings deposits	
10.86	.	10.86	.	.	.	10.86	Funds placed with building and loan associations	
94.00	.	.	94.00	.	.	94.00	Funds placed with insurance enterprises	
- 1.23	- 1.23	.	.	.	5.15	23.70	Sales of money market paper	
191.34	191.64	- 0.30	.	.	21.68	255.20	Sales of bonds	
79.11	.	.	.	79.11	5.25	84.36	Sales of investment fund certificates	
9.54	8.21	0.02	1.31	.	34.37	74.90	Sales of shares	
- 1.77	- 1.77	.	.	.	- 2.40	- 4.17	External position of the Bundesbank	
7.35	.	2.74	1.08	3.54	69.58	383.88	Bank loans	
2.24	.	0.37	0.59	1.29	47.99	93.52	Short-term bank loans	
5.12	.	2.37	0.50	2.25	21.59	290.37	Longer-term bank loans	
- 0.12	- 0.13	.	0.01	.	- 0.67	5.72	Building and loan association loans	
0.15	.	0.15	.	.	- 0.11	3.93	Insurance enterprise loans	
1.59	0.93	.	0.66	.	64.74	111.58	Other liabilities	
695.27	502.09	13.47	97.06	82.64	197.59	1,348.40	Total	

## Financial assets and liabilities in 1995 <sup>P</sup>

End-of-year level; DM billion

Item	Households	Enterprises			Govern- ment 1	All domestic non- financial sectors
		Total	Producing enterprises	Housing		
<b>Financial assets</b>						
Funds placed with banks	1,859.2	756.1	725.4	30.7	299.4	2,914.7
Currency and sight deposits	408.7	528.4	497.8	30.7	32.4	969.6
Time deposits	416.8	221.4	221.4	.	261.7	899.8
Savings deposits	1,033.7	6.3	6.3	.	5.3	1,045.3
Funds placed with building and loan associations	155.1	2.6	2.6	.	1.1	158.8
Funds placed with insurance enterprises	982.6	84.7	84.7	.	3.3	1,070.5
Assets in the form of money market paper	4.1	26.3	26.3	.	0.3	30.7
Assets in the form of bonds	743.1	117.2	117.2	.	26.0	886.3
Assets in the form of investment fund certificates	353.9	88.9	88.9	.	10.3	453.0
Assets in the form of shares	251.5	697.9	697.9	.	72.1	1,021.4
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	.	.	.	.	.	.
Short-term bank loans	.	.	.	.	.	.
Longer-term bank loans	.	.	.	.	.	.
Building and loan association loans	.	.	.	.	.	.
Insurance enterprise loans	.	.	.	.	.	.
Other claims	307.6	670.6	675.0	.	185.4	1,163.6
<b>Total</b>	<b>4,657.1</b>	<b>2,444.2</b>	<b>2,417.9</b>	<b>30.7</b>	<b>597.8</b>	<b>7,699.1</b>
<b>Liabilities and shares outstanding</b>						
Funds placed with banks	.	.	.	.	.	.
Currency and sight deposits	.	.	.	.	.	.
Time deposits	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Funds placed with building and loan associations	.	.	.	.	.	.
Funds placed with insurance enterprises	.	.	.	.	.	.
Liabilities arising from money market paper	.	5.7	5.7	.	8.7	14.4
Liabilities arising from bonds	.	104.8	104.8	.	1,207.1	1,311.9
Investment fund certificates outstanding	.	.	.	.	.	.
Shares outstanding	.	991.3	984.4	6.9	.	991.3
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	345.3	2,929.0	1,690.6	1,238.4	812.8	4,087.2
Short-term bank loans	79.1	591.4	558.0	33.4	47.8	718.2
Longer-term bank loans	266.3	2,337.7	1,132.6	1,205.0	765.1	3,369.0
Building and loan association loans	.	174.1	0.0	174.1	3.1	177.2
Insurance enterprise loans	19.7	210.7	100.1	110.6	36.2	266.7
Other liabilities	7.0	799.5	779.0	24.8	84.2	890.7
<b>Total</b>	<b>372.1</b>	<b>5,215.1</b>	<b>3,664.7</b>	<b>1,554.9</b>	<b>2,152.1</b>	<b>7,739.4</b>
<b>Memo item</b>						
Net financial assets <sup>3</sup>	4,285.0	-2,771.0	-1,246.7	-1,524.2	-1,554.3	-40.3

1 Including social security funds and special funds. — 2 Credit institutions including the Bundesbank. — 3 Financial assets less liabilities and shares outstanding.

Deutsche Bundesbank

Financial sectors							All sectors	Item
Total	Banks 2	Building and loan associations	Insurance enterprises	Investment funds	Rest of the world			
Financial assets								
539.7	.	14.3	493.3	32.2	709.8	4,164.2	Funds placed with banks	
24.8	.	3.1	10.9	10.8	154.1	1,148.5	Currency and sight deposits	
514.0	.	11.2	481.5	21.3	534.7	1,948.5	Time deposits	
0.8	.	.	0.8	.	21.0	1,067.1	Savings deposits	
1.4	1.4	.	.	.	0.9	161.1	Funds placed with building and loan associations	
.	.	.	.	.	3.4	1,073.9	Funds placed with insurance enterprises	
15.3	7.5	—	—	7.8	4.8	50.9	Assets in the form of money market paper	
1,638.1	1,077.4	26.4	204.3	330.0	708.6	3,233.0	Assets in the form of bonds	
237.1	69.4	4.7	162.9	.	16.0	706.1	Assets in the form of investment fund certificates	
508.9	165.0	7.7	209.2	127.0	162.3	1,692.6	Assets in the form of shares	
123.3	123.3	.	.	.	17.6	140.9	External position of the Bundesbank	
4,867.4	4,867.4	.	.	.	.	4,867.4	Bank loans	
1,123.9	1,123.9	.	.	.	.	1,123.9	Short-term bank loans	
3,743.4	3,743.4	.	.	.	.	3,743.4	Longer-term bank loans	
180.4	.	180.4	.	.	.	180.4	Building and loan association loans	
286.4	.	.	286.4	.	.	286.4	Insurance enterprise loans	
32.2	.	.	.	32.2	507.4	1,703.2	Other claims	
8,430.1	6,311.4	233.5	1,356.1	529.2	2,130.8	18,260.0	Total	
Liabilities and shares outstanding								
4,164.2	4,164.2	.	.	.	.	4,164.2	Funds placed with banks	
1,148.5	1,148.5	.	.	.	.	1,148.5	Currency and sight deposits	
1,948.5	1,948.5	.	.	.	.	1,948.5	Time deposits	
1,067.1	1,067.1	.	.	.	.	1,067.1	Savings deposits	
161.1	.	161.1	.	.	.	161.1	Funds placed with building and loan associations	
1,073.9	.	.	1,073.9	.	.	1,073.9	Funds placed with insurance enterprises	
23.0	23.0	.	.	.	13.5	50.9	Liabilities arising from money market paper	
1,627.0	1,623.6	3.4	.	.	294.1	3,233.0	Liabilities arising from bonds	
564.9	.	.	.	564.9	141.1	706.1	Investment fund certificates outstanding	
422.9	179.3	3.6	239.9	.	278.5	1,692.6	Shares outstanding	
17.6	17.6	.	.	.	123.3	140.9	External position of the Bundesbank	
43.7	.	36.2	3.6	3.9	736.5	4,867.4	Bank loans	
11.0	.	7.3	1.5	2.3	394.8	1,123.9	Short-term bank loans	
32.7	.	29.0	2.1	1.7	341.7	3,743.4	Longer-term bank loans	
0.7	0.7	.	0.0	.	2.5	180.4	Building and loan association loans	
1.3	.	1.3	.	.	18.4	286.4	Insurance enterprise loans	
36.8	23.6	.	13.2	.	775.7	1,703.2	Other liabilities	
8,137.1	6,032.0	205.7	1,330.5	568.9	2,383.6	18,260.0	Total	
Memo item								
293.0	279.4	27.8	25.6	- 39.7	- 252.8	-	Net financial assets 3	

## Financial assets and liabilities in 1996 <sup>e</sup>

End-of-year level; DM billion

Item	Households	Enterprises			Government 1	All domestic non-financial sectors
		Total	Producing enterprises	Housing		
<b>Financial assets</b>						
Funds placed with banks	1,942.7	870.2	834.5	35.7	302.6	3,115.5
Currency and sight deposits	441.3	635.7	600.1	35.7	37.8	1,114.8
Time deposits	372.5	227.2	227.2	.	259.4	859.1
Savings deposits	1,129.0	7.2	7.2	.	5.4	1,141.6
Funds placed with building and loan associations	164.6	2.9	2.9	.	1.2	168.7
Funds placed with insurance enterprises	1,066.7	92.9	92.9	.	3.4	1,162.9
Assets in the form of money market paper	3.8	23.2	23.2	.	0.3	27.3
Assets in the form of bonds	768.3	115.2	115.2	.	25.4	908.9
Assets in the form of investment fund certificates	394.3	103.8	103.8	.	11.0	509.1
Assets in the form of shares	295.9	730.1	730.1	.	57.5	1,083.5
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	.	.	.	.	.	.
Short-term bank loans	.	.	.	.	.	.
Longer-term bank loans	.	.	.	.	.	.
Building and loan association loans	.	.	.	.	.	.
Insurance enterprise loans	.	.	.	.	.	.
Other claims	318.8	731.7	736.0	.	191.4	1,241.9
<b>Total</b>	<b>4,955.0</b>	<b>2,670.0</b>	<b>2,638.7</b>	<b>35.7</b>	<b>592.8</b>	<b>8,217.8</b>
<b>Liabilities and shares outstanding</b>						
Funds placed with banks	.	.	.	.	.	.
Currency and sight deposits	.	.	.	.	.	.
Time deposits	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Funds placed with building and loan associations	.	.	.	.	.	.
Funds placed with insurance enterprises	.	.	.	.	.	.
Liabilities arising from money market paper	.	5.8	5.8	.	28.4	34.2
Liabilities arising from bonds	.	95.7	95.7	.	1,262.8	1,358.5
Investment fund certificates outstanding	.	.	.	.	.	.
Shares outstanding	.	1,143.8	1,136.7	7.1	.	1,143.8
External position of the Bundesbank	.	.	.	.	.	.
Bank loans	361.0	3,159.0	1,796.7	1,362.2	878.6	4,398.6
Short-term bank loans	82.6	626.3	590.3	35.9	57.6	766.4
Longer-term bank loans	278.4	2,532.7	1,206.4	1,326.3	821.0	3,632.1
Building and loan association loans	.	182.0	0.0	182.0	3.1	185.1
Insurance enterprise loans	19.6	224.6	110.1	114.5	36.3	280.5
Other liabilities	7.0	838.0	817.6	24.7	87.5	932.5
<b>Total</b>	<b>387.6</b>	<b>5,648.9</b>	<b>3,962.6</b>	<b>1,690.5</b>	<b>2,296.7</b>	<b>8,333.2</b>
<b>Memo item</b>						
Net financial assets <sup>3</sup>	4,567.4	-2,978.8	-1,324.0	-1,654.9	-1,704.0	-115.4

1 Including social security funds and special funds. — 2 Credit institutions including the Bundesbank. — 3 Financial assets less liabilities and shares outstanding.

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Financial sectors						Rest of the world	All sectors	Item
Total	Banks <sup>2</sup>	Building and loan associations	Insurance enterprises	Investment funds				
Financial assets								
616.9	.	20.7	556.7	39.5	782.0	4,514.3	Funds placed with banks	
30.5	.	3.0	13.3	14.1	197.7	1,343.0	Currency and sight deposits	
584.9	.	17.6	542.0	25.3	561.6	2,005.6	Time deposits	
1.4	.	.	1.4	.	22.8	1,165.8	Savings deposits	
2.3	2.3	.	.	.	1.0	172.0	Funds placed with building and loan associations	
.	.	.	.	.	3.9	1,166.8	Funds placed with insurance enterprises	
19.8	14.4	-	-	5.3	27.6	74.6	Assets in the form of money market paper	
1,808.9	1,188.1	24.9	204.2	391.8	809.9	3,527.8	Assets in the form of bonds	
307.7	91.9	7.0	208.7	.	13.7	830.4	Assets in the form of investment fund certificates	
631.0	216.8	0.3	237.3	176.6	227.3	1,941.9	Assets in the form of shares	
121.0	121.0	.	.	.	15.9	136.9	External position of the Bundesbank	
5,268.8	5,268.8	.	.	.	.	5,268.8	Bank loans	
1,229.5	1,229.5	.	.	.	.	1,229.5	Short-term bank loans	
4,039.4	4,039.4	.	.	.	.	4,039.4	Longer-term bank loans	
187.5	.	187.5	.	.	.	187.5	Building and loan association loans	
299.3	.	.	299.3	.	.	299.3	Insurance enterprise loans	
27.1	.	.	.	27.1	537.7	1,806.8	Other claims	
9,290.3	6,903.3	240.5	1,506.3	640.3	2,419.1	19,927.2	Total	
Liabilities and shares outstanding								
4,514.3	4,514.3	.	.	.	.	4,514.3	Funds placed with banks	
1,343.0	1,343.0	.	.	.	.	1,343.0	Currency and sight deposits	
2,005.6	2,005.6	.	.	.	.	2,005.6	Time deposits	
1,165.8	1,165.8	.	.	.	.	1,165.8	Savings deposits	
172.0	.	172.0	.	.	.	172.0	Funds placed with building and loan associations	
1,166.8	.	.	1,166.8	.	.	1,166.8	Funds placed with insurance enterprises	
21.8	21.8	.	.	.	18.6	74.6	Liabilities arising from money market paper	
1,835.5	1,832.3	3.2	.	.	333.8	3,527.8	Liabilities arising from bonds	
684.0	.	.	.	684.0	146.4	830.4	Investment fund certificates outstanding	
471.9	211.5	3.7	256.7	.	326.2	1,941.9	Shares outstanding	
15.9	15.9	.	.	.	121.0	136.9	External position of the Bundesbank	
51.1	.	39.0	4.6	7.4	819.2	5,268.8	Bank loans	
13.2	.	7.6	2.0	3.5	449.8	1,229.5	Short-term bank loans	
37.8	.	31.3	2.6	3.9	369.4	4,039.4	Longer-term bank loans	
0.6	0.6	.	0.0	.	1.8	187.5	Building and loan association loans	
1.4	.	1.4	.	.	17.3	299.3	Insurance enterprise loans	
38.4	24.6	.	13.8	.	835.9	1,806.8	Other liabilities	
8,973.7	6,621.0	219.2	1,442.0	691.5	2,620.2	19,927.2	Total	
Memo item								
316.6	282.3	21.2	64.2	- 51.2	- 201.2		- Net financial assets <sup>3</sup>	



## The longer-term trend in savings deposits and its implications for monetary targeting

Savings deposits are regarded as credit institutions' traditional deposit instrument for households. Although they have decreased somewhat in significance over the long term, they are still an important instrument for the investment of funds and for bank refinancing. Over time, the growth of savings deposits has displayed pronounced fluctuations. Besides interest rate influences, these were caused mainly by the intra-German monetary union and changes in the underlying institutional conditions. Savings deposits at three months' notice, which had largely fallen out of favour with investors during the rising interest rate phase in the late eighties/early nineties, have made a comeback more recently owing to the spread of higher-yielding saving facilities. It cannot be ruled out that, in connection with this trend, short-term savings deposits have acquired a greater "monetary capital nature" in certain interest rate constellations. However, no fundamental change has occurred. The basis for steering the money stock M3, within which short-term savings deposits are a major component, is therefore not undermined from the present perspective.

## Savings deposits as an instrument for the investment of funds and for bank refinancing

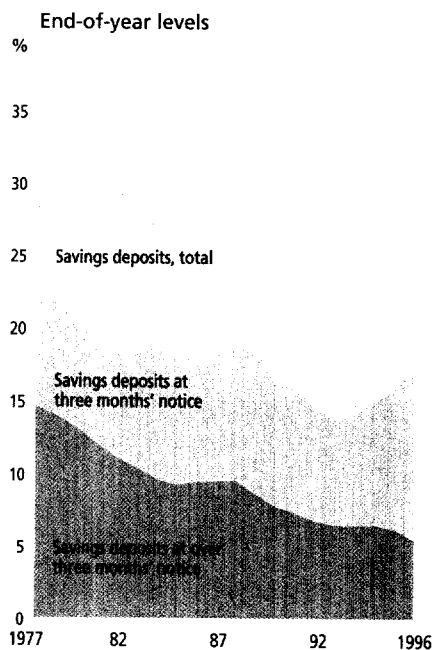
*Investment  
instrument  
for broad  
sections of the  
population*

For broad sections of the population savings deposits are the traditional form of investing funds. Historically they were grounded on the principle of offering savers with little financial knowledge and modest incomes a secure and interest-bearing investment vehicle for setting aside reserves and accumulating financial assets. As incomes and assets rose, savers gained greater investment experience and the supply of alternative investment facilities grew, savings deposits decreased in significance over the longer term as a component of households' financial asset acquisition. This is particularly true of western Germany, but a similar trend soon became apparent in the new Länder following German unification. However, savings deposits continue to form one of the main pillars of financial investment. In addition, popular interest in savings deposits has revived recently as a result of numerous product innovations.

*"Savings  
deposits"  
as a legally  
protected term*

The original objective of providing "small savers" with a straightforward and standardised investment vehicle was reflected *inter alia* by the fact that the term "savings deposits" was regulated until mid-1993 in the Banking Act (sections 21 and 22) and thus protected by law. In the recent past, however, such a far-reaching regulation of savings no longer seemed necessary and appeared to clash with the principle of contractual autonomy. As part of the Fourth Act Amending the Banking Act, saving was therefore deregulated. Since July 1, 1993, the term "savings

## Share of savings deposits in households' financial assets\*



\* Including non-profit organisations.

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deposits" is defined in section 21 (4) of the Regulation on the accounting of credit institutions. The comprehensive legal protection of the term and the regulation of contracts were replaced by an accounting rule.<sup>1</sup>

Major formal features of savings deposits remained unaffected in principle by this revision. Savings deposits must still, for instance, be distinguished as such by the issue of a document, especially a passbook. They are

*Definitional  
features*

<sup>1</sup> Since then, credit institutions have been free to offer investment products under the designation of "savings deposits". However, only deposits within the meaning of section 21 (4) of the Regulation on the accounting of credit institutions may be shown in the balance sheet as savings deposits. Such an accounting rule is necessary as both the minimum reserve regulations contained in section 16 of the Bundesbank Act and the prudential Liquidity Principles sometimes refer to the balance sheet item "savings deposits" and these provisions provide, for instance, for a different treatment of time deposits and savings deposits.

usually deposits subject to notice of withdrawal, i.e. funds accepted for an unlimited period. The period of notice is at least three months. The account may also be frozen for an initial period. Savings deposits are not intended for use in payments; they may not be withdrawn by transfer, cheque, direct debit or credit card. Instead they are to be used for the accumulation of funds or the investment of assets. In the case of savings accounts at three months' notice, credit institutions may permit savers to withdraw a limited amount of funds without prior notice (at present up to DM 3,000 per savings account and calendar month). The range of investors from whom banks may accept savings deposits is restricted. These are mainly natural persons or associations of natural persons which serve the public benefit or charitable or church purposes.<sup>2</sup>

loans. Mirroring savings deposits' decreasing significance in households' financial assets, their share in the business volume of credit institutions fell from 25 % at the end of 1977 to 14 % at the end of 1996. By contrast, the share of bank bonds and long-term time deposits increased (from 17 % to 21½ % and from just over 6½ % to 10½ %, respectively). Considered in isolation, these structural changes increased the cost of banks' liabilities. In response to the overall increase in competitive pressure and in investors' yield awareness, credit institutions have extended their range of savings deposit products in recent years (see page 51 ff.). As a result, they were thus able to prevent the importance of saving business from declining further, although they had to tolerate a rise in interest expenditure, other things being equal.

*Domestic individuals are the dominant depositor group*

As a result of their special nature as an investment vehicle for broad groups of savers and the associated restriction of the range of depositors, savings deposits have traditionally been kept virtually exclusively by domestic individuals. At the end of 1996 these held 95½ % of total savings deposits; about 20 years ago – at the end of 1977 – this share had totalled 94 %.<sup>3</sup>

*Savings deposits as a means of bank refinancing*

From the banks' perspective, savings deposits are an important refinancing instrument. Their attractiveness results, in particular, from their *de facto* longer-term nature and associated "preferential treatment" as regards minimum reserve requirements and the Liquidity Principle II.<sup>4</sup> Savings deposits are therefore suitable for refinancing long-term

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<sup>2</sup> Unless they serve the public benefit or charitable or church purposes, corporations or partnerships may in principle no longer lodge savings deposits. Pursuant to the old Banking Act provision (section 21 (3)) funds could previously be accepted from these groups of investors as savings deposits if these groups could prove that the money was intended for the investment or accumulation of assets. Savings deposits which were formed as a result of this regulation prior to July 1, 1993 could still be regarded as such after July 1, 1993 according to section 39 (5) of the Regulation on the accounting of credit institutions. As a consequence, no statistical break was recorded in savings deposits series.

<sup>3</sup> The period under review of the present article stretches from 1978 to 1996 and thus encompasses in effect the last two interest rate cycles.

<sup>4</sup> On the one hand, this "preferential treatment" of savings deposits consists in the fact that their statutory ceiling for minimum reserve requirements (10 %) is lower than for time deposits (20 %) and sight deposits (30 %), and that with the exception of only a few periods, the actual minimum reserve ratio was also lower (at present 1.5 % as against 2 % for sight and time deposits). On the other hand, all savings deposits are recognised as long-term funds with a weight of 60 % for the purposes of Principle II, whereas other liabilities with maturities or a period of notice of less than 4 years have a weighting of 10 % only.

## Old and new provisions governing saving

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### Old provisions

#### Section 21 of the Banking Act, Savings deposits

(1) Savings deposits are deposits which are distinguished as such by the issue of a document, especially a savings book.

(2) Only sums of money intended for the accumulation or investment of assets may be accepted as savings deposits; sums intended for use in business operations or payments do not fulfill these conditions. Sums of money accepted from the outset for a specific period are not deemed to be savings deposits.

(3) Sums of money from corporations and partnerships may be accepted as savings deposits only if the conditions of subsection (2) are shown to be fulfilled. This does not apply to sums of money from institutions which serve the public benefit or charitable or church purposes.

(4) Documents concerning savings accounts may not be issued without a deposit. The document shall be handed to the depositor; only in exceptional cases may it be lodged with the bank. Drawing on savings deposits by credit transfer or cheque may not be permitted; drawing shall be allowed only on presentation of the document. When the deposit has been repaid in full, the document shall be returned.

#### Section 22 of the Banking Act, Notice of withdrawal and repayment

(1) The period of notice for the withdrawal of savings deposits is three months (statutory period of notice). Up to two thousand Deutsche Mark for each savings account may be withdrawn without notice from savings deposits at statutory notice within thirty interest days.

(2) A period of notice longer than the statutory period may be agreed upon for savings deposits; it shall not be less than six months. In such cases notice of withdrawal may not be given for at least six months after the savings deposit has been paid in.

(3) If in exceptional cases savings deposits are repaid before maturity, interest shall be charged on the amount repaid as on an advance. The debit interest charged shall exceed the deposit rate paid by not less than one-quarter. It is permissible to refrain from charging such early withdrawal penalty if the beneficiary is in financial difficulties.

(4) Current savings deposit rates shall be publicly displayed in the banking hall.

### New provisions

#### Section 21 (4) of the Regulation on the accounting of credit institutions

Only funds with no fixed notice period and which meet the following four conditions are to be shown as savings deposits:

1. they are shown as savings deposits through the preparation of a document, and specifically a passbook;
2. they are not intended for payment transactions;
3. they are not accepted from incorporated enterprises, cooperatives, financial societies, partnerships or enterprises domiciled abroad with a similar legal form unless these enterprises serve a non-profit, charitable or church purpose or the funds have been accepted from these enterprises as security in accordance with section 550 b of the Civil Code or section 14 (4) of the Hostel Act;
4. they have a notice period of at least three months.

Savings terms which permit the customer to withdraw a certain amount, which may not exceed DM 3,000 per savings account and calendar month, from his deposits at three months' notice without giving prior notice are not to be excluded from classification as savings deposits as defined by this Regulation. Inpayments in connection with Personal Asset Acquisition Acts count as savings deposits. Deposits with building and loan associations shall not be considered savings deposits.

80% of all  
savings deposits  
held at savings  
banks and  
credit  
cooperatives

In line with the different customer structures, savings deposits' share in the business volume of the individual categories of banks varies widely. They represent an above-average share in the business of savings banks (37%) and credit cooperatives (36%). These two categories of banks, which are traditionally geared to business with broad sections of the population and have a tightly-meshed branch network, have the strongest market position in savings business. At the end of 1996, 51% of all savings deposits were held at savings banks (1977: 52½%), while credit cooperatives accounted for 29% (1977: 24%). In the nineties, in particular, big banks lost market shares, which presumably also reflects the fact that they have focused on other areas of business.

### Savings deposits at three months' notice

Mixed short  
and long-term  
investment  
vehicle

Savings deposits at three months' notice<sup>5</sup> traditionally form the main pillar of savings business. For savers they combine a basically unlimited investment, a short period of notice and availability of a limited amount of funds without prior notice; therefore, they perform various functions. First of all, they are held in reserve as liquid precautionary holdings ("rainy-day savings"), but they are also used for the interim investment of funds or as savings for a special purpose. For a long time they were regarded as the "giro account of the man in the street" (although savings accounts cannot be debited in the same way that giro accounts can). They have thus acquired a dual nature between short and long-term forms of investment and encompass

### Collection of data on savings in the banking statistics

As part of the monthly balance sheet statistics the Bundesbank collects data from domestic credit institutions *inter alia* on savings deposits held by non-banks. The definition of savings deposits is based on the concept contained in the Regulation on the accounting of credit institutions. When processing and aggregating these data, the Bundesbank breaks them down by period of notice (three months, more than three months to less than four years, four years and over), by category of banks (big banks, regional banks and other commercial banks, private bankers, branches of foreign banks, savings banks, regional giro institutions, credit cooperatives, regional institutions of credit cooperatives, credit institutions with special functions, mortgage banks), group of savers (domestic individuals, domestic non-profit organisations, domestic enterprises, domestic public authorities, non-residents) and – since June 1986 – by type of savings deposit (special savings scheme, "normal" savings facility). In addition, for aggregate savings deposits the transaction amounts (credits and debits as well as interest credited) are collected.

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funds akin both to cash held for consumption purposes and to capital savings. *De facto*, however, most of these savings deposits have always had a largely medium-term character. Owing to their comparatively high potential liquidity and their close substitutability for shorter-term time deposits, they are included in the broadly defined monetary aggregate M3 for the purpose of monetary analysis.

<sup>5</sup> Prior to the revision of the provisions governing saving, these were called "savings deposits at statutory notice". For reasons of clarity, the term "savings deposits at three months' notice" is used throughout this article.

## Growth of savings deposits through the interest rate cycle \*

Seasonally adjusted annual rates

Period	Savings deposits at three months' notice	Savings deposits with a notice of over three months to less than four years	Savings deposits with a notice of four years and over
First phase of rising rates April 1978 to Aug. 1981	2 3/8 %	- 3 3/8 %	5 %
First phase of falling rates Sept. 1981 to March 1988	7 1/8 %	6 3/4 %	3/8 %
Second phase of rising rates April 1988 to Aug. 1992	- 2 %	4 3/8 %	- 7 3/4 %
Second phase of falling rates Sept. 1992 to end-1996	12 3/4 %	5 %	- 3 3/4 %

\* The definition of the interest rate cycle phases was based on the time deposit rate.

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The traditional rate of interest for short-term savings deposits is the "standard savings rate".<sup>6</sup> As savings deposits are readily accessible compared with other bank liabilities – albeit to a limited amount – the "standard savings rate" has always ranked at the bottom end of bank interest rates. Moreover, it usually responded fairly sluggishly to movements of other market rates. As higher-yielding savings deposits increased in significance from the end of the eighties and became widespread from 1993, the "standard savings rate" gradually ceased to be the representative interest rate for short-term savings deposits, however (see page 51 ff.).<sup>7</sup>

At the end of 1996, holdings of savings deposits at three months' notice in the hands of domestic non-banks came to DM 866 bil-

lion, which accounted for three-quarters of total savings deposits. Since the beginning of 1978 they have grown at an annual average rate of 5 1/2 % – with marked fluctuations during the interest rate cycle.<sup>8</sup> Investors' varying readiness to deposit funds in short-term savings accounts mainly reflects the interest rate advantage of alternative forms of investment, which fluctuates in line with the interest rate cycle. As credit institutions did not fully adjust interest rates paid on savings deposits (which are measured, by way of approximation, by the "standard savings rate") to movements of money and capital market rates, and as savings deposit rates were at the same time less sensitive than time deposit rates, for instance, interest rate differentials widened during periods of rising interest rates, whereas conversely they narrowed when interest rates were falling.<sup>9</sup>

*Growth of savings deposits dependent on the phase of the interest rate cycle*

*"Standard savings rate"*

<sup>6</sup> The term "standard savings rate" originally referred to the relevant interest rate which was regulated by the Deposit rates regulation abolished in 1967. In line with the normal sense of the term, it is applied in this article to the average interest rate paid on savings deposits at three months' notice (in the new interest rate statistics since November 1996: with a minimum/basic rate of interest).

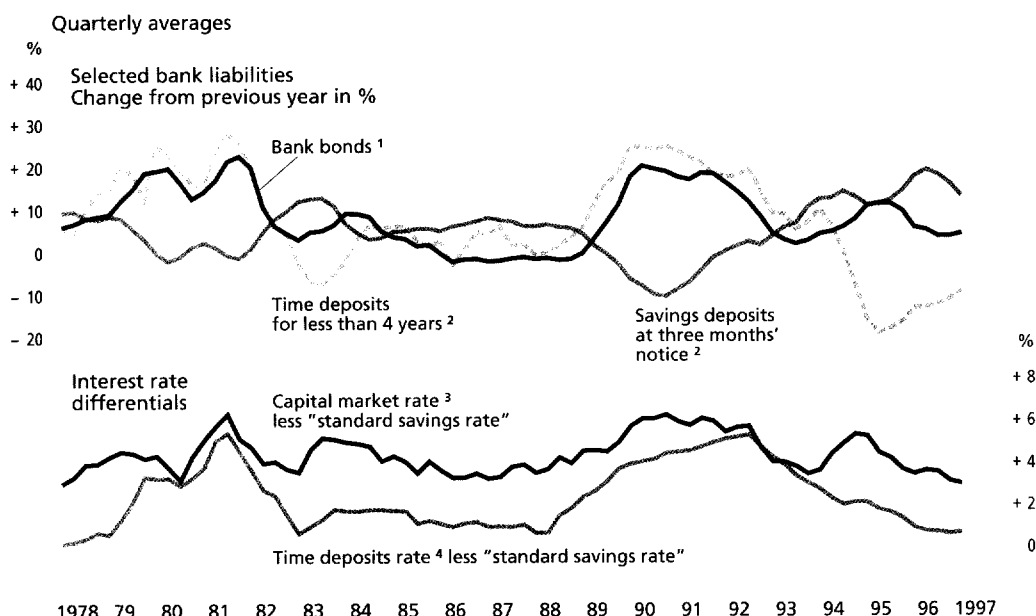
<sup>7</sup> See also Deutsche Bundesbank, The response of money market rates and short-term bank interest rates to changes in central bank rates, Monthly Report, October 1996, page 40.

<sup>8</sup> In all growth rates and absolute changes mentioned in the article purely statistical changes have – as usual – been eliminated (including the break owing to the intra-German monetary union).

<sup>9</sup> Even at the beginning of the period under review, part of short-term savings deposits were probably remunerated at above the "standard savings rate" which was presumably close to the time deposit rate. However, their weight was probably insufficient to prevent a loss in significance of savings deposits during periods of interest rate rises. To what extent this pattern may have changed in the nineties owing to the strong increase in special savings schemes can only be assessed after the termination of the next rising interest rate phase.



## Selected bank liabilities and interest rate differentials



1 Bearer bonds outstanding, excluding bank holdings, adjusted for the balance of external transactions. — 2 Held by domestic non-banks at domestic credit institutions. — 3 Yield on domestic bank bonds outstanding. — 4 Rate of interest for time deposits of DM 100,000 to less than DM 1 million with an agreed maturity of 1 month up to and including 3 months (from November 1996: of 1 month).

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*Substitutability  
for time  
deposits, ...*

Interest-rate-induced shifts in investment preferences of domestic individuals are mainly recorded between savings deposits at three months' notice and time deposits of less than four years. As the interest rate differential between the two types of deposits widens, investors are obviously increasingly prepared to accept the other drawbacks of time deposits (very limited availability within the fixed period, minimum deposit requirement). The fact that movements of bank bonds and savings bonds contrasted with those of savings deposits at three months' notice also indicates fairly close substitutability between these forms of investment. At times when capital market rates are attractive, investors evidently feel that the noticeably higher yields of these long-term investments compared with "normal" deposits on savings accounts

represent sufficient compensation for the price risk associated with bonds and the lower liquidity of savings bonds.

The interest rate sensitivity of savings deposits at three months' notice seems to have increased over time. This is suggested by their movements during the period of rising interest rates from 1988 to autumn 1992, when domestic non-banks considerably reduced their holdings of short-term savings deposits in individual years (1989: -3%; 1990: -4 ½% in western Germany). This period of high interest rates persisted for a fairly long time. In addition, the "standard savings rate" was even more slow to follow movements of capital market rates than in comparable interest rate constellations in the past. On balance, this resulted in a severe interest rate dis-

*Increase in  
savers' interest  
rate awareness*

*... bank bonds  
and savings  
bonds*

advantage for savings deposits over a long period of time compared with capital market investments. On the other hand, the "standard savings rate" fared better than the time deposit rate at that juncture. Apparently the marked weakness of savings deposits during this period was not only a consequence of the interest rate constellation but also of the increase in savers' interest rate awareness. These findings are consistent with a generally observed stronger yield awareness of broad groups of savers in the last two decades. Credit institutions eventually responded to this change in savers' behaviour by expanding their supply of higher-yielding savings deposits at three months' notice.

Besides interest rate movements and interest rate sensitivity, the trend in savings deposits at three months' notice was influenced by other factors, too. This form of saving, for example, often attracted an above-average volume of funds whenever the economic outlook was rather uncertain. For instance, households increased their holdings of savings deposits at three months' notice by 10 % or more in 1982, 1983 and 1993, in spite of a far below-average growth of disposable income. At such times, savings deposits' comparatively high liquidity obviously gains special importance.<sup>10</sup> Moreover, tax considerations have sometimes influenced the growth of savings deposits at three months' notice. One of the reasons they were augmented so strongly in 1988 compared with longer-term bank liabilities was presumably the fact that they were not subject to the withholding tax that had been announced in that year and which was introduced at the start of 1989. In

1993, they recorded inflows of funds in connection with the entry into force of the tax on interest income, mainly to the detriment of savings bonds and other long-term forms of saving. This may also have owed something to the increase to 35 % in the rate of taxation applied to over-the-counter transactions.

Following intra-German monetary union, the trend in savings deposits at three months' notice was marked by sizeable portfolio adjustments in eastern Germany. At first, the currency conversion of GDR Mark to Deutsche Mark resulted in an increase of DM 120½ billion in short-term savings deposits; in relation to the stock of savings deposits at three months' notice in western Germany in June 1990, this represented an increase of 27 %. This leap owed much to the fact that, under the previous financial system of the GDR, financial assets could basically be accumulated only in the form of so-called savings accounts and giro accounts with savings banks.<sup>11</sup>

When the east German currency was converted, these deposits were at first uniformly treated as savings deposits at three months' notice. Immediately after the currency conversion, a considerable amount of savings

*Intra-German  
monetary union*

*Non-interest-  
rate-related  
influences*

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<sup>10</sup> The fact that the years 1982, 1983 and 1993 belonged to phases of falling interest rates, and that 1993 was moreover marked by the dissemination of special savings schemes and that these influences cannot be separated clearly in the analysis, calls for a careful interpretation of this link, however.

<sup>11</sup> Deposits in these accounts were payable on demand and were paid a uniform rate of interest of 3.25 % per annum. The main difference between savings accounts and giro accounts with savings banks was that the latter could be used more extensively for payment purposes.

deposits was converted into cash.<sup>12</sup> In the following period they were used among other things to finance purchases of consumer goods. But primarily, east Germans used the now more varied supply of investment facilities to diversify their portfolios more strongly. Funds withdrawn from savings accounts at three months' notice were mainly invested in longer-term savings deposits, savings bonds, bonds and time deposits. At the end of 1990, short-term savings deposits of domestic non-banks at credit institutions in the former GDR, at DM 53.8 billion, came to less than half of their initial holdings.<sup>13</sup> In mid-1992, east German households again started to step up their savings deposits at three months' notice. At the end of 1996, these came to DM 86½ billion (held at credit institutions in eastern Germany, excluding east Berlin) and had thus regained over 80% of the conversion volume on June 30, 1990.<sup>14</sup>

off deposit or an instalment-based saving scheme, at fixed or variable interest rates, at rising interest rates or with a bonus at the end of the maturity, or with generally higher rates than the standard rate. However, the higher rates of interest are often only paid if the funds, which are shown in the balance sheet as three-month savings deposits, are held over a longer term. Such forms of saving are not an innovation of the nineties, but what is new is their growing importance in the short-term savings deposit segment, in particular.<sup>15</sup> Between the end of 1993 and the end of 1996, special savings schemes grew at an average rate of 34½% per year.<sup>16</sup> Their share in short-term savings deposits grew from 31% to 53% in that period. The share of total higher-yielding savings deposits at three months' notice – i.e. including tem-

*"Comeback" of  
the passbook ...*

Since 1993, a "comeback" of savings deposits at three months' notice has been observed in Germany as a whole; this is reflected by the far above-average growth rates between 1993 and 1996 (1993: 13%; 1994: 12%; 1995: 16%; 1996: 16%). On the one hand, this strong increase is based on the fall in interest rates which began in autumn 1992. However, a more significant factor was the growing popularity of higher-yielding savings accounts in the form of temporary bonuses or special savings schemes. These are offered under a great number of designations (growth saving, bonus saving, premium saving, target saving, saving with an add-on element, money market saving, yield saving, multi-rate saving etc.) and features, as a one-

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12 No direct exchange of old banknotes against new ones was possible according to the agreed conversion modalities. Instead, the initial provision of Deutsche Mark currency was effected by means of individual withdrawals from the converted bank accounts into which GDR currency had to be paid beforehand.

13 This reduction in holdings also owed something to purely statistical processes; at the end of 1990, for instance, DM 33 billion of funds held in giro accounts at savings banks (which were initially classified as short-term savings deposits) were converted into regular sight deposits following the transitional period.

14 The data of the regional statistics used above for the first few months after monetary union referred to eastern Germany including east Berlin. However, for the last few years, only data for the former GDR excluding east Berlin are available. In terms of this territorial definition, the amount of savings deposits at three months' notice totalled just under DM 106 billion as at June 30, 1990.

15 Bonus-carrying savings deposits, in particular, were probably offered as early as in the seventies. The special savings contracts as such, the bulk of which were at first presumably included in savings deposits at over three months' notice, became popular in the eighties not least as a response of credit institutions to the abolition of the Savings Bonuses Act.

16 Data on special savings schemes as a whole have been collected by the Bundesbank since June 1986; however, they have been broken down by periods of notice (three months' notice, over three months' notice) only since December 1993.

## Higher-yielding savings deposits – definition and determinants

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Higher-yielding savings deposits comprise special savings facilities and savings deposits carrying a temporary bonus. In accordance with the guidelines for the monthly balance sheet statistics, special savings facilities are in principle all savings deposits "which are not classifiable as traditional pass-book saving, but for which a rising rate of interest or a – not just temporary – bonus or generally a higher interest rate than the normal rate is paid under special contracts. The comparative interest rate is the rate paid by the reporting institution for traditional savings contracts with a corresponding maturity."

The rate of interest depends, in particular, on the following determinants:

- Agreement and, if applicable, length of a **duration of contract**
- **Deposit amount**
  - Minimum saving amount
  - Amount of regular saving (instalment saving)
  - Amount of a one-off deposit
- **Reference** for the interest rate or its definition
  - Fixed rate applying over the whole term
  - Variable rate
    - Geared to the capital market rate
    - Geared to the money market rate
  - Other definition
    - Graduated interest rate scale
    - Premium/bonus payable at the end of the contract
    - A fixed rate for a certain period, thereafter a variable rate

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porary bonus payments – is presumably even higher.<sup>17</sup>

In terms of yields, short-term savings deposits have thus gained perceptibly in attractiveness. In April 1997, the rate of interest paid on higher-yielding savings deposits for amounts of less than DM 10,000 (and without an agreed duration of contract) came to an average of just under 2 ½ %; it was thus ¾ percentage point higher than the "standard savings rate".<sup>18</sup> At present, higher-yielding savings deposits also earn more than comparable time deposits. For time deposits to yield at least as high a rate of interest as savings deposits of DM 20,000 to less than DM 50,000 (2 ¾ %), an amount of DM 100,000 to less than DM 1 million had to be deposited for three months in April, for example. Savings deposits with an agreed duration of contract yield an even higher rate of interest, depending on the duration of the contract (see the table on page 53).

In addition to a more market-related rate of interest, customers' more flexible scope for withdrawing funds has contributed to the increase in demand for savings deposits at

*... as a result of  
attractive  
interest rates ...*

*... and greater  
flexibility*

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<sup>17</sup> Among the forms of saving with a higher rate of interest, the trend is benefiting special savings deposits to the detriment of bonus-carrying savings deposits. The crucial factor in this is that the administrative costs of special savings contracts are lower, as a result of their high degree of standardisation, than those of bonus-carrying deposits, which are normally concluded on an individual basis.

<sup>18</sup> Since the modification of the interest rate statistics as from the reporting month November 1996, the Bundesbank has also collected data on interest rates for savings facilities with a higher rate of interest (bonus-carrying savings deposits, special savings schemes). See Deutsche Bundesbank, The economic scene in Germany around the turn of 1996-7, Monthly Report, February 1997, page 25 ff.

three months' notice. As part of the revision of the provisions governing savings in mid-1993, the amount obtainable without prior notice was raised to DM 3,000 per calendar month; between the last day and the first day of two consecutive months, DM 6,000 can thus be withdrawn within two days and without prior notice. In addition, withdrawals of savings deposits are now also permissible without presentation of the document. Without prejudice to the existing provisions governing savings, some credit institutions have established automated teller machines for withdrawing savings deposits. Transfers of funds from a savings account to another account held at the saver's bank can also be initiated at some credit institutions by telephone. The more flexible scope for withdrawing funds does not, however, necessarily mean that savings deposits are actually held for shorter periods on average. Numerous special savings contracts include incentives to hold funds for a longer period. For example, the higher rate of interest is often subject to the proviso – as mentioned – that no use is made of the formal three-month period of notice and that deposits do not fall below a minimum amount.

*Competition  
the decisive  
factor for  
product  
innovations*

The perceptible expansion of banks' range of short-term savings deposit products in the last few years was primarily attributable to a marked increase in competitive pressure. On the one hand, the extension of the product range was probably triggered by the deregulation of savings, which created additional scope for devising new products. On the other hand, competition for investment funds has grown tougher of late owing to the ad-

## Interest rates paid on savings deposits

As of April 1997; in % p. a.

Type of deposit	Average rate of interest <sup>1</sup>	Spread <sup>2</sup>
Savings deposits with the minimum/basic rate of interest at three months' notice	1.75	1.50–2.00
Savings deposits with a higher rate of interest at three months' notice		
without a duration of contract		
less than DM 10,000	2.44	2.00–3.25
from DM 10,000 to less than DM 20,000	2.58	2.14–3.25
from DM 20,000 to less than DM 50,000	2.72	2.25–3.25
with a duration of contract		
from DM 20,000 to less than DM 50,000		
up to and including 1 year	2.90	2.50–3.25
over 4 years	4.67	3.25–6.22
at more than three months' notice		
with a duration of contract		
from DM 20,000 to less than DM 50,000		
up to and including 1 year	3.01	2.70–3.50
over 4 years	4.42	3.00–5.03
Memo item		
Time deposits from DM 100,000 to less than DM 1 million running for three months	2.72	2.35–3.00

<sup>1</sup> The average rates are calculated as an unweighted arithmetic mean from the interest rates reported within the spread. — <sup>2</sup> The spread is computed by eliminating the reports in the top 5% and the bottom 5% of the interest rate range.

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mission of pure money market funds, the general expansion of investment business and the introduction of new sales channels. Finally, many savers have become more discriminating as regards the profitability and flexibility of their financial investments.

## Trend in savings deposits at more than three months' notice

From the investor's perspective, savings deposits at more than three months' notice<sup>19</sup> are suited mainly to accumulating or investing assets. As a basic principle, they cannot be

*Savings motive  
and rate of  
interest*

<sup>19</sup> Prior to the revision of the provisions governing saving, these deposits were called savings deposits at agreed notice. For better clarity, the term "savings deposits at more than three months' notice" is used throughout this article.

withdrawn without prior notice. They thus have a clearly longer-term nature. For the purpose of monetary analysis, they are therefore classified as monetary capital. Owing to their lower liquidity and the on average longer investment period, their rate of interest has always been above the "standard savings rate"; the rate of interest was mainly dependent on the length of the period of notice. Data on interest rates for savings deposits with an agreed period of notice of 12 months or of 4 years and over, which were collected by the Bundesbank until November 1996, presumably understated interest rates actually paid in the respective maturity categories for a long time, however, as the spread of special savings contracts started earlier among such instruments than in the case of short-term savings deposits.

Savings deposits of domestic non-banks with a period notice of more than three months came to DM 277 billion at the end of 1996; they thus accounted for just under one-quarter of savings deposits held by domestic investors. DM 216 billion of that sum was accounted for by savings deposits with a period of notice of more than three months to less than four years, and DM 61 billion to deposits with a period of notice of four years and over.

Savings deposits with a period of notice of more than three months to less than four years grew by an annual average of 4% between early 1978 and end-1996. Up to 1988 the trend was presumably determined mainly by the rising interest rate phase until 1981 and subsequently by the falling level of rates (see table on page 48). As with short-term

savings deposits, interest rates for medium-term savings accounts were slower to respond during the interest rate cycle than money market rates and capital market rates.<sup>20</sup> This was primarily attributable to the fact that banks preferred constant add-ons to the "standard savings rate" for longer-term savings deposits. Therefore, during periods of high interest rates, these were relatively unattractive compared with capital market investments and shorter-term time deposits. When interest rates were falling, savers tended to favour medium-term savings deposits again, since these deposits yielded rates ranging over or just a little under the time deposit rate, and fixed-rate bonds were no longer regarded as being sufficiently attractive.

Since the end of the eighties, savings deposits with medium-term periods of notice have been fairly volatile. This was chiefly attributable to a number of special factors, whereas interest rate influences receded in importance. At first, the announcement and introduction of the withholding tax in January 1989 triggered a dramatic reduction in such deposits. Following the intra-German monetary union, fairly large amounts of funds were channelled into savings deposits at a period of notice of over three months to less than four years in the context of the portfolio adjustments of east German savers. In the second half of 1990, just over DM 6½ billion was invested in corresponding accounts at

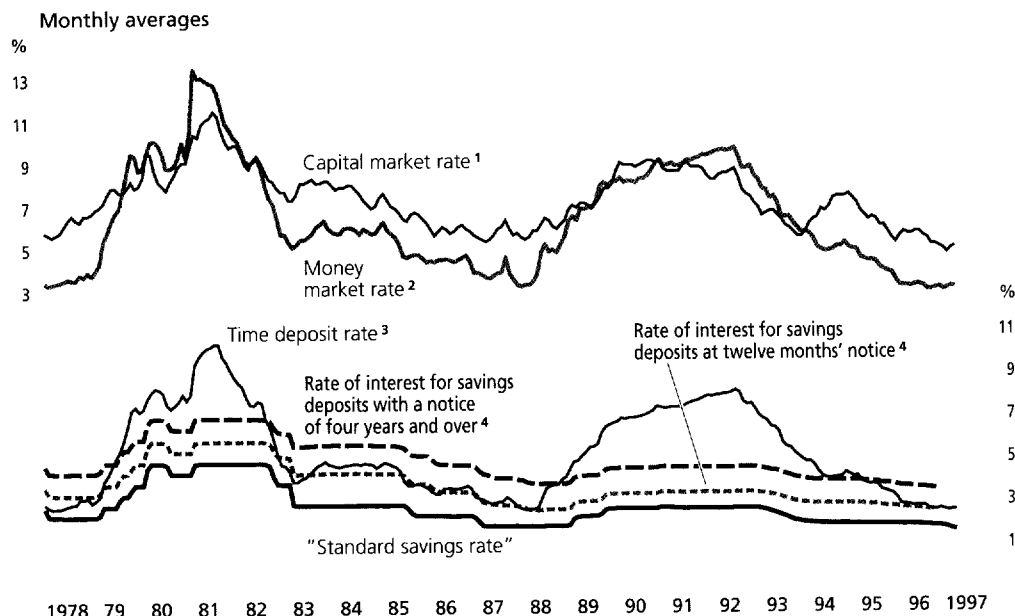
*... special influences dominated the second interest rate cycle*

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<sup>20</sup> Between April 1978 and the respective interest rate peak, the difference between the interest rate for savings deposits with an agreed period of notice of 12 months and the capital market rate and the three-month rate widened from just over 2 to 5½ percentage points (August 1981) and from 0 to 7½ percentage points (March 1981), respectively.

*Interest rates were the principal factor in the first interest rate cycle, ...*

## Interest rate movements



1 Yield on domestic bank bonds outstanding. — 2 Rate for three-month funds reported by Frankfurt banks. — 3 Rate of interest for time deposits of DM 100,000 to less than DM 1 million with an agreed maturity of 1 month up to and including 3 months (from November 1996: of 1 month). — 4 As from December 1996 the data are no longer collected.

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east German credit institutions (excluding east Berlin), and these amounts were stepped up substantially in the following years. This was instrumental in stabilising the overall trend in 1991 and 1992. In western Germany, by contrast, inflows into such deposits were rather low during this period given the growing inversion of the yield curve and a certain reluctance to make longer-term investments in anticipation of the introduction of the tax on interest income at the beginning of 1993.

Following the revision of the provisions governing saving in mid-1993, savings facilities in the medium-term maturity category, too, initially recorded an upswing; towards the end of the period under review, however, they were reduced perceptibly. The recent fall-off in demand – accompanied by a sub-

stantial increase in savings deposits at three months' notice – primarily reflects savers' preference for liquidity, which is not unusual at a time when the economic outlook is uncertain. However, this may in part be ascribable to a structural shift out of savings deposits with a period of notice of over three months into savings deposits at a period of notice of three months. From the saver's perspective, the formally short-term savings deposits – as long as no use is actually made of the period of notice – offer more or less the same rate of interest, given a similar duration of contract and a similar investment amount, as one with a longer period of notice.

The significance of savings deposits with a period of notice of four years and over has

*Volatile trend following the deregulation of saving*

*Dwindling  
significance of  
long-term  
savings deposits*

dwindled perceptibly during the period under review. Between 1978 and 1996 such deposits decreased by just over 1½ % per year on average.<sup>21</sup> This trend mirrors not least the cuts in government saving incentives in the period under review. The Savings Bonuses Act was abolished in connection with the subsidy reductions in the early eighties.<sup>22</sup> With the abolition of government savings bonuses, long-term contractual saving became less attractive, even though credit institutions took this cut as an occasion to offer similar savings contracts of their own.<sup>23</sup>

The abolition of tax credits on employees' savings for all bank account savings contracts concluded after the end of 1988 led to a rush of contracts prior to the abolition, but after that date to a decline in these deposits. If investments for individual capital formation (excluding government promotional incentives) are disregarded, there are hardly any incentives now to step up savings deposits with a period of notice of four years and over. The fact that banks started offering savings programmes with insurance protection has not changed this situation. For acquiring long-term financial assets, the saver can today choose between a large variety of investment facilities which exceed the attractiveness of long-term saving, in particular with regard to liquidity and profitability.

### Implications for monetary targeting

Since 1975 the Bundesbank has followed a strategy of monetary targeting. Since 1988 it has defined the monetary target on the basis

of the money stock M3, which includes savings deposits at three months' notice as a major component. Structural changes in the latter's trend could therefore – by influencing the indicative properties and the controllability of the money stock M3 – have an impact on the efficacy of monetary targeting. That raises the question of the implications of the changes in savings business outlined above for the monetary policy strategy.

A change in the informative value of the money stock M3 would arise if – as a result of the spread of short-term special savings contracts – the share of such funds in M3 that serve rather as a store of value than for transaction purposes were to rise significantly over the long term. In such a case, the asset elasticity of the demand for M3 would increase and the income elasticity would decrease, and the trend in the velocity of circulation would fall faster. In fact – as suggested – plausibility analyses do not rule out the possibility that savings deposits at three months' notice may have increasingly acquired the character of monetary capital. This would pose a particular problem for monetary targeting if such a change were to happen abruptly. However, if such a change happens more or less gradually, policy makers can calculate an appropriate add-on, when deriving

*Changes in  
savings and the  
effectiveness of  
monetary  
targeting*

*Possible change  
in the  
informative  
value of the  
money stock*

<sup>21</sup> For the trend during the individual interest rate cycle phases see the table on page 48.

<sup>22</sup> Only savings contracts which were concluded prior to November 13, 1980 carried a bonus.

<sup>23</sup> These include, for example, instalment savings schemes which usually provide for saving over six years and "a holding period" of one year after the last instalment, for which a one-off bonus is paid at the end of the contractual period in addition to the basic rate of interest.



the monetary target, allowing for the declining trend in the velocity of circulation.

*Following the deregulation of saving, greater inflow of funds to savings deposits...*

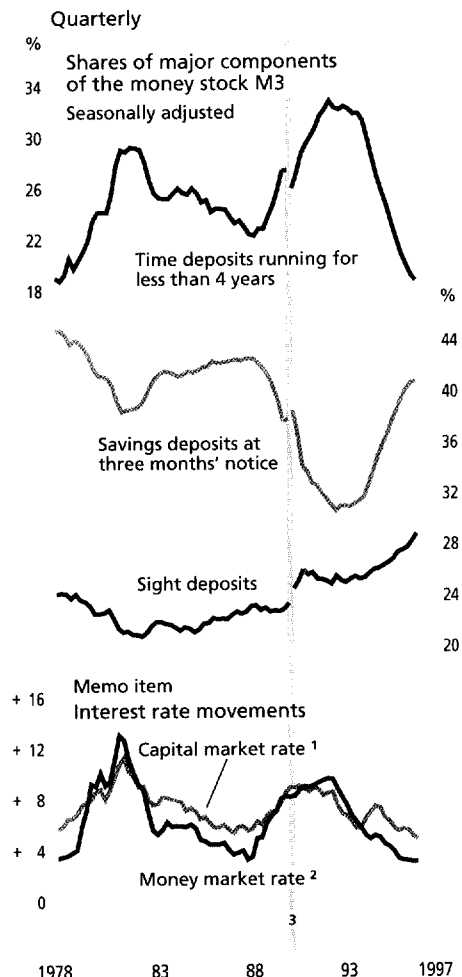
*... initially to the detriment of time deposits ...*

For the time being, it is too early to make a comprehensive empirical assessment.<sup>24</sup> However, so far there are few signs of any lasting change in the demand for savings deposits and resulting long-term distortions in the growth of the money stock M3. In the past three years, special savings schemes have strongly increased, but in 1994 and 1995 this presumably occurred mainly to the detriment of shorter-term time deposits. These shifts – which are fairly usual when interest rates are declining – were reinforced by the growing popularity of higher-yielding savings schemes. As such transactions cancel out within the monetary aggregate M3, they do not affect its overall trend. The share of savings deposits in the money stock M3 at the end of 1996 was rather lower than at the beginning of 1988. The same is true of time deposits' share. This suggests that the increase in savings deposits in the recent past can be interpreted to some extent as a correction of their loss of significance during the rising interest rate phase between 1988 and 1992. The longer-term increase in the share of sight deposits and the lower share of savings deposits and time deposits in the aggregate likewise does not suggest that the "degree of liquidity" of the money stock M3 has declined over the long term.

*... and in 1996 also to the detriment of monetary capital*

By contrast, the very moderate demand of domestic non-banks for longer-term investments at banks which in 1996 accompanied the rapid growth in savings deposits suggests that last year short-term savings deposits

### The structure of the money stock M3



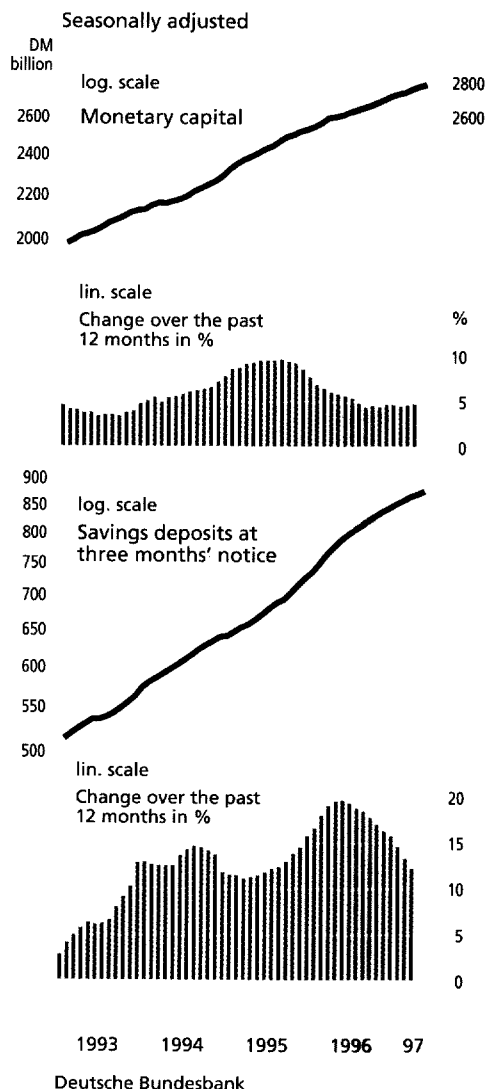
1 Yield on domestic bank bonds outstanding. — 2 Rate for three-month funds reported by Frankfurt banks. — 3 From June 1990 new territorial definition.

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were stepped up to a fairly large extent to the detriment of monetary capital. It is true that shifts out of monetary capital into the money stock are not unusual at times when interest rates are low and are even an integral part of the transmission of monetary policy impulses.

<sup>24</sup> Since the beginning of the statistical collection of data on special savings schemes at three months' notice at the end of 1993, which made a detailed analysis possible in the first place, not even one full interest rate cycle has elapsed.

### Monetary capital and savings deposits at three months' notice



However, monetary capital grew at a slower rate in 1996 than during comparable interest rate and cyclical constellations, for example in 1987. This was attributable in part to the reduction in longer-term savings deposits, some of which were presumably rerouted into short-term special savings deposits. It may thus be inferred that the amount of "latent" monetary capital included in M3 is higher at present than during previous low

interest rate phases. An analysis of the transactions velocity of savings deposits points in the same direction.<sup>25</sup> The transactions velocity has slowed down markedly following a steep increase in the late eighties/early nineties (in connection with the aforementioned fall-off in the growth of savings deposits) since 1993 and is now below its multi-year average. Although it currently ranges above the low points of previous low interest rate phases, it has declined – starting from a very high level – by a much greater margin than in comparable phases in the past.

Such temporary distortions do not pose any unsolvable problems for monetary targeting, they can rather be identified by means of monetary analysis and included in monetary policy assessment. Thus last year the Bundesbank interpreted the large weight of domestic non-banks' investment behaviour in the strong increase in M3 as an indicator that liquidity affecting expenditure rose less rapidly than M3. Together with other factors, this resulted in the conclusion that, in spite of the failure to meet the monetary target in 1996, no inflationary pressures were to be anticipated on the monetary front.<sup>26</sup>

*Temporary distortions largely unproblematic for monetary targeting*

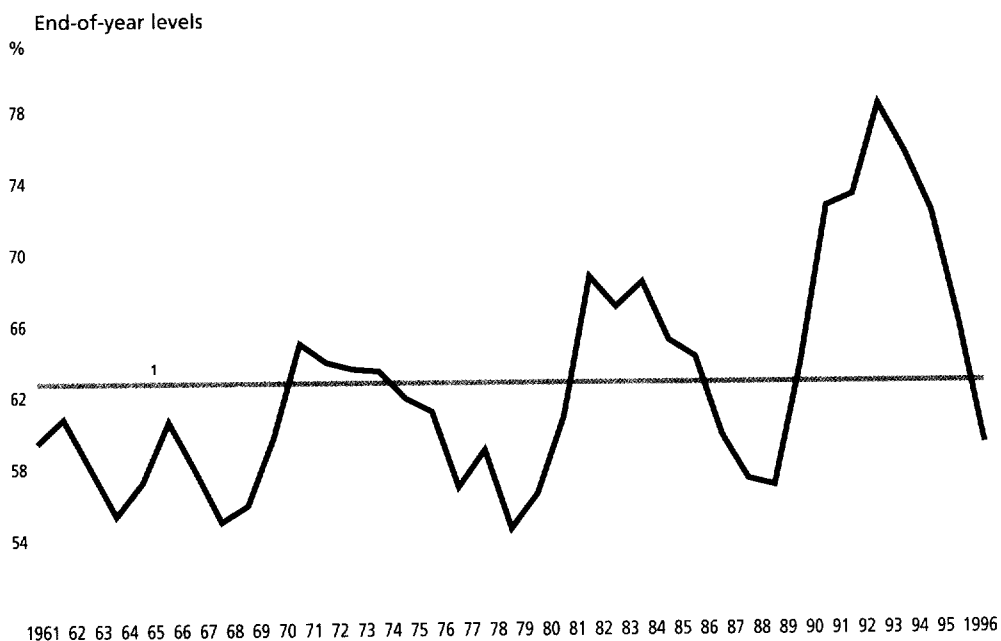
It would seem to be mistaken or at least premature to conclude from the trend during the past few years that short-term special savings

*No basic change in the economic nature of savings deposits*

<sup>25</sup> The transactions velocity is defined here as the quotient of the sum of all withdrawals in a given year and the level of savings deposits at the end of the previous year. Such an analysis is only possible for total savings deposits, as data on withdrawals are collected only for this variable.

<sup>26</sup> See Deutsche Bundesbank, Strategy of monetary targeting in 1997-8, Monthly Report, January 1997, pages 17-25.

### Long-term trend in the transactions velocity of savings deposits \*



\* The transactions velocity is defined here as the quotient of the sum of all withdrawals in a given year and the level of savings deposits at the end of the previous year. Up to and including 1990 western Germany, thereafter Germany as a whole. — 1 Average transactions velocity from 1960 to 1996.

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schemes no longer have anything in common as regards their economic nature with traditional savings deposits with the same maturity and that they therefore ought to be excluded completely from M3 and included in monetary capital. Firstly, their ongoing substitution for shorter-term time deposits argues against such a step. Secondly, short-term savings deposits have always served as an investment vehicle of risk-averse investors; their significance as an investment alternative to fixed-rate debt securities likewise usually increases at times of growing interest rate uncertainties. Finally, the trend in the transactions velocity has so far not suggested that new investment in (special) savings schemes at three months' notice should be interpreted largely or even exclusively as monetary capital formation.

At present there is therefore no need to alter the definition of the intermediate target variable M3. This is all the more true as most econometric studies continue to find that money demand in Germany is stable over the long term. Even if such analyses may perhaps reveal structural breaks in money demand functions only with a longer time lag, that is no reason to redefine the monetary aggregate *ad hoc*, let alone to abandon the strategy of monetary targeting altogether.

*Retention of the monetary aggregate M3*

An increase in the share of higher-yielding savings schemes in savings deposits at three months' notice could affect the interest rate elasticity of money demand. An inverse response of money demand to changes in the money market rates is the crucial lever by means of which the central bank can control

*Implications for interest rate elasticity*

the growth of the money stock by influencing terms and conditions in the money market. A higher remuneration of the stock of savings deposits, other things being equal, also raises the average rate of interest, the so-called "own rate of interest", of the overall aggregate M3; this may reduce the (negative) interest rate elasticity and thus the controllability of this monetary aggregate. Econometric studies have so far indicated no such change in interest rate elasticity, however. Even if the "own rate of interest" of M3 were to increase in the wake of higher-yielding savings deposits, a basically negative interest rate elasticity of M3 should not be jeopard-

ised in the near future, for at the end of 1996 the largely unremunerated or barely remunerated components (currency in circulation, sight deposits, traditional savings deposits) still accounted for the bulk of M3.

To date, the rapid growth of special savings deposits has not noticeably weakened the efficacy of monetary targeting. However, the line of demarcation between money and monetary capital has probably become more blurred. The Bundesbank will closely monitor the future trend in savings business so that it can respond appropriately to any resulting distortions in the money stock.

*Monetary  
policy  
conclusion*

## Savings deposits of domestic non-banks \*

DM billion

Period	Total	By maturity			By group of savers and maturity				
		At 3 months' notice	With a period of notice of		Total	Domestic individuals			
			over 3 months to less than 4 years	4 years and over		At 3 months' notice 1	With a period of notice of		
							over 3 months to less than 4 years 1	Total 1	4 years and over
						of which Under the Personal Asset Acquisition Act 2			
End-of-year levels									
1977	437.1	259.7	96.7	80.7	413.5	249.6	90.2	73.7	40.0
1978	466.4	281.2	100.5	84.7	441.5	270.6	93.6	77.3	38.2
1979	478.4	289.7	97.7	91.0	454.8	280.0	91.2	83.6	42.8
1980	485.8	298.8	91.4	95.5	464.0	289.7	86.0	88.4	48.0
1981	483.0	297.9	89.3	95.8	463.1	288.9	84.9	89.4	51.6
1982	518.2	328.8	93.7	95.7	498.0	318.9	89.5	89.6	51.5
1983	548.4	359.5	100.2	88.7	526.5	348.2	95.8	82.5	41.7
1984	568.8	373.8	110.3	84.7	546.4	362.0	105.7	78.7	34.9
1985	623.6	408.4	124.2	91.1	599.6	395.3	119.5	84.7	33.1
1986	670.3	439.8	135.0	95.6	644.6	425.9	130.1	88.6	30.5
1987	707.1	466.8	140.9	99.4	679.5	452.4	135.6	91.5	26.5
1988	728.0	493.5	133.3	101.1	699.6	478.8	128.0	92.8	29.2
1989	705.6	479.1	137.6	89.0	679.2	464.8	132.9	81.5	22.0
1990	755.2	515.4	159.2	80.6	729.6	501.2	154.6	73.7	18.6
1991	754.1	513.1	165.6	75.4	731.2	500.5	161.5	69.2	17.1
1992	770.7	522.2	177.4	71.2	748.6	509.5	173.6	65.4	16.7
1993	859.4	587.4	202.0	70.0	836.6	574.6	197.7	64.3	17.1
1994	940.5	654.3	217.1	69.1	915.7	640.2	212.2	63.4	18.3
1995	1,046.1	749.7	234.0	62.3	1,018.7	733.2	228.6	56.9	15.3
1996	1,143.0	865.8	216.1	61.0	1,112.1	846.7	210.4	55.0	15.7
Changes									
1978	29.0	21.3	3.7	4.0	27.6	20.8	3.3	3.6	- 1.8
1979	11.6	8.3	- 2.9	6.2	12.9	9.2	- 2.5	6.2	4.6
1980	6.9	8.8	- 6.3	4.4	8.7	9.4	- 5.4	4.7	5.2
1981	- 3.4	- 1.3	- 2.2	0.1	- 1.4	- 1.1	- 1.2	0.9	3.6
1982	35.0	30.8	4.3	0.0	34.8	29.9	4.6	0.3	- 0.1
1983	30.2	32.2	5.0	- 7.0	28.4	30.8	4.7	- 7.2	- 9.9
1984	20.3	14.3	10.0	- 4.0	19.8	13.7	10.0	- 3.8	- 6.7
1985	32.8	21.6	8.9	2.4	31.8	20.8	8.9	2.1	- 2.8
1986	46.7	31.4	10.8	4.5	45.0	30.6	10.6	3.8	- 2.6
1987	36.8	27.0	5.9	3.8	35.0	26.5	5.6	2.9	- 4.1
1988	20.9	26.5	- 7.3	1.7	20.1	26.2	- 7.4	1.3	2.7
1989	- 22.4	- 14.5	4.2	- 12.1	- 20.4	- 14.0	4.9	- 11.3	- 7.2
1990	- 37.4	- 50.7	21.7	- 8.3	- 36.5	- 50.5	21.7	- 7.8	- 3.4
1991	0.9	0.8	5.4	- 5.4	3.6	2.3	6.0	- 4.6	- 1.5
1992	16.3	7.4	13.1	- 4.1	17.1	7.4	13.4	- 3.7	- 0.4
1993	88.7	65.0	24.8	- 1.2	87.7	64.6	24.2	- 1.1	0.4
1994	81.2	67.5	14.6	- 0.9	79.3	66.2	14.0	- 0.9	1.4
1995	105.6	101.9	10.5	- 6.7	102.9	99.4	10.1	- 6.6	- 3.0
1996	96.9	116.8	- 18.7	- 1.1	93.4	114.2	- 19.1	- 1.7	0.4

\* Excluding savings deposits of foreign branches and of building and loan associations. From 1990 including savings deposits of east German credit institutions. Statistical changes have been eliminated in the changes. — 1 For

enterprises, individuals and non-profit organisations, full data on maturities were first collected in 1980; the missing data have been estimated. — 2 Up to 1986 including savings deposits as defined by the Savings Bonuses Act. —

Savings deposits of domestic non-banks \* (cont'd)

DM billion

Period	By group of savers and maturity							
	Domestic non-profit organisations		Domestic enterprises		Domestic public authorities		Memo item Special savings facilities <sup>3</sup>	
	Total	of which At 3 months' notice <sup>1</sup>	Total	of which At 3 months' notice <sup>1</sup>	Total	of which At 3 months' notice	Total	of which At 3 months' notice <sup>4</sup>
End-of-year levels								
1977	10.4	4.1	6.0	2.8	7.2	3.2	.	.
1978	11.0	4.4	6.3	2.9	7.6	3.3	.	.
1979	10.8	4.1	6.0	2.7	6.8	2.9	.	.
1980	10.4	3.8	6.0	2.8	5.4	2.5	.	.
1981	9.9	3.9	5.5	2.7	4.4	2.4	.	.
1982	10.2	4.3	5.5	2.8	4.5	2.7	.	.
1983	10.9	4.8	5.7	3.0	5.3	3.4	.	.
1984	11.2	5.1	5.6	3.1	5.6	3.7	.	.
1985	12.1	5.6	6.3	3.6	5.6	3.8	.	.
1986	13.2	6.0	6.7	3.9	5.8	3.9	140.7	.
1987	14.6	6.4	7.2	4.2	5.8	3.8	169.7	.
1988	15.0	6.5	7.4	4.3	5.9	4.0	177.0	.
1989	14.4	6.3	6.2	3.8	5.9	4.2	191.4	.
1990	13.9	6.2	5.7	3.5	6.1	4.4	216.1	.
1991	12.6	5.6	5.3	3.4	5.0	3.6	255.7	.
1992	12.4	5.8	5.3	3.5	4.5	3.4	309.4	.
1993	13.6	6.3	4.8	3.2	4.5	3.3	380.5	180.8
1994	14.8	7.2	4.9	3.2	5.0	3.7	474.4	249.4
1995	15.0	7.8	7.1	4.7	5.3	4.0	583.3	344.7
1996	16.8	9.5	8.6	5.5	5.4	4.1	679.1	459.6
Changes								
1978	0.6	0.3	0.3	0.2	0.4	0.1	.	.
1979	- 0.2	- 0.3	- 0.3	- 0.2	- 0.8	- 0.4	.	.
1980	- 0.4	- 0.3	0.0	0.1	- 1.5	- 0.4	.	.
1981	- 0.5	0.1	- 0.5	0.0	- 1.0	- 0.2	.	.
1982	0.2	0.4	- 0.1	0.1	0.1	0.3	.	.
1983	0.7	0.5	0.3	0.2	0.8	0.7	.	.
1984	0.3	0.2	- 0.1	0.1	0.3	0.3	.	.
1985	0.7	0.4	0.4	0.4	- 0.1	0.0	.	.
1986	1.1	0.4	0.4	0.3	0.2	0.1	.	.
1987	1.4	0.4	0.4	0.2	0.0	- 0.1	28.7	.
1988	0.4	0.0	0.3	0.2	0.2	0.2	7.4	.
1989	- 0.6	- 0.2	- 1.3	- 0.5	- 0.1	0.2	12.9	.
1990	- 0.6	- 0.2	- 0.5	- 0.3	0.3	0.2	24.7	.
1991	- 1.3	- 0.6	- 0.4	- 0.1	- 1.1	- 0.8	32.9	.
1992	- 0.2	0.2	0.0	0.1	- 0.5	- 0.2	50.6	.
1993	1.2	0.5	- 0.2	0.0	- 0.1	- 0.1	59.6	.
1994	1.2	0.9	0.1	0.0	0.5	0.4	89.0	64.4
1995	0.2	0.7	2.2	1.5	0.3	0.3	104.2	96.4
1996	1.8	1.7	1.5	0.8	0.1	0.0	80.7	100.2

<sup>3</sup> Savings deposits for which a rising rate of interest or a – not just temporary – bonus or generally a higher interest rate than the normal rate is paid under special contracts.

From 1986 special savings facilities of domestic individuals, from December 1993 of all non-banks, from January 1995 of domestic non-banks. — <sup>4</sup> Collected only from 1993.

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## International capital links between enterprises from the end of 1993 to the end of 1995

Mutual capital links between domestic and foreign enterprises have been steadily growing as a result of the globalisation and liberalisation of the goods and financial markets as well as the progressive division of labour in the world economy. The opening-up of the markets in the former centrally planned economies in central and eastern Europe as well as in central Asia was a further stimulus to this process at the beginning of the nineties. These factors also influenced developments in 1994 and 1995, for which the corresponding balance sheet figures are now available. There was another significant rise both in German corporate assets abroad and in foreign participating interests in Germany between the end of 1993 and the end of 1995. The following article explains the most recent results of the annual stock survey of cross-border corporate capital links in detail and therefore represents a continuation of the earlier reports on this topic.<sup>1</sup>

### Efforts at globalisation

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#### General trend

Primary German corporate assets abroad, which consist of direct capital interests in for-

*German investment abroad*

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<sup>1</sup> The latest article on this subject appeared in Deutsche Bundesbank, International capital links between enterprises from the end of 1991 to the end of 1993, Monthly Report, May 1995, page 43 ff.

eign branches and subsidiaries and direct intra-group loans, grew by DM 53 billion to DM 362 billion between the end of 1993 and the end of 1995, which was similar to the increase in the preceding two-year period. Owing to the weakness of some major partner currencies, however, the increase in stocks during the period under review was substantially understated. In Europe it was the pound sterling and the Italian lira which depreciated most against the Deutsche Mark between the end of 1993 and the end of 1995; the value of each fell by more than 10%. In the case of the US dollar, the depreciation was as much as 17%. The conversion into Deutsche Mark of the investment capital shown in the balance sheets in foreign currency therefore gave rise to an exchange-rate-related decline in stocks of almost DM 20 billion; at DM 9 billion, the high level of German direct investment in the United States was particularly affected. As a result of the subsequent normalisation of the exchange rate pattern, however, these valuation losses have again been recouped.

The strength of the Deutsche Mark naturally made purchases of enterprises abroad less expensive for German investors in that period. The two-year period concerned was marked by some major one-off transactions and by numerous corporate takeovers. The founding of new enterprises in the industrial countries tended to be the exception. The progressive liberalisation made it possible for multinational enterprises to obtain funds in the international capital markets to carry out these large-scale projects, which were further assisted by low interest rates. Most groups

were still in the process of restructuring during the period in question. They developed their more profitable core businesses and increasingly spun off unprofitable business activities. However, demand for services and supplies was increased, and a niche was obtained for other specialised enterprises through outsourcing.

Probably the primary aim of direct investment during the period under review was again the safeguarding of competitiveness and of a presence in growing markets. This means that investment abroad is not necessarily at the expense of investment in Germany because the overall volume of investment constantly varies. In many cases investment actually helped to maintain competitiveness in Germany.

### Comparison with the balance of payments

The intensive efforts on the part of German investors to operate internationally in 1994 and 1995 can be seen particularly clearly in the capital transfers made for direct investment as reflected in the balance of payment statistics (see the table on page 65). The unprecedented amount of DM 70 billion net was made available for acquiring participating interests. Despite the large dividend distributions, the favourable earnings position in most countries made it possible in both years to increase the investment capital by DM 6 billion through reinvested earnings. A further DM 10 billion net was made available to foreign subsidiaries through loans, with shareholders and other affiliated enterprises in Germany each contributing one-half of this

*Safeguarding  
competitiveness*

*Large payments  
for participating  
interests  
abroad*

*Numerous  
corporate  
takeovers*



Trend in the stocks of and transactions in primary direct investment  
from end-1993 to end-1995

DM billion

Type of capital. capital flows	Primary German direct investment abroad	Primary foreign direct investment in Germany
Direct investment stocks at the end of 1993		
Investment capital	243.3	110.0
Loans from shareholders	51.2	54.9
Loans from other affiliated enterprises	13.8	59.2
Direct investment stocks, total	308.4	224.0
Payments for participating interests, according to the balance of payments statistics		
New investment in participating interests	+ 106.4	+ 37.2
Liquidation of participating interests	- 36.3	- 19.7
Balance	+ 70.1	+ 17.5
Changes in the value of stocks as a result of exchange rate fluctuations <sup>pe</sup>	- 19.5	-
Changes in stocks as a result of the profits of enterprises in which the participating interests are held		
Reinvested earnings <sup>pe</sup>	+ 6.0	- 7.0
Memo item		
Reinvested earnings shown in the balance of payments <sup>1</sup>	(+ 3.0)	(- 11.0)
Change in the total sum of dividends provided for profit distribution	- 0.9	+ 1.1
Balance	+ 5.1	- 5.9
Direct investment in the form of loans		
Long-term loans from shareholders, according to the balance of payments statistics <sup>2</sup>		
New loans	+ 13.0	+ 34.5
Repayments	- 11.5	- 18.2
Balance	+ 1.5	+ 16.3
Change in the remaining loans from shareholders <sup>2</sup>	+ 3.3	- 8.9
Change in the loans from other affiliated enterprises	+ 4.9	+ 14.1
Balance	+ 9.7	+ 21.5
Discrepancies between transaction values and the book values of participating interests, as shown in the balance sheets, and other factors	- 12.1	+ 13.9
Direct investment stocks at the end of 1995	361.7	271.0
Investment capital	286.9	135.4
Loans from shareholders	56.1	62.3
Loans from other affiliated enterprises	18.7	73.3

<sup>1</sup> Reinvested earnings appear in the stock statistics in the year that they arise (financial year); however, they are not recorded in the balance of payments until the following year (utilisation of profits). The reinvested earnings recorded in the stock statistics therefore differ from those in

the balance of payments for a certain period. — <sup>2</sup> Only the long-term loans granted by shareholders to investment targets are recorded in the balance of payments as direct investment; other loans are classified as short-term financial transactions and trade credits.

sum. The share of loans in German direct investment abroad actually fell slightly during the period under review and amounted to only 20% at the end of 1995.<sup>2</sup>

Primary foreign direct investment in Germany increased almost as sharply as German direct investment abroad between the end of 1993 and the end of 1995, namely by a total of DM 47 billion to DM 271 billion. It must be remembered here, however, that in contrast to German investment abroad the balance sheet figures for investment in Germany are shown in Deutsche Mark and therefore do not entail any stock changes arising from currency conversion. It must also be emphasised that during the period under review net inflows of capital for the most important direct investment operations, i.e. equity capital in Germany, amounted to only DM 17.5 billion, which is one-quarter of what German enterprises spent in acquiring foreign participating interests during the same period.

There are a number of reasons why foreign investors have tended to be reluctant to acquire participating interests in the German business sector during the past few years. They are essentially the same reasons as those which, conversely, have encouraged German firms to step up their investment abroad. Germany as a business location has evidently become less attractive than other countries. During the period under review its standing as a business location suffered not only from a multiplicity of structural rigidities and a high burden of taxes and levies but also, above all, from the excessive increase in wage costs together with the sharp appreci-

ation of the Deutsche Mark. Another point is that corporate takeovers and restructuring are more difficult to achieve in Germany than abroad. One reason is that the number of listed enterprises is much lower in Germany than in other major industrial countries.

Although rationalisation measures leading to increased productivity were already having a positive effect on the profitability of foreign enterprises in Germany in 1994 and 1995, revenue reserves were reduced by DM 7 billion net during this same period. This was the result of large dividend payments, which in some cases exceeded the profits for the year, and of large losses for the year in the case of some holding companies.

At a total of just under DM 22 billion, credit financing through foreign shareholders and other affiliated enterprises abroad was significantly expanded in 1994 and 1995. Short-term credits were substantially reduced, whereas shareholders' long-term loans (+ DM 16 billion) were taken up to a much greater extent, the most likely reason being the favourable interest rate situation. The trend towards intra-group credit financing in the case of foreign direct investment in Germany was particularly pronounced during the period under review; almost two-thirds of additional credits were provided by other

*Reduction  
in previously  
reinvested  
earnings*

*Substantial  
credit financing*

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<sup>2</sup> The transaction values recorded in the balance of payments statistics were DM 12 billion higher than the changes in the book values shown in the stock statistics. Not only valuation differences and differences between calendar and financial years but also various fairly substantial acquisitions of participating interests played a role here. Although these were below the 20% limit for direct investment, they were recorded as such in the balance of payments statistics.

affiliated enterprises abroad. The share of foreign investment capital in total direct investment was 50% and therefore was virtually unchanged. It was far below the share of investment capital in German corporate assets abroad.<sup>3</sup>

### Holding companies and secondary participating interests

*Involvement  
of holding  
companies*

As has been observed for some time, a large part of the new direct investment operations with non-residents was again handled through holding companies from the end of 1993 to the end of 1995. Holding companies accounted for almost 30% of the rise in Germany's stock of primary direct investment abroad and for as much as 84% of new foreign direct investment in Germany. However, the capital structure of the direct investment resources additionally provided differed considerably in both cases. Whereas German enterprises supplied DM 12 billion in investment capital and only just under DM 4 billion in additional loans to holding companies abroad, foreign shareholders invested DM 18.5 billion and therefore less than one-half in the equity capital of these enterprises and financed DM 21 billion within the group in the form of outside capital.

At the end of 1995 about one-quarter, or DM 92 billion, of primary German direct investment abroad and one-half, or DM 133 billion, of foreign direct investment in Germany were invested in holding companies. This is the result of developments during the past few years when large groups undertook substantial restructuring and were organised increas-

ingly under the roof of a holding company or whole holding chains. Like the Netherlands and Switzerland, Germany has now become a major international location for holding companies.

Both the extensive financing of subsidiaries in Germany by their foreign parent companies and the tendency to involve holding companies in cross-border participating interests are often due to tax considerations, too. Debt interest paid on intra-group loans can, in principle, be claimed as a tax allowance in Germany; this tends to encourage the financing of German enterprises through outside funds. Internationally operating enterprises can use this advantage to increase their earnings by using interest expenditure in countries with high taxes to reduce taxes while the interest income is generated in countries with lower taxes. However, the possibility of paying tax-reducing interest to shareholders instead of dividends from taxed profits is limited in Germany. In certain circumstances debt interest must be devoted to dividends for tax purposes. There are greater restrictions here on production plant than on holding companies. The latter can offset debt interest on outside funds up to nine times instead of up to three times the corresponding amount of capital. These different limits for shareholders' debt financing stem from

*Tax advantage*

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<sup>3</sup> The transaction values for foreign direct investment in Germany recorded in the balance of payment statistics were DM 14 billion lower than the corresponding changes in the book values of foreign participating interests (including other factors) in the two years under review. A major reason for this was the liquidation of primary foreign participating interests for which German investors paid sums which were considerably above the participation values shown in the balance sheets and which were reflected as decreases in the stock survey.

an amendment to the Corporation Tax Act in the course of drafting the Industrial Location Protection Act. The main result of this Act, however, is that since 1994 the "additional charge" on foreign earnings which were distributed by German incorporated enterprises to other German corporations has been abolished, with the result that a locational disadvantage for holding companies in Germany has been removed. This also explains the change in the structure by economic sector in the case of foreign direct investment in Germany during the past few years. Many participating interests in the producing sector which were formerly held direct have been acquired by holding companies which are domiciled in Germany but which are majority-owned by non-residents. These companies are simply administrative and financing centres; the actual entrepreneurial activities take place in other sectors and in some cases in quite different locations.

In the statistics on international capital links between enterprises secondary participating interests via dependent holding companies are also taken into account. To avoid double-counting of the invested capital the primary participating interests in dependent holding companies are excluded when aggregating the primary and secondary participating interests.<sup>4</sup>

Owing to the additional financial resources of dependent holding companies abroad, Germany's primary and secondary corporate assets abroad at the end of 1995 were DM 14 billion greater than the primary participating interests alone and amounted

to DM 376 billion. The rise, at just over DM 54 billion compared with the end of 1993, was almost identical to the growth in primary capital (+ DM 53 billion).

The situation looks quite different in the case of foreign direct investment in Germany. The aggregate of primary and secondary foreign direct investment at the end of 1995 was almost DM 39 billion less than primary investment alone. This is mainly due to the restructuring already mentioned. For the acquisition of secondary participating interests holding companies were given more financial resources from abroad than was consistent with the balance sheet values of the enterprises acquired. Primary and secondary foreign corporate assets in Germany rose by no more than DM 32 billion from the end of 1993 to the end of 1995, which was DM 15 billion less than the primary assets.

## Regional distribution

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### German direct investment abroad in clearly selected areas

The integration of the world economy has continued during the past few years. Not least as a result of evermore efficient communication networks, the scope for protecting home markets from outside competition has increasingly narrowed. At the same time, liberalisation measures have made it easier to

*Integration of  
the markets*

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<sup>4</sup> In the following sections on the regional distribution and sectoral breakdown of direct investment only the aggregate of primary and secondary corporate assets will be taken into consideration.

shift centres of production. Furthermore, lower transaction costs are enabling internationally operating groups to locate their intra-group production in countries where costs are most favourable. The continual decline in the importance of national borders is reducing the scope of national policy makers. Differences in the level of taxes and levies are playing an increasingly important role as locational factors. Overall, global competition is fostering the international division of labour and improving the chances of greater growth in the world economy.

*German direct investment ...*

German enterprises are facing up to the increase in competition and are trying to adjust to the change in circumstances by organising their production plant and sales outlets on an international basis. This can be seen quite clearly from the way in which they are concentrating their direct investment operations regionally. The closest links through direct investment are formed between the industrial countries with which they have the greatest exchange of goods.

*... in EU countries*

The other 14 countries of the European Union accounted for more than 70 % of the DM 39 billion rise in German direct investment abroad from the end of 1993 to the end of 1995. The stock of direct investment in these countries increased to DM 208 billion and at the end of 1995 amounted to more than one-half of Germany's total investment abroad (see the table on page 71). Despite the exchange-rate-related decline in the value of direct investment in the United Kingdom, mentioned at the beginning, it was here that the largest amount of new investment, at

DM 16 billion, was recorded. At the end of 1995 the United Kingdom – which accounts for one-tenth, or DM 37 billion, of Germany's total investment abroad – therefore stood ahead of France and Belgium as the favourite foreign location for German investors within the EU. There were not only a few large-scale transactions but also a large number of fairly small takeovers. Overall, 84 investment targets more than at the end of 1993 were statistically recorded. Investment was concentrated on the financial sector as well as on motor vehicle manufacture. The United Kingdom started to deregulate and to privatise nationalised concerns sooner than other countries. In addition, British wage and salary levels in many sectors are significantly lower than their German equivalents. More flexible working hours, short periods of notice and fewer holidays have likewise had a favourable impact. German corporate holdings in the Netherlands – mostly in financial institutions – were increased by DM 6 billion to DM 25 billion, which was significantly behind those in the United Kingdom.

At DM 5 billion, the rise in direct investment in the remaining industrial countries was comparatively low during the period under review, although this, again, is essentially due to the aforementioned valuation changes arising from exchange rate movements. Nevertheless, the United States, with more than one-fifth, or DM 81 billion, of German investment abroad at the end of 1995, accounted for three-quarters of the increase. At just under DM 8 billion, German investment in Japan remained very low; there was little change in either of the two years under

*... in other industrial countries*

review. The high cost of entering the Japanese market together with high real estate prices and a highly regulated financial sector probably continued to make it difficult for German investors to gain a foothold.

At the end of 1995 German corporate holdings in the so-called countries in transition reached a total value of DM 12.5 billion, which was twice as much as at the end of 1993. Most of the investment here came from the manufacturing sector, although there were considerable differences in the trend from one country to another. Direct investment in the Czech Republic rose by more than DM 2 billion to just under DM 4 billion, while in China, Hungary and Poland it rose by about DM 1 billion in each case. By contrast, the political and economic trends in Russia and in the other successor states to the former Soviet Union were not very promising in the period under review and proved to be little attractive for German investors (+ DM 0.5 billion).

Despite a relatively high reporting threshold,<sup>5</sup> a further 840 enterprises in which German residents held participating interests were statistically recorded in the countries in transition during the two-year period (see the chart on page 72). This was 56% of the total increase in German investment targets abroad; it is likely that German branches and subsidiaries in these countries will continue to expand dynamically. Another point is that, in contrast to those of the industrial countries, enterprises here were more frequently located on greenfield sites. The number of employees in the enterprises in the countries

in transition with German capital interests rose by just under 150,000. That is as much as two-thirds of the increase in all German branches and subsidiaries abroad.

Direct investment benefited both sides. On the one hand, the lower wage costs resulted in an increase in the imports of predominantly labour-intensive intermediate goods from these countries, which meant that production costs in Germany could be reduced overall. On the other hand, German direct investment fostered economic change in the countries in transition and was responsible for the transfer of technical and business know-how. Through their links to their German shareholders the enterprises established in the countries in transition also acquired easier access to western markets. Finally, these economies benefited from the fact that the need to borrow abroad was thereby reduced.

German corporate investment in the developing countries rose by no more than DM 4 billion to DM 38.5 billion. The growing markets in Latin America and in Asia, including Oceania, each accounted for about one-half of this sum. Capital investment in African countries was insignificant. There was a particularly strong rise in the number of targets in which German investors had interests in Asia and Oceania (+ 124). As a rule, the developing countries are particularly interested in local value added and do not wish to meet their needs only through imports. Although on-site production reduces exchange rate risks, the sales motive necessary for carrying

*... and in  
developing  
countries*

<sup>5</sup> Only investment targets with a balance sheet total of over DM 1 million are recorded.

Primary and secondary direct investment stocks  
by group of countries and major country  
at end-1993 and end-1995

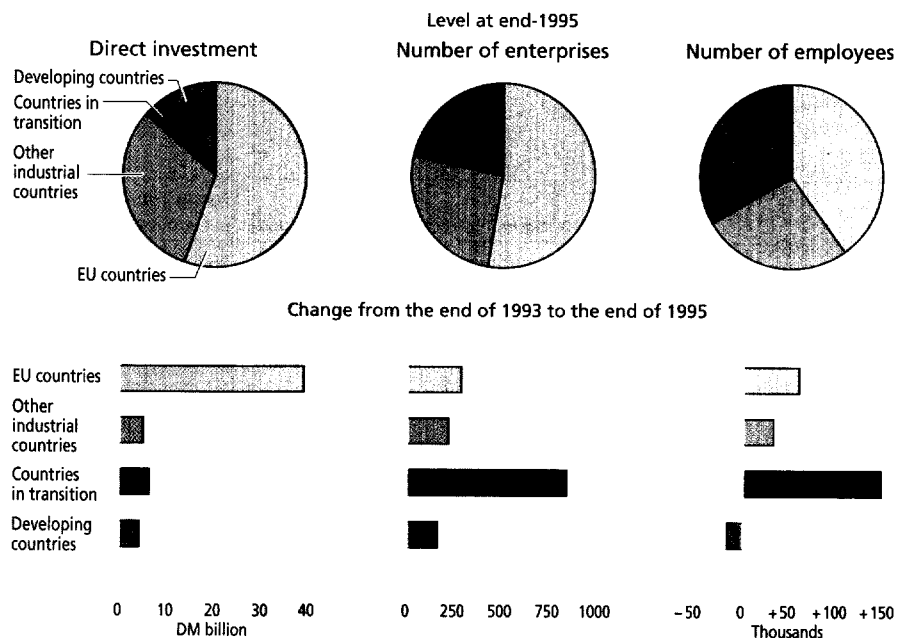
DM billion

Group of countries/Country	German direct investment abroad			Foreign direct investment in Germany		
	End-of-year level		Change	End-of-year level		Change
	1993	1995		1993	1995	
All countries	321.4	375.8	54.4	200.5	232.3	31.8
EU countries <sup>1</sup>	169.0	208.0	39.0	95.8	116.0	20.2
of which						
Austria	12.3	14.2	1.9	4.9	6.2	1.3
Belgium	27.2	28.1	0.9	3.6	3.5	-0.1
France	26.4	30.3	3.9	15.8	21.8	6.0
Italy	13.4	15.4	2.0	3.0	4.0	1.0
Luxembourg	12.6	15.7	3.1	2.6	4.1	1.5
Netherlands	19.2	25.1	5.9	40.4	48.0	7.6
Spain	11.4	12.8	1.4	1.1	1.0	-0.1
Sweden	2.4	3.6	1.2	6.8	7.7	0.9
United Kingdom	21.3	37.2	15.9	13.0	14.4	1.4
Other industrial countries <sup>1</sup>	111.9	116.9	5.0	96.5	105.7	9.2
of which						
Canada	7.7	6.1	-1.6	2.8	2.9	0.1
Japan	8.0	7.7	-0.3	15.3	15.5	0.2
Switzerland <sup>2</sup>	13.0	15.5	2.5	24.4	28.2	3.8
United States	77.2	80.8	3.6	51.7	57.1	5.4
Countries in transition	6.3	12.5	6.2	2.1	2.9	0.8
of which						
China	0.7	1.5	0.8	0.1	0.1	0.0
Czech Republic	1.8	3.9	2.1	0.2	0.1	-0.1
Hungary	2.2	3.3	1.1	0.1	0.1	0.0
Poland	0.6	1.7	1.1	0.3	0.2	-0.1
Russia	0.1	0.6	0.5	0.8	1.7	0.9
Developing countries	34.2	38.4	4.2	6.1	7.7	1.6
in Africa	4.0	4.1	0.1	0.1	0.2	0.1
in America	22.0	23.9	1.9	2.6	2.5	-0.1
of which						
Argentina	2.0	2.1	0.1	0.5	0.4	-0.1
Brazil	10.6	12.1	1.5	0.1	0.2	0.1
Mexico	4.1	2.9	-1.2	0.0	0.0	0.0
in Asia and Oceania	8.2	10.4	2.2	3.4	5.0	1.6
of which						
Singapore	1.9	2.9	1.0	0.0	0.1	0.1
South Korea	0.7	1.0	0.3	1.0	2.2	1.2

<sup>1</sup> To improve the comparison the figures for Austria, Finland and Sweden at the end of the two years concerned

have been listed under EU countries. — <sup>2</sup> Including Liechtenstein.

## Primary and secondary German direct investment abroad



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out extensive investment has been absent owing to the low per capita income in many countries. This has resulted in German corporate investment being concentrated on only a few fairly high-income developing countries and relatively favourable locational factors.

Brazil alone accounted for almost one-third, or DM 12 billion, of German corporate investment in the developing countries at the end of 1995. Owing to the depreciation of the peso, direct investment in Mexico declined – despite new investment – by just over DM 1 billion to DM 3 billion. In South-East Asia 100% participating interests are possible mainly in manufacturing; access to the financial and services sectors is often more highly regulated in this region. Singa-

pore benefited from its less extensive capital controls and saw a rise of DM 1 billion in German direct investment to DM 3 billion.

### Foreign corporate assets in Germany

Just under DM 20 billion of the increase in foreign direct investment in Germany (+ DM 32 billion) came from investors within the European Union, which, at DM 116 billion, accounted for one-half of foreign direct investment in Germany at the end of 1995. With a rise of DM 7.5 billion, enterprises in the Netherlands invested most in Germany and at the end of 1995 had provided one-fifth, or DM 48 billion, of the total foreign corporate capital. French shareholders increased their investment in Germany by DM 6 billion to DM 22 billion.



The corporate assets of other industrial countries in Germany rose by DM 9 billion to DM 106 billion. The United States accounted for just over one-half of the increase. At DM 57 billion, it still had the largest foreign corporate holdings in Germany at the end of 1995. As a result of the favourable economic situation in the United States, US enterprises spread their investment in Germany widely over a large number of economic sectors. Direct investment emanating from Switzerland and Liechtenstein – mostly in a few holding companies in Germany – also grew considerably, with a rise of DM 4 billion to DM 28 billion. This means that they have now provided the third-largest volume of foreign corporate assets in Germany. Investors in the countries in transition and the developing countries were relatively insignificant with a rise in their direct investment in Germany of only DM 2.5 billion.

*Regional  
breakdown by  
country of  
domicile of  
the parent  
company*

A somewhat different geographical breakdown of foreign capital interests in Germany emerges if one analyses the aggregate amounts not only according to the country of domicile of the primary investor but also according to the country of domicile of the ultimate shareholder; this means in the case of fairly large groups that the country of domicile of the parent company or the principal company in the group is considered (see the adjacent table). A considerable shift is noticeable, particularly in the case of the Netherlands. The stock of direct investment attributable to shareholders from that country in Germany was DM 22 billion lower at the end of 1995 than the level when classified according to the direct investor. Many

### Foreign corporate assets in Germany by investor country at the end of 1995

DM billion

Group of countries/Country	Primary and secondary foreign direct investment in Germany by country of domicile		
	of the direct shareholder	of the parent company <sup>1</sup>	Difference
All countries	232.3	230.0	- 2.3
EU countries	116.0	99.6	- 16.4
of which			
France	21.8	25.5	3.7
Italy	4.0	5.9	1.9
Luxembourg	4.1	2.6	- 1.5
Netherlands	48.0	26.1	- 21.9
Sweden	7.7	9.2	1.5
United Kingdom	14.4	15.9	1.5
Other industrial countries	105.7	115.0	9.3
of which			
Japan	15.5	19.3	3.8
Switzerland	26.9	24.2	- 2.7
United States	57.1	63.3	6.2
Countries in transition	2.9	2.9	0.0
Developing countries	7.7	12.5	4.8

<sup>1</sup> In the case of dependent enterprises abroad, DM 2.3 billion is provided by parent companies domiciled in Germany and in this classification must be deducted from foreign direct investment in Germany.

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countries – mainly those outside the EU – manage their foreign participating interests through holding companies in the Netherlands.

The number of statistically recorded investment targets in Germany with foreign capital interests declined by more than 400 from the end of 1993 to the end of 1995. Swiss investors alone gave up more than 200 participating interests subject to reporting requirements during that period. However, the number of investment targets in the new Länder, including Berlin, increased by approximately 100. Primary and secondary foreign direct investment rose in the new Länder (and Berlin) by just under DM 5 billion to DM 17.5 billion. Many investors – especially in the EU and particularly in France – regarded the new Länder

*Number of  
participating  
interests  
declines*

as a springboard for gaining access to the markets in central and eastern Europe.

## Breakdown by economic sector

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### New industrial classification

The trend in direct investment stocks by economic sector cannot be very accurately described from the end of 1993 to the end of 1995 because the standard industrial classification (NACE Rev. 1) was applied within the European Union for the first time in 1995. Almost all economic sectors have been re-defined, with the result that changes from previous years are largely due to the new definitions. For that reason this analysis will refer only to the most important structural conditions at the end of 1995 after the introduction of the new classification of the economic sectors.

### German direct investment abroad

German investors in the manufacturing sector held DM 166 billion, or 44 %, of Germany's primary and secondary corporate assets abroad at the end of 1995 (see the table on page 75). Shareholders in the chemical industry accounted for about one-third of this. Particularly in the past few years the chemical industry has been in the news as a result of a few spectacular takeovers abroad. It is precisely in this sector that great efforts are being made to concentrate and accelerate research and development work because, owing to the fierce competition, delays lead

to considerable losses in market shares and profits.

At DM 30 billion, the German motor industry contributed one-fifth of the investment made by the manufacturing sector at the end of 1995. Shorter and in some cases less flexible working hours in Germany compared with those abroad and the consequent shorter machine running times push up the cost of capital, with the result that the high capital intensity of the sector encouraged German motor manufacturers to shift a substantial part of their production to other countries. As part of their efforts to globalise production they reduced the costly variety of individual parts in the various models at the same time, and by manufacturing locally it has become possible to react more quickly to customers' wishes in the countries concerned. Two-thirds of this sector's investment was made in EU countries at the end of 1995, but the countries in transition are also becoming increasingly important, especially through the production of parts for the manufacture of motor vehicles.

At the end of 1995 30 % of German corporate assets abroad was in the hands of holding companies which were domiciled in Germany and which to a large extent should actually be classified under manufacturing owing to the activities of their subordinated companies. Investors belonging to financial intermediation accounted for DM 58 billion, or approximately 15 %, of participating interests held abroad; German banks accounted for DM 42 billion of this.

*Economic  
sector of  
the foreign  
investment  
target*

If German corporate assets are examined in the light of the sectors to which the investment targets abroad belong, it becomes clear that, at DM 145 billion, no more than just under 40 % of German external assets was to be found in the manufacturing sector abroad at the end of 1995. DM 62 billion of this was invested in countries in the European Union, DM 52 billion in other industrial countries and DM 31 billion in the countries in transition and in developing countries. German enterprises had invested large sums, especially in enterprises belonging to the chemical industry and in the manufacture of motor vehicles, where their investment amounted to DM 50 billion and DM 24 billion, respectively.

Almost one-third of German direct investment was concentrated on foreign enterprises involved in financial intermediation (DM 115 billion). Countries in the European Union, between which there is freedom to provide services, accounted for almost three-quarters of this. By contrast, in non-European countries the financial sector, in particular, was still subject to substantial restrictions. With corporate participating interests amounting to just over DM 54 billion, investment in financial institutions played an important role. Enterprises in the manufacturing sector or holding companies in Germany accounted for almost 80 % of this investment, which was used for intra-group financing.

Insurance enterprises accounted for DM 21.5 billion of German direct investment abroad at the end of 1995; just under one-half of this was invested in enterprises in the EU where on July 1, 1994 the single European market

**Direct investment stocks by economic sector at the end of 1995**

DM billion

Economic sector	Primary and secondary direct investment by		
	investor	foreign enterprises in Germany	
		investment target	German enterprises abroad
All economic sectors	375.8	375.8	232.3
Manufacturing	165.7	145.1	97.6
of which			
Food and drink industry	2.8	3.4	7.9
Manufacture of coke and refined petroleum products	2.6	0.1	6.2
Chemical industry	57.4	49.9	19.3
Glass and non-metallic products	3.5	6.3	3.7
Mechanical engineering	19.1	14.4	11.0
Manufacture of electrical machinery and apparatus	26.1	15.6	4.9
Manufacture of motor vehicles	30.0	23.8	9.3
Distribution	12.4	60.4	52.3
Financial intermediation	58.1	114.7	27.3
of which			
Credit institutions	42.0	37.8	19.3
Other financial institutions	1.3	54.4	1.0
Insurance enterprises	14.7	21.5	6.7
Holding companies	113.2	21.4	30.7
Other economic sectors	26.4	34.2	24.4

Deutsche Bundesbank

was also created in the field of insurance. The range of products expanded as a result. Further growth in this sector is therefore likely not least because in many countries state provisions through social security funds are being reduced and many enterprises are transferring company retirement pension schemes to insurance enterprises. Owing to different currencies and statutory provisions as well as language barriers in the case of the complicated contract texts, cross-border insurance transactions have tended to be rare so far, with the result that these services are offered mainly through branches and subsidiaries in the country concerned.

While in the industrial countries the drive to increase sales is quite an important motive for direct investment and therefore these coun-

tries accounted for more than 90 % of the DM 60 billion investment by German enterprises in distribution abroad at the end of 1995, it was probably cost considerations that constituted the main criterion for direct investment in the countries in transition and in the developing countries.

### Foreign direct investment in Germany

At just under DM 98 billion, more than 40 % of foreign corporate assets in Germany at the end of 1995 was invested in enterprises in the manufacturing sector. If the direct investment capital – amounting to DM 31 billion – in holding companies in Germany, which for the most part likewise belong to the manufacturing sector, is taken into consideration, foreign investment in German industry, which amounted to 55 % of the total, was in relative terms actually higher than the corresponding German investment abroad (44 %). Foreign investment was more evenly spread over the various industries in Germany and concerned primarily the chemical industry (DM 19 billion), mechanical engineering (DM 11 billion) and the manufacture of motor vehicles (DM 9 billion). While manufacturing enterprises abroad with primary or secondary German capital interests recorded

fixed assets to the amount of 37 % and financial assets of only 7 % of the balance sheet total, the share of fixed assets which these enterprises in Germany with foreign capital interests recorded was appreciably lower, at 27 %, whereas, at just over 17 %, it was 2 ½ times as high in the case of financial assets.

Distribution, at DM 52 billion, accounted for a very large share of foreign corporate assets in Germany at the end of 1995. Owing to its high per capita income and relatively large population, Germany is an interesting market. The financial intermediation sector accounted for as little as just under 12 % of foreign direct investment at the end of 1995; at DM 19 billion, more than two-thirds of this was provided in the form of investment capital to banks in Germany. Financial institutions are still uninteresting for foreign investors.

#### Note

A new edition of the Special Statistical Publication 10, International capital links, will appear in a few days. It contains more detailed statistical information broken down by type of capital link, asset and liability position, operating variable, economic sector and country as well as methodological notes. The special publication will be enclosed with the Statistical Supplement to the Monthly Report 3, Balance of payments statistics, May 1997.

## Problems of international comparisons of direct investment flows

International direct investment has become the focus of public attention in the locational debate during the past few years. The attractiveness of different locations is measured, *inter alia*, by the data on direct investment stocks; the movement in direct investment stocks in 1994-5 was the subject of the preceding article. As these stock figures are usually lagging behind, however, the data on direct investment flows from the national balances of payments, which are available at an earlier date, are mostly at the centre of locational comparisons. Such comparisons may lead to misinterpretations, however, since the national balance of payments data on direct investment are often not compiled in accordance with consistent principles. Despite the efforts by the OECD and the IMF in the past few years to reach international harmonisation, the reporting systems and recording practices for direct investment flows still differ greatly from country to country. The present article traces the deviations between the German and the foreign data on direct investment. At the same time, initial results of a further adjustment of the German statistics to the new international guidelines of the IMF are introduced.

As early as 1992 the International Monetary Fund, using data from the eighties, drew attention to the problem of discrepancies in statistically recorded worldwide direct investment flows which should, in fact, cancel

*International  
discrepancies  
between  
reported direct  
investment  
flows*

out if the data were consolidated.<sup>1</sup> The Statistical Office of the European Communities (EUROSTAT), too, ascertained considerable asymmetries between incoming and outgoing payments for direct investment between the EU countries.<sup>2</sup> A comparison of the direct investment flows on the basis of the German and the foreign balance of payments statistics likewise reveals great differences with respect to Germany. In the period from 1984 to 1994, for which comparable data from the balance of payments statistics of 18 OECD countries are available, the German balance of payments statistics recorded direct investment of DM 34½ billion in Germany by enterprises from this group of countries, whereas the foreign data showed net investment of DM 137 billion in Germany (see the adjacent table). In the case of German direct investment abroad, the differences are in the opposite direction: in the period mentioned, the outflows shown in the German balance of payments were distinctly larger, at DM 226 billion, than the inflows recorded in the OECD countries (DM 166 billion). Discrepancies of a similar size result for other countries, too, above all during the nineties.

There is a whole series of reasons for the great divergencies between the German and foreign data on international direct investment. The different collection systems which do not always ensure a complete recording of international financial flows probably play a role. Some countries base their statistics on regular surveys among enterprises in the form of complete or sample surveys which are made quarterly, half-yearly or annually. Where the transactions are derived from

### International discrepancies between reported direct investment flows \*

Net investment, in DM billion

Year	Foreign direct investment in Germany		German direct investment abroad	
	German balance of payments statistics	Foreign balance of payments statistics	German balance of payments statistics	Foreign balance of payments statistics
1984	0.8	2.8	9.4	5.0
1985	0.7	3.3	12.5	8.9
1986	2.5	4.7	19.4	9.1
1987	2.8	4.0	14.0	12.0
1988	0.6	1.3	18.3	9.2
1989	12.7	18.5	24.2	16.9
1990	2.9	26.1	32.1	16.5
1991	4.7	26.0	32.2	16.3
1992	5.6	18.3	25.0	18.3
1993	0.6	13.4	19.8	30.5
1994	0.9	18.9	19.2	23.4
1984/94	34.6	137.2	226.1	166.0

Source: OECD. — \* Discrepancies between the German balance of payments statistics and the balance of payments statistics of 18 OECD countries.

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changes in stocks, the results differ if only because of exchange rate changes. Other countries record the transactions by linking them to the relevant payments.

In Germany direct investment flows are recorded in the balance of payments on the basis of payment reports. The term "payment" is defined broadly and includes in the case of direct investment the contribution of real assets and rights, etc. Irrespective of this, the aforementioned stock data taken from the reports of enterprises on their direct investment are available in Germany. The Deutsche Bundesbank uses both statistical

<sup>1</sup> See International Monetary Fund, Report on the Measurement of International Capital Flows, Washington, D.C., September 1992, pages 23 to 33.

<sup>2</sup> See EUROSTAT, European Union Direct Investment Yearbook 1996, Luxembourg 1997, pages 299 to 302.

sources for the mutual reconciliation and for identifying any reporting gaps.

### Significance of short-term credit operations between affiliated enterprises

#### *Different definitions*

The main cause of the international discrepancies is probably not the problems associated with collection techniques but discrepancies in the definition of international direct investment. The different treatment of short-term financial operations between domestic and foreign affiliated enterprises seems to be a primary factor. In the German balance of payments these have always been shown under "Other financial transactions" and not as direct investment. It is mainly conceptual considerations which argue in favour of this recording method: direct investment is generally understood to mean international investment aimed at establishing a lasting interest in an enterprise in another country. It is at least questionable whether short-term financing is an appropriate way to establish or extend a lasting direct investment relationship. This applies all the more given the fact that the financial operations of international groups are being increasingly controlled centrally. Short-term financial flows within multinational enterprises therefore reflect less and less selective transactions to establish corporate ties but increasingly the liquidity operations of the entire group of enterprises, and these operations are determined, *inter alia*, by exchange rate and interest rate trends and by tax considerations.

Despite such misgivings, the Deutsche Bundesbank will, in the interest of better inter-

national comparability, follow the practice used by many other countries and show short-term assets and liabilities between affiliated enterprises in the form of financial and trade credits in a special item under direct investment. Initial – and still provisional – figures are given in the table on page 80. The data given in the table are based on the monthly reports of enterprises on their assets and liabilities vis-à-vis non-residents where the relevant credit operations with affiliated enterprises abroad have to be reported in a sub-item. The monthly changes in these items, which, incidentally, are not adjusted for exchange rate fluctuations, have so far been shown in the German balance of payments under "Other financial transactions", as mentioned above.

However, that poses the problem that the reports on short-term external assets (and liabilities) do not show whether these concern

- an increase in the direct investment of a German/foreign enterprise abroad/in Germany
- or, conversely, a decrease in the direct investment of a foreign/German enterprise in Germany/abroad.

A makeshift "solution" would be to classify the net changes in domestic enterprises' assets vis-à-vis affiliated enterprises abroad under German direct investment abroad, irrespective of whether these are assets of a domestic parent company vis-à-vis a foreign subsidiary or assets of a domestic subsidiary

*Inclusion of short-term credits*

*Asset/liability principle*

vis-à-vis the foreign parent company. Conversely, the net changes in domestic enterprises' liabilities to affiliated enterprises abroad would be classified under foreign direct investment in Germany. In the balance of payments statistics this classification principle is called the "asset/liability principle".

*Directional principle*

Such a presentation, however, would not be in line with the IMF recommendations.<sup>3</sup> According to these recommendations, all changes in the assets and liabilities of a domestic enterprise vis-à-vis the foreign parent company should be shown under foreign direct investment at home (as a new investment or liquidation). Conversely, the changes in the assets and liabilities of a domestic parent company vis-à-vis its foreign subsidiaries should be shown under direct investment abroad (directional principle). By way of an approximation, this can be achieved by recording the assets and liabilities vis-à-vis affiliated enterprises abroad separately for domestic enterprises controlled by non-residents and domestic enterprises controlled by residents.<sup>4</sup> In a special evaluation the Deutsche Bundesbank separated the reporting German enterprises in this way and accordingly classified the changes in the short-term external assets and liabilities by foreign direct investment in Germany or by German direct investment abroad.

*Effects of revisions*

As the results compiled in the adjacent table show, the recording methods mentioned lead to distinctly higher figures on both sides of the German direct investment account. These also reduce the discrepancy between the (higher) foreign data on direct investment in Germany and the (lower) German figures on

### Direct investment and short-term credit operations\* between affiliated enterprises from 1984 to 1994

DM billion

Item	Foreign direct investment in Germany	German direct investment abroad
Direct investment as currently defined by the Bundesbank	44.9	279.2
Short-term lending between affiliated enterprises		
– according to the asset/liability principle	64.5	67.9
– according to the directional principle	12.6	16.0

\* Special evaluation of the reports on lending between affiliated enterprises in Germany and abroad.

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capital inflows from direct investment. By contrast, they increase the difference between the (higher) German data on German direct investment abroad and the (lower) foreign figures on capital imports through the direct investment of German enterprises. If the asset/liability principle is applied, German direct investment abroad between 1984 and 1994 rises by about DM 68 billion and foreign direct investment in Germany by DM 64 ½ billion. If the directional principle is used, the revisions are much smaller. German direct investment abroad increases by DM 16 billion

<sup>3</sup> See International Monetary Fund, Balance of Payments Manual, 5th edition, Washington, D.C., 1993, and the accompanying Balance of Payments Compilation Guide (1995).

<sup>4</sup> Such a separation does not take account of the fact that a domestic enterprise dependent on non-residents may hold participating interests of its own abroad, i.e. that it acts as an investor itself.



and foreign direct investment in Germany by almost DM 13 billion.

*Data from the  
stock statistics*

A third option for assessing the significance of short-term financial operations between affiliated enterprises is provided by the stock statistics which are based on balance sheet data. According to these statistics, primary foreign holdings in Germany resulting from short-term financial credits and trade credits in the period under review can be put at approximately DM 60 billion. Conversely, German firms' direct investment abroad is DM 25 billion higher than it would be if short-term credits were excluded. However, it has to be remembered that, owing to valuation problems, the stock figures cannot be compared directly with the relevant transaction figures.

value for assessing the attractiveness of a location, the adjustments made do not alter the fact that the balance of the German direct investment account is sharply negative and that, moreover, the deficit has risen distinctly in the past few years according to any definition. Incidentally, the revisions according to the first two calculation methods mentioned are almost completely neutral in respect of the balance of the German direct investment account. The calculations presented show, however, that caution is appropriate if only because of the different treatment of short-term credits between affiliated enterprises, especially when comparing direct investment data internationally. There are also further reasons for the discrepancies between the data.

*Results*

In the upshot, it is undisputable that, in the case of a broad definition of direct investment, international direct investment has been higher in the past few years than has so far been reflected in the figures given in the German balance of payments. According to the stock statistics, these revisions seem to be much higher on the capital import side, i. e. in the case of foreign direct investment in Germany, than they are on the capital export side.

#### **Other differences in the direct investment statistics**

---

The box on page 82 gives an overview of the other differences in the data which have to be taken into account in international comparisons. One of the reasons for these differences may be seen in the fact that former editions of the IMF Manual, which is the basis for the national balance of payments statistics and thus for the data on international direct investment of all IMF members included therein, provided a relatively vague definition of the term "direct investment". With the increase in the international integration of enterprises and their evermore complicated financing techniques, the IMF and the OECD have endeavoured to define direct investment more accurately and to develop a coordinated set of rules for its statistical recording. Typical of the

*No "all clear" in  
locational policy  
terms*

Higher foreign investment in Germany on account of changes in the definition of direct investment and its statistical recording is no reason to sound the "all clear" in the locational question. Irrespective of the circumstance that the locational problems are more complex and that direct investment data have, in principle, only a limited informative

## Major methodological deviations of the national direct investment statistics from the IMF definition

---

### Direct investment relationship

In the German statistics a direct investment relationship is assumed, in principle, only if a participating interest of more than 20% is held. The changeover to the 10% limit – which has already been implemented in a number of countries – is planned. According to trial calculations, however, these changes will not result in any major revisions of the figures.

### Direct investment resources

In Germany and in several other countries direct investment resources are in some cases defined more strictly than by the IMF/OECD. Unlike Germany, some countries do not record reinvested earnings. Although, in several direct investment statistics, short-term assets and liabilities arising from financial credits between affiliated enterprises are included, these statistics do not contain trade credits. Many countries record predominantly financing transactions associated with payments; financing transactions without payments, such as non-cash contributions, are not sufficiently covered by the collection systems.

### Classification principles

Different principles in classifying financial transactions into one of the two categories "Domestic direct investment abroad" or "Foreign direct investment at home" lead to considerable discrepancies since the directional principle recommended by the IMF is not yet being used by all countries. These countries use the asset/liability principle. In line with this principle, they show all cross-border payments associated with intra-group assets as direct investment abroad. This also applies to the assets of a domestic subsidiary vis-à-vis the foreign parent company, which, according to the IMF Manual, should be shown as a deduction under foreign direct investment

at home. Conversely, they classify all transactions associated with intra-group liabilities (including the liabilities of a domestic parent company to the foreign subsidiary) as foreign direct investment at home; according to the directional principle, the latter should be shown as a deduction under domestic direct investment abroad.

### Valuation principles

Diverging valuation principles may also result in discrepancies. This applies particularly to reinvested earnings: some countries include unrealised book profits (for example, valuation gains arising from exchange rate changes), whereas other countries do not include them, in accordance with the applicable accounting regulations. As far as Germany is concerned, discrepancies of this type could be observed, above all, in the case of reinvested earnings of domestic subsidiaries of foreign enterprises. The differences between the (lower) German figures and the results of the partner countries are sometimes considerable; in the case of the United States they amounted to over DM 25 billion between 1984 and 1994.

### Further discrepancies

This list of methodological discrepancies is not exhaustive. Other differences in recording and presenting direct investment flows may be disturbing from time to time – this applies, for example, to the treatment of financial transactions between affiliates or between subsidiaries and indirect subsidiaries, the exchange of (change in) participating interests in domestic enterprises between two countries (i.e. transactions outside the German economic territory which are therefore not included in the German balance of payments) or transactions through group-owned financing subsidiaries abroad.

rapidly changing conditions in this field is the fact that the "Detailed Benchmark Definition of Foreign Direct Investment" first issued by the OECD in 1983 has had to be revised no less than three times (in 1990, 1992 and 1996). The IMF last presented a detailed definition (which essentially tallies with the OECD benchmark definition) in the fifth edition of its Manual which appeared in 1993.

*Uniform  
definition  
criteria*

The various revisions of the term "direct investment" essentially had the following aims:

- to provide a clear definition of direct investment: in principle, a direct investment is deemed to exist if a capital interest of 10 % and more is held;
- to record all financial transactions between affiliated enterprises as direct investment, irrespective of whether they concern short or long-term, securitised or unsecuritised financial resources, whether they are associated with payments or whether the financial resources are accompanied by other services of the group enterprise (for example, contribution of tangible fixed assets, delivery of goods or reinvested earnings). In the case of a domestic subsidiary, not only the financial transactions with the foreign parent company but also the financial transactions with other enterprises abroad belonging to the same group are to be included;
- to classify direct investment by domestic investment abroad and foreign investment at home. So-called reverse flows are to be shown according to the direction of the

capital relationship (directional principle): credits from the foreign subsidiary to the domestic parent company or the acquisition of shares in the parent company by the foreign subsidiary are to be recorded in the balance of payments as a decrease in direct investment abroad; conversely, credits from the domestic subsidiary to the foreign parent company reduce foreign direct investment at home.

So far most countries have adjusted only part of their balance of payments statistics in the field of direct investment to the rather complicated new regulations. There are considerable obstacles to a rapid adjustment because the existing reporting requirements for direct investment have to be extended perceptibly, and this requires amendments to the relevant legislation in most cases. In addition, the identification of financial transactions between subordinated affiliated enterprises and the accurate classification of financial operations by domestic and foreign direct investment presuppose an exact knowledge of the group structure of the enterprises concerned.

*Difficulty  
in adjusting  
national  
statistics*

The OECD and IMF are planning to review the concepts used in the individual countries and their deviations from the new international standards. In addition, the European Monetary Institute is working on the harmonisation of direct investment statistics at the European level, particularly in the field of reinvested earnings. The Deutsche Bundesbank is supporting these harmonisation efforts and is endeavouring to improve the comparability of these figures by adjusting its own statistics accordingly.

*Outlook*



# Statistical Section

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### Abbreviations and symbols

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- e Estimated
- p Provisional
- pe Partly estimated
- r Revised
- ... Figure available at a later date
- . Figure unknown or not to be published  
or not meaningful
- 0 Less than 0.5 but more than nil
- Nil

Discrepancies in the totals are due to round-  
ing.

I. Key economic data

1. Monetary developments and interest rates

Period	Money stock in various definitions, seasonally adjusted <sup>1</sup>				Factors determining the money stock, seasonally adjusted <sup>1, 2</sup>			Interest rates		
	M3, monthly average	M3, extended <sup>3</sup>	M2 <sup>2</sup>	M1 <sup>2</sup>	Bank lending to enterprises and individuals <sup>4</sup>	Monetary capital formation	Day-to-day money	Current account credit <sup>5</sup>	Yield on listed Federal securities outstanding	
	Average annual change, in %						Annual averages, in % p. a.			
1991	8.1	9.3	11.7	6.6	11.3	8.0	8.8	10.9	8.6	
1992	7.8	10.2	8.5	9.3	8.7	4.0	9.4	12.0	8.0	
1993	8.9	9.8	6.8	9.8	9.2	6.0	7.5	11.1	6.3	
1994	0.6	1.7	-	5.0	7.6	9.1	5.3	9.6	6.7	
1995	7.5	5.7	1.3	10.3	7.2	5.5	3.3	7.9	5.6	
1996										
	Change from the 4th qtr of the previous year, annual rate in %	Change over the last six months, expressed as an annual rate, in %				Monthly averages, in % p. a.				
1996 Apr.	10.5	9.9	7.5	3.3	13.2	8.0	3.8	3.4	8.0	5.8
May	10.0	10.5	8.2	3.5	13.8	7.8	4.6	3.3	7.9	5.8
June	9.3	9.1	7.4	2.9	11.4	7.3	4.6	3.3	7.8	5.9
July	8.6	8.9	6.4	2.2	10.9	7.1	4.8	3.3	7.9	5.9
Aug.	8.6	7.2	5.4	0.9	8.7	6.9	4.3	3.3	7.9	5.7
Sep.	8.3	6.1	4.1	0.2	6.8	6.3	5.1	3.1	7.9	5.6
Oct.	8.3	6.6	3.5	2.7	10.4	5.6	5.1	3.1	7.8	5.3
Nov.	7.9	5.9	3.4	0.2	6.1	5.8	5.0	3.1	8.0	5.3
Dec.	7.9	6.4	4.6	4.1	10.9	7.9	4.8	3.1	7.8	5.2
1997 Jan.	11.7	8.6	6.3	5.2	10.9	7.6	4.3	3.1	7.8	5.1
Feb.	9.1	7.7	6.9	5.2	11.0	8.2	5.0	3.1	7.8	4.9
Mar.	p 8.3	p 7.9	p ...	p 5.9	p 12.5	p 8.3	p 4.3	3.2	7.7	5.1
Apr.	...	...	...	...	...	...	...	3.1	7.8	5.2

<sup>1</sup> From January 1991 including eastern Germany. Statistical alterations have been eliminated. — <sup>2</sup> End-of-month level. — <sup>3</sup> Monthly average, calculated from end-of-month levels; from August 1994 including money market

funds. — <sup>4</sup> Excluding the Bundesbank, including lending in the form of securities. — <sup>5</sup> DM 1 million and more but less than DM 5 million.

2. Public finance \*

3. Foreign trade and payments

Period	Central, regional and local authorities				Social security funds	Balance of payments			Exchange rates <sup>1</sup>	
	Receipts	Expenditure	Financial balance	Level of debt	Financial balance	Current account <sup>2</sup>	Capital account	Dollar rate	External value of the Deutsche Mark <sup>4</sup>	
	Change from previous year in %					DM billion				DM/US-\$
1991	-	-	- 121.8	1,173.9	13.1	- 30.0	- 20.8	52.0	1.66	183.1
1992	12.8	10.0	- 110.4	1,345.2	- 7.9	- 30.2	31.3	66.7	1.56	188.7
1993	3.1	4.8	- 132.0	1,509.1	2.8	- 23.4	174.9	- 188.1	1.65	193.4
1994	7.0	3.8	- 106.1	1,662.1	1.1	- 34.2	- 59.4	105.5	1.62	193.4
1995	pe 2.6	pe 2.9	pe - 112.0	1,996.0	pe - 10.5	- 33.8	50.0	2.4	1.43	203.9
1996	pe - 2.0	pe - 1.0	pe - 121.5	2,133.3	pe - 13.0	- 21.0	44.9	- 25.5	1.50	199.3
1994 4th qtr	3.4	2.3	- 53.2	1,662.1	6.5	- 13.2	14.5	- 4.3	1.54	196.3
1995 1st qtr	2.4	3.0	- 24.4	1,862.9	- 7.3	- 8.2	12.9	0.5	1.48	202.0
2nd qtr	- 3.6	3.9	- 17.7	1,875.5	- 7.4	- 6.7	18.5	- 6.3	1.40	205.3
3rd qtr	7.1	6.7	- 25.0	1,935.8	- 6.9	- 7.2	16.5	1.2	1.43	203.4
4th qtr	8.5	3.9	- 42.9	1,996.0	5.1	- 12.1	2.0	7.0	1.42	205.0
1996 1st qtr	- 0.4	- 0.4	- 24.2	2,014.1	- 6.5	- 4.1	6.1	- 4.2	1.47	202.4
2nd qtr	0.7	0.4	- 16.9	2,027.9	- 5.9	- 9.6	16.2	- 12.5	1.52	198.4
3rd qtr	- 3.8	- 1.6	- 30.0	2,061.9	- 6.6	- 4.1	24.9	- 11.1	1.50	199.5
4th qtr	- 5.1	- 2.4	- 49.6	2,133.3	5.9	- 4.2	- 2.3	2.3	1.53	197.0
1997 1st qtr	...	...	...	...	...	...	p - 9.2	...	1.66	193.0
1996 Nov.	...	...	...	...	...	...	- 17.5	- 16.7	1.51	197.7
Dec.	...	...	...	...	...	...	- 12.9	9.3	1.55	195.8
1997 Jan.	...	...	...	...	...	...	- 13.6	- 5.7	1.60	194.0
Feb.	...	...	...	...	...	...	- 8.6	9.1	1.67	192.6
Mar.	...	...	...	...	...	...	p - 14.2	...	1.70	192.3
Apr.	...	...	...	...	...	...	...	...	1.71	191.6

Sources of the unadjusted figures: Federal Statistical Office; Federal Ministry of Finance. — \* From the 1st qtr of 1991 including eastern Germany.

<sup>1</sup> Monthly or quarterly and annual averages. — <sup>2</sup> Seasonally adjusted quarterly figures; from 1993 figures subject to significant uncertainty owing to changes in the method of data collection in foreign trade. — <sup>3</sup> Including balance of unclassifiable transactions. — <sup>4</sup> Weighted external value of the Deutsche Mark (against the currencies of 18 industrial countries).

I. Key economic data

4. Orders received and output \*

Change from previous period in % <sup>1</sup>

Period	Gross domestic product <sup>3</sup>	Orders received (volume <sup>2</sup> )				Output				
		Manufacturing			Construction	Manufacturing				Construction
		Total	From the German market	From abroad		Total	Intermediate goods industries	Capital goods industries	Durable and non-durable goods industries	
1993	- 1.1	- 7.0	- 9.0	- 2.5	4.2	- 7.8	- 6.5	- 10.1	- 7.0	3.2
1994	2.9	7.8	5.2	12.7	7.5	4.2	7.1	2.2	1.8	10.2
1995	1.9	0.0	0.3	0.7	- 4.3	2.2	1.4	6.3	- 1.3	- 1.3
1996	1.4	- 0.1	- 2.9	4.8	- 7.2	0.0	- 1.7	2.5	- 0.1	- 10.0
1994 2nd qtr	0.5	2.6	2.5	3.1	- 1.7	2.1	1.9	2.7	1.4	0.2
3rd qtr	0.5	2.0	1.7	2.0	- 2.8	1.3	1.9	1.3	0.4	0.8
4th qtr	1.0	3.3	2.6	5.0	6.2	2.5	4.2	1.1	1.4	4.5
1995 1st qtr	0.5	- 2.6	- 2.7	- 2.5	- 2.8	- 0.4	- 2.0	2.8	- 1.8	- 2.8
2nd qtr	1.0	- 0.3	0.8	- 2.3	- 5.0	0.6	0.7	0.7	0.3	- 1.2
3rd qtr	- 0.0	- 0.4	- 1.0	0.9	1.2	- 1.0	- 2.0	1.2	- 1.9	- 1.0
4th qtr	- 0.5	- 2.8	- 3.3	- 2.4	- 3.9	- 1.6	- 2.6	0.1	- 2.0	- 3.0
1996 1st qtr	- 0.0	- 0.3	- 1.9	3.3	- 4.2	0.1	- 1.5	1.2	1.6	- 19.9
2nd qtr	1.5	3.3	4.0	1.9	1.0	1.3	2.0	0.0	1.8	18.2
3rd qtr	0.5	1.0	- 1.4	5.1	2.0	1.2	2.3	0.9	0.0	1.6
4th qtr	0.0	- 0.4	- 0.4	- 0.4	- 6.1	- 0.3	0.0	0.3	- 1.9	1.4
1997 1st qtr <sup>p</sup>	...	1.3	- 0.8	4.9	...	2.3	2.0	2.1	3.1	- 10.5
1996 Oct.	...	2.7	2.0	3.7	- 3.6	- 0.8	0.0	- 1.8	- 1.0	1.1
Nov.	...	0.6	- 0.3	- 1.5	- 2.9	1.2	0.2	2.5	1.3	- 1.5
Dec.	...	- 1.9	- 1.4	- 2.4	1.2	- 0.2	0.6	- 0.9	- 0.5	7.2
1997 Jan.	...	2.7	- 0.7	8.2	- 7.5	1.0	- 0.6	3.2	1.3	- 23.8
Feb.	...	0.2	1.1	- 2.4	15.2	1.2	3.1	- 0.6	0.1	17.6
Mar.	...	1.1	0.7	2.0	...	0.2	0.1	- 2.7	4.5	2.8

Source of the unadjusted figures: Federal Statistical Office. — \* Germany. — 1 Quarterly and monthly figures adjusted for seasonal and working-day variations. Annual figures adjusted for working-day variations. — 2 At 1991 prices. — 3 At 1991 prices. From 1993 provisional. Quarterly figures rounded to the nearest full or half percentage point. —

4 Owing to the reorganisation of the collection procedure, the figures are not fully comparable with those of 1994. — 5 From January 1996 estimated by the Federal Statistical Office, from March to September not yet adjusted to the higher figures of the 1996 overall survey.

5. Labour market \*

6. Prices \*

Period	Employed (work-place concept) <sup>1</sup>	Unemployed	Unemployment rate <sup>2</sup>	Short-time workers <sup>3</sup>	Vacancies <sup>4</sup>
	Thousands				
1992	35,842	2,979	7.8	653	356
1993	35,215	3,419	8.9	948	280
1994	34,979	3,698	9.6	372	285
1995	34,868	3,612	9.4	199	321
1996	34,465	3,965	10.4	277	327
1994 2nd qtr	34,968	3,761	9.8	437	272
3rd qtr	34,970	3,696	9.6	219	289
4th qtr	34,979	3,604	9.4	204	319
1995 1st qtr	34,949	3,542	9.2	235	319
2nd qtr	34,898	3,560	9.3	213	328
3rd qtr	34,847	3,626	9.5	140	322
4th qtr	34,771	3,730	9.7	207	317
1996 1st qtr	34,558	3,890	10.1	372	320
2nd qtr	34,563	3,930	10.3	323	337
3rd qtr	34,458	3,959	10.3	197	327
4th qtr	34,279	4,090	10.7	217	325
1997 1st qtr	...	4,288	11.2	303	326
1996 Nov.	34,275	4,120	10.8	216	325
Dec.	34,214	4,165	10.9	205	324
1997 Jan.	34,066	4,319	11.3	293	318
Feb.	33,994	4,316	11.3	329	329
Mar.	...	4,291	11.2	286	338
Apr.	...	4,299	11.2	239	327

World market prices of raw materials <sup>1</sup>	Germany			Western Germany
	Producer prices of industrial products <sup>2</sup>	Construction price level <sup>3</sup>	Consumer price index	Consumer price index
Change from previous year in %				
- 6.9	1.4	6.1	5.1	4.0
- 4.5	0.2	4.3	4.5	3.6
0.2	0.6	2.0	2.7	2.7
- 2.5	1.8	2.1	1.8	1.7
12.0	- 0.5	- 0.1	1.5	1.4
- 0.6	0.4	1.7	2.7	2.6
4.3	0.6	1.8	2.7	2.6
7.2	1.3	2.2	2.5	2.5
7.4	1.7	2.3	2.0	2.0
- 2.9	1.9	2.4	1.9	1.9
- 7.7	1.9	2.1	1.7	1.6
- 5.8	1.4	1.7	1.8	1.5
0.2	- 0.2	0.8	1.6	1.4
9.9	- 0.6	- 0.1	1.6	1.3
14.3	- 0.6	- 0.3	1.5	1.4
24.2	- 0.3	- 0.6	1.4	1.4
21.2	0.7	- 0.4	1.7	1.7
21.2	- 0.3	...	1.4	1.4
21.4	- 0.3	...	1.4	1.4
26.1	0.7	...	1.8	1.9
22.5	0.6	...	1.7	1.7
15.6	0.7	...	1.5	1.6
4.6	...	...	...	1.4

Source of the unadjusted figures: Federal Statistical Office; Federal Labour Office. — \* Germany. Monthly figures: end-of-month figures; employed: averages; annual and quarterly figures: averages; quarterly and monthly figures seasonally adjusted. — 1 From 1991 provisional. — 2 As a percentage of the total labour force (excluding the armed forces). — 3 Not seasonally adjusted. — 4 Vacancies in eastern Germany not seasonally adjusted.

Sources: HWWA-Institute; Federal Statistical Office. — \* Average of the period concerned. — 1 HWWA index of raw material prices (food, drink and tobacco, industrial raw materials, crude petroleum and coal), on a Deutsche Mark basis. — 2 Domestic sales. — 3 Calculated by the Bundesbank on the basis of figures provided by the Federal Statistical Office.





## II. Overall monetary survey

### 2. Consolidated balance sheet of the banking system \* Assets

DM billion

End of year or month	Lending to domestic non-banks												
	Total assets	Bundesbank										Credit institutions	
		Total	Domestic non-banks, total	Public authorities				Post office, Telekom		Domestic non-banks, total	Enterprises		
				Total	Advances, Treasury bills and Treasury discount paper	Securities 1	Equalisation claims	Total	Advances, Treasury bills and Treasury discount paper			Securities 1	
1992	4,504.5	3,497.5	19.3	19.0	4.5	5.7	8.7	0.3	0.3	0.3	3,478.2	2,739.0	
1993	5,001.7	3,839.8	13.4	13.1	-	4.4	8.7	0.3	-	0.3	3,826.4	2,986.0	
1994	5,277.8	4,149.0	11.9	11.6	-	2.9	8.7	0.3	-	0.3	4,137.2	3,210.9	
1995	5,695.7	4,446.5	9.6	9.5	-	0.8	8.7	0.1	-	0.1	4,436.9	3,369.4	
1996	6,170.9	4,781.7	8.7	8.7	-	-	8.7	-	-	-	4,773.1	3,624.4	
1996 Mar.	5,797.7	4,528.2	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,519.6	3,414.1	
Apr.	5,827.8	4,561.4	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,552.7	3,437.6	
May	5,848.4	4,573.2	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,564.5	3,447.2	
June	5,884.3	4,588.6	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,580.0	3,460.9	
July	5,874.8	4,600.1	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,591.4	3,471.9	
Aug.	5,902.9	4,616.5	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,607.8	3,489.1	
Sep.	5,947.0	4,634.6	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,625.9	3,508.8	
Oct.	5,975.4	4,680.5	8.7	8.7	-	0.0	8.7	0.0	-	0.0	4,671.8	3,525.4	
Nov.	6,067.6	4,730.8	8.7	8.7	-	-	8.7	-	-	-	4,722.1	3,553.0	
Dec.	6,170.9	4,781.7	8.7	8.7	-	-	8.7	-	-	-	4,773.1	3,624.4	
1997 Jan.	6,179.9	4,793.1	8.7	8.7	-	-	8.7	-	-	-	4,784.4	3,617.1	
Feb.	6,252.4	4,826.7	8.7	8.7	-	-	8.7	-	-	-	4,818.1	3,641.3	
Mar.	6,303.4	4,863.8	8.7	8.7	-	-	8.7	-	-	-	4,855.2	3,664.3	

### Liabilities

DM billion

End of year or month	Money stock M3											Memorandum items		
	Total liabilities	Money stock M2									Domestic non-banks' sight deposits for less than 4 years	Domestic non-banks' savings deposits at three months' notice 9	Money stock M3, monthly average 10	Money stock M3, extended, plus money market funds 11
		Total	Money stock M1				Domestic non-banks' time deposits for less than 4 years							
			Total	Currency in circula- tion (ex- cluding credits in hand) 7	Enter- prises and indi- viduals 2	Public au- thorities 8	Total	of which Enter- prises and indi- viduals 2	Domestic non-banks' savings deposits at three months' notice 9					
1992	4,504.5	1,718.7	1,196.5	669.6	200.5	469.1	440.7	28.4	527.0	469.7	522.2	1,685.1	1,908.7	
1993	5,001.7	1,906.7	1,319.2	726.3	212.0	514.3	486.2	28.2	592.9	531.0	587.4	1,834.4	2,132.5	
1994	5,277.8	1,937.0	1,282.7	764.1	225.9	538.2	507.9	30.3	518.6	462.2	654.3	1,900.5	2,214.5	
1995	5,695.7	2,007.4	1,257.7	816.1	237.5	578.6	549.3	29.3	441.6	396.5	749.7	1,950.9	2,266.8	
1996	6,170.9	2,181.8	1,315.9	916.9	246.8	670.1	639.9	30.2	399.0	362.9	865.8	2,107.2	2,410.0	
1996 Mar.	5,797.7	2,003.4	1,211.8	772.9	235.2	537.7	517.6	20.1	438.9	397.8	791.5	1,985.5	2,301.7	
Apr.	5,827.8	2,008.5	1,209.1	780.8	236.1	544.7	522.1	22.6	428.3	391.7	799.4	1,989.2	2,307.1	
May	5,848.4	2,015.7	1,211.3	784.5	238.6	545.9	522.3	23.7	426.8	387.1	804.3	2,001.8	2,317.0	
June	5,884.3	2,020.8	1,212.3	796.4	238.5	557.9	534.5	23.4	415.9	378.5	808.5	2,003.2	2,317.6	
July	5,874.8	2,019.9	1,207.7	793.5	239.2	554.3	531.8	22.5	414.2	378.9	812.2	2,003.7	2,311.2	
Aug.	5,902.9	2,029.7	1,212.3	795.7	240.0	555.7	531.7	24.0	416.5	380.3	817.4	2,013.0	2,309.4	
Sep.	5,947.0	2,039.0	1,217.2	809.5	240.2	569.4	546.2	23.2	407.6	371.9	821.8	2,023.0	2,310.6	
Oct.	5,975.4	2,049.6	1,221.0	821.0	241.2	579.8	554.9	24.9	399.9	368.1	828.7	2,030.6	2,319.2	
Nov.	6,067.6	2,084.9	1,251.1	861.5	244.5	617.1	591.0	26.1	389.5	357.8	833.9	2,052.9	2,347.2	
Dec.	6,170.9	2,181.8	1,315.9	916.9	246.8	670.1	639.9	30.2	399.0	362.9	865.8	2,107.2	2,410.0	
1997 Jan.	6,179.9	2,139.2	1,260.3	848.2	243.0	605.2	581.6	23.5	412.1	377.3	879.0	2,144.7	2,445.2	
Feb.	6,252.4	2,141.2	1,255.7	848.4	244.1	604.2	580.6	23.7	407.3	371.5	885.6	2,132.9	2,437.6	
Mar.	6,303.4	2,135.9	1,248.5	848.6	246.3	602.3	579.6	22.7	399.9	364.5	887.3	2,127.0	...	

\* Consolidated statistical balance sheet of the credit institutions (excluding assets and liabilities of foreign branches and of building and loan associations), including the Bundesbank (see Tables III. 1 and IV. 1 and 2), from June 1990 including east German credit institutions. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 From January 1995 the securities issued by the Federal Railways Fund are recorded under public authorities. — 2 Including Federal Railways and Federal Post Office and Telekom. — 3 Including Treasury bills and Treasury

discount paper of Federal Railways and Federal Post Office. — 4 Including Treasury bills and Treasury discount paper of the Federal and Länder Governments, excluding liquidity paper. — 5 Including the working capital put at the disposal of foreign branches. — 6 Including counterpart of coins in circulation. — 7 Including DM notes and coins held abroad. — 8 Excluding Federal Government's deposits (see footnote 13). — 9 Until June 1993 savings deposits at statutory notice. — 10 Money stock as a monthly average of five bank-week return days (end-of-month levels included with a weight of 50%). — 11 Money stock M3 plus domestic non-banks' deposits with

II. Overall monetary survey

								External assets				End of year or month
								Total	Bundesbank	Credit institutions 5	Other assets 6	
and individuals 2			Public authorities									
Short-term 3	Medium and long-term	Securities	Total	Short-term 4	Medium and long-term	Securities	Equalisation claims	Total	Bundesbank	Credit institutions 5	Other assets 6	
571.2	2,077.2	90.6	739.3	26.0	501.7	147.2	64.3	794.1	144.0	650.1	212.9	1992
544.2	2,307.6	134.2	840.4	19.0	552.6	193.5	75.3	950.4	122.8	827.6	211.5	1993
549.1	2,458.7	203.2	926.2	34.4	593.1	230.5	68.1	901.0	116.0	785.0	227.8	1994
584.0	2,592.6	192.9	1,067.5	31.3	730.5	234.4	71.3	990.9	123.3	867.7	258.3	1995
617.2	2,801.3	205.9	1,148.7	45.1	791.1	231.3	81.3	1,109.0	121.0	988.0	280.2	1996
581.9	2,628.0	204.2	1,105.5	35.1	746.4	242.6	81.5	1,001.1	124.5	876.6	268.4	1996 Mar.
580.3	2,643.6	213.7	1,115.1	41.7	747.0	245.3	81.2	1,001.3	125.8	875.5	265.2	Apr.
582.2	2,656.5	208.5	1,117.3	46.0	742.6	245.2	83.5	1,011.0	123.2	887.8	264.2	May
596.6	2,665.3	199.1	1,119.0	41.2	745.9	248.5	83.4	1,030.0	123.9	906.1	265.6	June
582.6	2,686.9	202.4	1,119.5	44.0	751.7	242.2	81.7	1,015.0	120.9	894.2	259.6	July
585.3	2,704.1	199.8	1,118.8	32.1	759.7	245.3	81.7	1,022.3	121.6	900.7	264.1	Aug.
594.6	2,715.5	198.7	1,117.1	29.6	766.0	239.7	81.8	1,038.6	123.0	915.5	273.8	Sep.
593.4	2,732.0	200.1	1,146.4	47.9	772.2	244.5	81.8	1,029.4	123.8	905.6	265.5	Oct.
593.8	2,752.0	207.1	1,169.1	56.6	788.9	242.0	81.6	1,065.5	124.7	940.8	271.3	Nov.
617.2	2,801.3	205.9	1,148.7	45.1	791.1	231.3	81.3	1,109.0	121.0	988.0	280.2	Dec.
596.5	2,808.4	212.2	1,167.3	50.0	788.4	249.4	79.5	1,106.4	120.7	985.7	280.4	1997 Jan.
601.7	2,819.2	220.4	1,176.8	54.2	792.4	252.1	78.1	1,139.6	119.9	1,019.6	286.1	Feb.
608.1	2,828.3	227.9	1,190.9	56.9	795.6	260.0	78.3	1,154.9	119.1	1,035.7	284.6	Mar.

								External liabilities				End of year or month	
								Total	Bundesbank 16	Credit institutions 17	Excess of inter-bank liabilities		Other liabilities
Bundesbank liquidity paper ("Bulis") purchased by domestic non-banks pe, 12	Federal Government's deposits in the banking system 13	Domestic non-banks' monetary capital with credit institutions											
		Total	Time deposits for 4 years and more (incl. loans on a trust basis)	Savings deposits with a period of notice of more than 3 months	Bank savings bonds	Bearer debt securities outstanding (net) 14	Capital and reserves 15						
-	0.4	1,988.5	564.3	248.6	240.0	696.0	239.5	456.0	29.2	426.8	23.7	317.3	1992
0.1	13.5	2,146.1	603.1	272.0	219.1	789.8	262.1	536.4	42.4	494.0	28.0	371.1	1993
0.2	3.0	2,338.1	669.5	286.2	206.9	889.3	286.3	613.5	26.7	586.7	17.4	368.9	1994
-	2.2	2,561.3	726.1	296.4	227.4	1,002.6	308.8	710.3	19.0	691.3	13.1	401.4	1995
-	6.7	2,745.0	796.6	277.2	227.8	1,108.5	334.9	780.5	18.3	762.2	12.7	444.4	1996
-	1.8	2,623.2	748.7	289.4	221.6	1,046.0	317.4	737.2	19.3	717.9	13.8	418.4	1996 Mar.
-	0.1	2,631.5	753.9	286.4	220.8	1,050.6	319.7	762.3	19.4	743.0	16.2	409.3	Apr.
-	0.0	2,648.8	760.8	284.2	221.0	1,060.2	322.6	764.1	19.4	744.7	11.7	408.2	May
-	0.3	2,660.3	765.8	281.5	221.1	1,065.6	326.2	761.1	19.5	741.5	13.9	427.9	June
-	0.3	2,671.6	773.2	279.1	221.5	1,070.3	327.6	741.3	19.2	722.2	11.4	430.3	July
-	0.0	2,684.4	778.9	276.8	222.2	1,078.2	328.3	738.1	19.4	718.7	12.1	438.5	Aug.
-	0.4	2,693.9	781.5	275.6	222.8	1,084.4	329.6	743.7	18.7	725.0	9.1	460.9	Sep.
-	0.5	2,707.9	785.8	274.7	224.3	1,092.4	330.8	739.6	18.9	720.7	16.1	461.6	Oct.
-	1.1	2,729.0	791.2	274.1	226.1	1,104.9	332.6	769.6	18.5	751.0	11.8	471.2	Nov.
-	6.7	2,745.0	796.6	277.2	227.8	1,108.5	334.9	780.5	18.3	762.2	12.7	444.4	Dec.
-	0.2	2,760.4	801.6	271.0	228.4	1,122.5	336.9	816.5	18.5	798.0	13.3	450.3	1997 Jan.
-	0.1	2,781.4	806.6	269.3	228.7	1,137.2	339.5	854.6	18.9	835.7	17.0	458.2	Feb.
-	0.3	2,799.2	810.9	268.6	229.9	1,149.3	340.6	886.1	18.1	868.0	5.6	476.2	Mar.

domestic credit institutions' foreign branches and foreign subsidiaries, and bearer debt securities outstanding with maturities of less than two years; expressed as average of two end-of-month levels; from August 1994 including domestic and foreign money market funds in the hands of domestic non-banks (adjusted for domestic money market funds' bank deposits and bank debt securities for less than two years). — 12 Included in "Other liabilities". — 13 Sight deposits and time deposits for less than 4 years. Up to December 1993 central bank deposits of domestic public

authorities. — 14 Amount outstanding after deducting credit institutions' holdings of their own and other credit institutions' bonds. Including bank debt securities held by banks and non-banks abroad. — 15 Bundesbank and the credit institutions. After deduction of the asset items: unpaid capital, own shares and participating interests in domestic credit institutions. — 16 Including liquidity paper sold to foreign parties and including counterpart of special drawing rights allocated. — 17 Including the working capital of the branches of foreign banks.







III. Deutsche Bundesbank

1. Assets

DM billion

End of year or month/ Reporting date	Monetary reserves and other external assets 1, 2											Lending to domestic		
	Total assets	Monetary reserves									External loans and other external assets	Total	Securities purchased in open market transactions under repurchase agreements	
		Total	Gold	Reserve position in the IMF and special drawing rights			Claims on the European Monetary Institute 3	Memo item Claims on the European Monetary Institute (gross) 3	Foreign currency balances					
				Drawing rights within the reserve tranche	Loans under special borrowing arrangements	Special drawing rights								
1992	368.3	144.0	13	141.4	13.7	6.8	—	1.4	33.6	41.7	85.8	2.6	188.9	124.1
1993	405.6	122.8		120.1	13.7	6.8	—	1.7	36.2	48.0	61.8	2.6	257.5	184.5
1994	356.5	116.0	14	113.6	13.7	6.2	—	1.7	31.7	44.4	60.2	2.4	217.7	146.3
1995	354.4	123.3	15	121.3	13.7	7.5	—	2.9	28.8	38.4	68.5	2.0	213.1	145.8
1996	366.4	121.0		119.5	13.7	8.5	—	3.0	22.0	33.2	72.4	1.4	226.2	161.6
1996 July	332.3	120.9		119.2	13.7	8.1	—	2.8	21.4	32.6	73.1	1.7	195.3	130.5
Aug.	339.7	121.6		120.1	13.7	8.2	—	2.9	21.4	32.6	74.0	1.5	201.5	134.0
Sep.	346.3	123.0		121.6	13.7	8.2	—	2.8	21.4	32.6	75.5	1.4	206.9	136.0
Oct.	345.2	123.8		122.3	13.7	8.2	—	2.8	22.1	33.2	75.6	1.4	205.0	138.2
Nov.	344.8	124.7		123.3	13.7	8.1	—	2.9	22.1	33.2	76.5	1.4	203.8	138.9
Dec.	366.4	121.0		119.5	13.7	8.5	—	3.0	22.0	33.2	72.4	1.4	226.2	161.6
1997 Jan.	349.1	120.7		119.2	13.7	8.3	—	3.0	21.6	32.7	72.8	1.4	211.8	147.4
Feb.	351.7	119.9		118.8	13.7	8.2	—	3.0	21.6	32.7	72.3	1.2	215.8	150.0
1997 Mar. 7	348.6	119.8		118.7	13.7	8.2	—	3.0	21.6	32.7	72.2	1.2	212.9	149.0
15	351.6	119.6		118.4	13.7	8.2	—	3.0	21.6	32.7	71.9	1.2	216.2	152.1
23	350.8	119.3		118.1	13.7	8.1	—	3.0	21.6	32.7	71.7	1.2	215.9	152.1
31	356.0	119.1		118.0	13.7	8.1	—	3.0	21.6	32.7	71.7	1.2	221.2	156.0
Apr. 7	352.3	119.4		118.2	13.7	8.1	—	3.0	21.6	32.7	71.9	1.2	217.1	153.1
15	349.5	119.2		118.0	13.7	8.1	—	3.0	21.3	34.2	71.9	1.2	214.9	151.0
23	341.1	119.0		117.8	13.7	8.1	—	3.0	21.3	34.2	71.8	1.2	206.6	142.4
30	342.2	118.9		117.7	13.7	8.0	—	3.0	21.3	34.2	71.7	1.2	207.8	143.5

2. Liabilities

DM billion

End of year or month/ Reporting date	Deposits									Domestic enterprises and individuals	Foreign depositors 1
	Total liabilities	Banknotes in circulation	Domestic credit institutions	Domestic public authorities							
				Total	Federal Government	Federal special funds	Länder Governments	Other public depositors 10			
1992	368.3	213.4	88.9	0.4	0.1	0.0	0.3	0.0	0.0	0.8	24.6
1993	405.6	224.3	73.4	13.5	13.0	0.0	0.4	0.1	0.1	0.8	22.0
1994	356.5	236.2	56.2	0.2	0.0	0.0	0.1	0.0	0.0	0.7	18.5
1995	354.4	248.4	49.7	0.2	0.0	0.0	0.1	0.0	0.0	0.7	14.8
1996	366.4	260.4	51.9	0.5	0.1	0.0	0.2	0.1	0.1	1.2	13.0
1996 July	332.3	246.6	35.9	0.2	0.0	0.0	0.1	0.1	0.1	0.6	14.6
Aug.	339.7	247.0	41.1	0.1	0.0	0.0	0.1	0.1	0.0	0.5	14.8
Sep.	346.3	247.7	46.1	0.2	0.0	0.0	0.1	0.1	0.1	0.7	13.9
Oct.	345.2	249.3	43.7	0.2	0.0	0.0	0.0	0.1	0.1	0.5	14.1
Nov.	344.8	251.6	40.0	0.1	0.0	0.0	0.0	0.0	0.0	0.7	13.6
Dec.	366.4	260.4	51.9	0.5	0.1	0.0	0.2	0.1	0.1	1.2	13.0
1997 Jan.	349.1	250.4	43.6	0.2	0.1	0.0	0.0	0.0	0.0	0.5	13.1
Feb.	351.7	251.0	43.9	0.2	0.1	0.0	0.0	0.0	0.0	0.6	13.1
1997 Mar. 7	348.6	253.8	37.7	0.3	0.1	0.0	0.1	0.1	0.1	0.5	13.0
15	351.6	253.0	41.4	0.2	0.1	0.0	0.1	0.1	0.0	0.5	13.1
23	350.8	252.2	40.8	0.2	0.1	0.0	0.1	0.1	0.1	0.5	13.1
31	356.0	255.7	43.4	0.3	0.1	0.0	0.1	0.1	0.1	0.5	12.2
Apr. 7	352.3	253.8	42.1	0.2	0.1	0.0	0.1	0.1	0.0	0.6	12.1
15	349.5	251.9	41.8	0.2	0.1	0.0	0.1	0.1	0.0	0.6	12.0
23	341.1	250.3	42.1	0.3	0.1	0.0	0.0	0.0	0.1	0.5	12.1
30	342.2	253.5	39.9	0.3	0.2	0.0	0.0	0.0	0.0	0.8	12.2

1 The Bundesbank's external positions denominated in foreign currencies, ECUs and SDRs are shown at balance sheet rates. — 2 For further breakdown see Table X, 7, and Deutsche Bundesbank, Balance of payments statistics, Statistical Supplement to the Monthly Report, Table II, 6. — 3 Up to December 31, 1993 claims on the EMCF in connection with the European Monetary System. — 4 Excluding prime bankers' acceptances; the Bundesbank ceased buying prime bankers' acceptances with effect from January

1992. — 5 Including Equalisation of Burdens Fund and ERP Special Fund. — 6 Since the entry into force of the second stage of the economic and monetary union on January 1, 1994, the Bundesbank may no longer grant any direct credit to public authorities. — 7 Resulting from the currency reform of 1948, including non-interest-bearing debt certificates in respect of the currency conversion in Berlin (West); including amounts exchanged for Treasury bills and Treasury discount paper and sold; see also item

III. Deutsche Bundesbank

credit institutions				Lending to and other claims on domestic public authorities					Securities			End of year or month/ Reporting date
Domestic bills	Foreign bills	Lombard loans	Memorandum item Loans to domestic credit institutions excluding money market bills purchased 4	Total	Federal Government 5, 6			Bonds and interest-bearing Treasury paper of Federal and Länder Governments	Bonds and interest-bearing Treasury paper of the Post Office, Telekom 8	Other assets 9		
					Advances	Equalisation claims 7	Länder Governments 6					
50.0	13.2	1.6	188.9	13.2	4.4	8.7	0.2	5.7	0.3	16.2	1992	
47.6	10.5	14.8	257.5	8.7	-	8.7	-	4.4	0.3	11.9	1993	
52.1	9.5	9.8	217.7	8.7	-	8.7	-	2.9	0.3	11.0	1994	
52.2	9.6	5.5	213.1	8.7	-	8.7	-	0.8	0.1	8.5	1995	
52.3	9.0	3.3	226.2	8.7	-	8.7	-	-	-	10.6	1996	
55.1	9.3	0.4	195.3	8.7	-	8.7	-	0.0	0.0	7.5	1996 July	
55.0	9.4	3.1	201.5	8.7	-	8.7	-	0.0	0.0	7.9	Aug.	
54.5	9.6	6.9	206.9	8.7	-	8.7	-	0.0	0.0	7.6	Sep.	
54.7	9.0	3.2	205.0	8.7	-	8.7	-	0.0	0.0	7.7	Oct.	
54.3	9.5	1.1	203.8	8.7	-	8.7	-	-	-	7.7	Nov.	
52.3	9.0	3.3	226.2	8.7	-	8.7	-	-	-	10.6	Dec.	
54.9	8.8	0.8	211.8	8.7	-	8.7	-	-	-	7.9	1997 Jan.	
54.9	9.1	1.9	215.8	8.7	-	8.7	-	-	-	7.3	Feb.	
55.4	8.4	0.1	212.9	8.7	-	8.7	-	-	-	7.2	1997 Mar.	
55.5	8.6	0.0	216.2	8.7	-	8.7	-	-	-	7.1	7	
55.0	8.8	0.0	215.9	8.7	-	8.7	-	-	-	7.0	15	
55.5	9.2	0.5	221.2	8.7	-	8.7	-	-	-	7.0	23	
55.5	8.5	0.0	217.1	8.7	-	8.7	-	-	-	7.1	31	
55.0	8.8	0.0	214.9	8.7	-	8.7	-	-	-	6.8	Apr. 7	
55.3	8.9	0.0	206.6	8.7	-	8.7	-	-	-	6.8	15	
55.5	8.7	0.1	207.8	8.7	-	8.7	-	-	-	6.8	23	
										6.8	30	

Liabilities to credit institutions	Liabilities arising from liquidity paper sold 11	Liabilities to the European Monetary Institute 1	Counterpart of special drawing rights allocated 1	Provisions	Capital and reserves	Other liabilities	Memorandum items			End of year or month/ Reporting date
							Currency in circulation		Rediscount quotas fixed 12	
							Total	of which Coins		
-	2.0	-	2.7	9.2	9.6	16.8	227.3	13.9	64.4	1992
-	26.2	-	2.9	9.8	11.2	21.4	238.6	14.3	65.3	1993
-	6.0	-	2.7	11.3	11.8	12.8	250.9	14.7	65.6	1994
-	1.6	-	2.6	10.0	12.4	14.2	263.5	15.1	65.6	1995
-	2.6	-	2.7	10.1	13.0	11.1	275.7	15.4	65.9	1996
-	2.0	-	2.6	10.1	13.0	6.8	261.8	15.2	65.6	1996 July
-	2.1	-	2.6	10.1	13.0	8.5	262.2	15.2	65.6	Aug.
-	2.2	-	2.6	10.1	13.0	9.9	262.9	15.2	65.6	Sep.
-	2.2	-	2.6	10.1	13.0	9.6	264.5	15.2	65.6	Oct.
-	2.4	-	2.6	10.1	13.0	10.9	266.8	15.2	65.7	Nov.
-	2.6	-	2.7	10.1	13.0	11.1	275.7	15.4	65.9	Dec.
-	2.6	-	2.7	10.1	13.0	12.9	265.5	15.2	65.9	1997 Jan.
-	3.1	-	2.7	10.1	13.0	14.0	266.2	15.2	65.9	Feb.
-	3.1	-	2.7	10.1	13.0	14.4	269.0	15.2	65.8	1997 Mar.
-	3.1	-	2.7	10.1	13.0	14.4	268.2	15.2	65.8	7
-	3.1	-	2.7	10.1	13.0	14.9	267.5	15.3	65.8	15
-	3.3	-	2.7	10.1	13.0	15.0	271.0	15.3	65.8	23
-	3.3	-	2.7	10.1	13.0	14.4	269.1	15.3	65.8	31
-	3.3	-	2.7	10.1	13.0	14.0	267.2	15.3	65.8	Apr. 7
-	3.3	-	2.7	11.0	13.6	5.4	265.6	15.3	65.8	15
-	3.3	-	2.7	11.0	13.6	5.0	268.9	15.3	65.8	23
-									65.8	30

"Liabilities arising from liquidity paper sold". — 8 From January 1995, the bonds and interest-bearing Treasury notes of the Federal Railways Fund are assigned to the public authorities (Federal special funds). — 9 Includes inter alia the items "German coins" and "Other assets"; up to end-March 1995 also "Balances on postal giro accounts". — 10 Local authorities, local authority associations and social security funds. — 11 Up to October 1992 mobilisation and liquidity paper. — 12 Excluding the special rediscount

line for financing export orders (see "The current monetary policy regulations of the Deutsche Bundesbank"). From July 1990 to October 1992 including the refinancing quotas set for east German credit institutions. — 13 Decrease of DM 4.4 billion owing to a valuation adjustment. — 14 Decrease of DM 2.7 billion owing to a valuation adjustment. — 15 Decrease of DM 2.5 billion owing to a valuation adjustment.



IV. Credit institutions

Bills dis- counted	Trust loans 4	Treasury bills and negotiable money market paper issued by non-banks 8	Securities issued by non-banks	Equalisa- tion claims 9	Mobilisa- tion and liquidity paper (Treasury bills and Treasury discount paper) 10	Debt securities from own issues	Particip- ating interests 11	Tangible assets	Other assets 12	Memo item		Period
										Bill portfolios		
										Total	of which Redis- count- able at central banks 13	
End of year or month *												
59.7	75.5	4.3	130.4	2.4	2.0	9.5	37.3	40.9	42.8	18.1	8.6	1987
59.3	76.4	4.5	151.9	2.2	1.5	11.7	39.9	41.8	44.0	16.1	8.8	1988
61.2	79.5	5.0	162.3	1.9	0.9	10.5	47.2	42.4	49.9	13.5	7.5	1989
63.8	85.8	20.3	195.8	1.7	1.4	12.5	60.5	43.1	122.1	16.4	9.7	1990
64.9	88.6	13.1	212.7	2.4	3.9	18.9	64.0	45.4	147.2	12.3	7.3	1991
54.2	94.3	10.0	283.0	64.3	-	27.1	75.1	49.9	97.6	12.6	6.5	1992
46.6	97.0	5.6	390.7	75.3	8.2	33.4	89.6	53.1	85.3	9.2	4.2	1993
47.7	101.7	2.8	500.3	68.1	0.3	27.7	104.7	56.4	93.4	10.1	5.1	1994
48.7	104.8	3.1	507.0	71.3	-	36.4	122.0	61.2	106.5	11.3	6.1	1995
46.8	118.7	10.8	541.1	81.3	-	37.5	135.5	64.6	116.8	10.1	5.3	1996
52.0	103.8	2.5	506.0	71.5	-	35.4	116.3	61.3	93.6	12.1	7.4	1995 Oct.
51.0	104.2	2.4	514.0	71.5	-	37.7	116.8	62.3	95.2	12.3	7.7	Nov.
48.7	104.8	3.1	507.0	71.3	-	36.4	122.0	61.2	106.5	11.3	6.1	Dec.
50.1	104.2	3.4	520.8	72.1	-	43.3	123.3	58.9	104.2	11.6	6.5	1996 Jan.
49.6	104.8	3.6	522.6	81.7	-	45.1	124.7	58.4	105.9	11.4	6.2	Feb.
50.3	101.5	3.2	534.5	81.5	-	44.2	125.7	58.2	108.8	11.4	6.3	Mar.
51.4	101.7	4.2	550.3	81.2	-	44.5	126.4	58.9	103.7	11.9	6.8	Apr.
52.1	102.6	4.0	546.6	83.5	-	46.4	127.3	59.7	105.3	12.6	7.5	May
52.2	118.4	4.0	542.0	83.4	-	44.9	127.2	60.4	104.5	12.5	7.5	June
52.3	116.4	6.3	540.6	81.7	-	46.3	129.3	61.5	99.6	12.7	7.7	July
53.0	117.1	5.1	539.3	81.7	-	44.8	129.8	62.5	102.0	12.9	7.8	Aug.
51.5	116.6	5.5	537.9	81.8	-	45.7	129.9	63.2	106.6	12.1	7.1	Sep.
51.5	117.2	10.1	548.1	81.8	-	44.9	130.7	64.3	103.6	11.9	6.9	Oct.
51.6	117.8	11.8	552.7	81.6	-	45.2	131.1	65.3	103.7	11.9	7.0	Nov.
46.8	118.7	10.8	541.1	81.3	-	37.5	135.5	64.6	116.8	10.1	5.3	Dec.
49.1	118.9	11.1	568.6	79.5	-	36.0	135.4	62.2	120.2	11.1	6.4	1997 Jan.
49.4	119.7	12.5	588.4	78.1	-	38.7	135.9	61.8	123.2	11.6	6.8	Feb.
50.1	120.1	12.5	606.7	78.3	-	40.3	136.5	61.8	121.0	11.9	7.2	Mar.
Changes *												
- 0.4	+ 0.7	+ 0.0	+ 24.2	- 0.3	- 0.6	+ 2.1	+ 3.1	+ 0.9	+ 1.1	- 2.0	+ 0.2	1988
+ 2.6	+ 3.2	+ 0.5	+ 12.0	- 0.2	- 0.6	+ 1.2	+ 7.3	+ 0.6	+ 5.6	- 2.6	- 1.3	1989
+ 2.6	+ 6.5	+ 2.8	+ 36.8	- 0.3	+ 0.6	+ 2.0	+ 11.7	- 0.8	+ 11.2	+ 3.0	+ 2.2	1990
+ 1.1	- 0.3	- 7.3	+ 21.5	- 0.3	+ 2.5	+ 6.4	+ 5.8	+ 2.3	+ 11.8	- 4.1	- 2.4	1991
- 10.8	+ 3.4	- 3.2	+ 71.2	- 1.0	- 3.9	+ 8.1	+ 11.7	+ 3.5	+ 3.6	+ 0.3	- 0.9	1992
- 7.5	+ 2.3	- 4.9	+ 121.5	- 11.4	+ 8.2	+ 6.2	+ 14.0	+ 3.2	+ 7.4	- 3.4	- 2.3	1993
+ 1.1	+ 0.9	- 2.8	+ 91.8	- 6.9	- 7.9	- 5.7	+ 15.5	+ 3.3	+ 5.2	+ 0.9	+ 0.9	1994
+ 1.0	+ 7.1	+ 0.4	+ 19.0	- 1.2	- 0.3	+ 8.7	+ 17.7	+ 4.8	+ 33.1	+ 1.2	+ 1.0	1995
- 1.9	+ 1.0	+ 7.8	+ 32.0	+ 8.0	-	+ 1.1	+ 12.4	+ 3.4	+ 10.6	- 1.2	- 0.8	1996
- 0.3	+ 0.5	- 0.5	+ 5.7	+ 5.4	-	+ 1.6	+ 0.9	+ 0.8	- 3.9	- 0.3	- 0.3	1995 Oct.
- 1.0	+ 0.3	- 0.1	+ 7.7	- 0.0	-	+ 2.2	+ 0.4	+ 0.9	+ 1.6	+ 0.2	+ 0.3	Nov.
- 2.3	+ 0.6	+ 0.7	- 6.8	- 0.2	-	- 1.3	+ 5.2	- 1.1	+ 11.3	- 1.0	- 1.5	Dec.
+ 1.4	+ 0.4	+ 0.3	+ 13.3	+ 0.8	-	+ 6.9	+ 1.1	- 2.2	- 2.3	+ 0.3	+ 0.4	1996 Jan.
- 0.5	+ 0.6	+ 0.4	+ 1.7	+ 9.6	-	+ 1.8	+ 1.3	- 0.5	+ 1.7	- 0.2	- 0.3	Feb.
+ 0.7	- 3.2	- 0.4	+ 11.9	- 0.2	-	- 0.9	+ 1.0	- 0.2	+ 2.8	+ 0.1	+ 0.0	Mar.
+ 1.1	+ 0.0	+ 1.0	+ 14.6	- 0.3	-	+ 0.3	+ 0.4	+ 0.7	- 5.1	+ 0.4	+ 0.6	Apr.
+ 0.7	+ 0.9	- 0.2	- 3.6	+ 0.4	-	+ 1.9	+ 0.8	+ 0.8	+ 1.6	+ 0.7	+ 0.7	May
+ 0.2	- 0.1	+ 0.0	- 4.3	- 0.1	-	- 1.5	- 0.0	+ 0.7	- 0.7	- 0.1	- 0.1	June
+ 0.1	+ 0.1	+ 2.4	- 0.7	- 1.7	-	+ 1.4	+ 2.3	+ 1.1	- 5.0	+ 0.2	+ 0.2	July
+ 0.7	+ 0.7	- 1.3	- 1.4	- 0.0	-	- 1.5	+ 0.4	+ 0.9	+ 2.4	+ 0.1	+ 0.1	Aug.
- 1.5	- 0.6	+ 0.4	- 2.1	+ 0.1	-	+ 0.8	- 0.1	+ 0.8	+ 4.6	- 0.8	- 0.8	Sep.
+ 0.0	+ 0.7	+ 4.6	+ 10.3	- 0.0	-	- 0.7	+ 0.7	+ 1.1	- 3.0	- 0.1	- 0.1	Oct.
+ 0.1	+ 0.5	+ 1.7	+ 4.1	- 0.2	-	+ 0.3	+ 0.1	+ 1.0	+ 0.1	- 0.0	+ 0.1	Nov.
- 4.8	+ 0.9	- 1.1	- 11.8	- 0.3	-	- 7.7	+ 4.3	- 0.7	+ 13.5	- 1.8	- 1.7	Dec.
+ 2.3	+ 0.1	+ 0.1	+ 26.8	- 1.8	-	- 1.5	- 0.1	- 2.4	+ 3.4	+ 1.1	+ 1.1	1997 Jan.
+ 0.3	+ 0.7	+ 1.2	+ 19.2	- 1.4	-	+ 2.8	+ 0.2	- 0.4	+ 3.0	+ 0.5	+ 0.4	Feb.
+ 0.7	+ 0.4	+ 0.1	+ 18.7	+ 0.3	-	+ 1.6	+ 0.7	+ 0.1	- 2.2	+ 0.4	+ 0.5	Mar.

registered debt securities. — 7 Including loans to domestic building and loan associations. — 8 Treasury bills and Treasury discount paper (excluding mobilisation and liquidity paper); up to November 1993 excluding negotiable money market paper. — 9 Including debt securities arising from the exchange of equalisation claims. — 10 From November 1992 liquidity paper only. — 11 Including the working capital put at the disposal of foreign

branches; from December 1993 including shares in affiliated undertakings. — 12 Including unpaid capital and own shares. From June 1990 to November 1993 including the "computed counterparts" of the east German credit institutions in respect of the currency conversion (July 1, 1990: DM 53.9 billion). — 13 Up to November 1993: bills rediscountable at the Bundesbank.



IV. Credit institutions

Bank savings bonds <sup>8</sup>	Trust loans <sup>5</sup>	Bearer debt securities outstanding <sup>9</sup>	Provisions for liabilities and charges	Value adjustments <sup>10</sup>	Capital (including published reserves) <sup>11</sup>	Other liabilities <sup>12</sup>	Memorandum items				Period
							Balance sheet total	Subordinated liabilities <sup>13</sup>	Liabilities in respect of guarantees	Liabilities from sales with an option to repurchase	
End of year or month *											
192.1	57.8	712.0	37.3	8.3	137.4	95.4	3,686.8	-	151.6	0.8	1987
192.4	59.3	705.5	38.9	6.0	145.3	104.2	3,922.6	-	157.8	1.0	1988
207.2	62.0	759.8	38.4	3.1	161.0	117.2	4,209.8	-	168.8	0.9	1989
230.5	67.3	900.3	40.2	18.1	198.7	173.3	5,178.9	-	181.1	1.0	1990
240.6	69.3	1,039.0	51.5	34.8	218.0	171.6	5,497.3	-	199.8	0.9	1991
245.0	76.8	1,155.0	59.3	38.8	245.2	193.0	5,890.0	-	216.5	0.6	1992
225.2	79.2	1,312.0	63.9	51.9	266.3	223.7	6,539.8	48.2	245.8	0.6	1993
213.1	84.4	1,428.1	62.3	45.2	292.8	237.0	6,897.6	58.5	267.3	0.5	1994
234.3	86.0	1,596.5	68.4	42.5	316.5	266.3	7,483.6	72.7	293.5	0.2	1995
234.7	87.9	1,795.1	71.5	39.7	341.3	312.1	8,237.3	85.6	352.1	0.8	1996
233.2	85.1	1,562.0	66.4	40.0	312.2	284.3	7,222.8	68.9	276.8	0.4	1995 Oct.
233.6	85.6	1,586.7	65.8	42.4	313.8	286.7	7,389.2	70.5	280.2	0.3	Nov.
234.3	86.0	1,596.5	68.4	42.5	316.5	266.3	7,483.6	72.7	293.5	0.2	Dec.
231.5	85.8	1,636.7	71.0	40.3	318.7	268.3	7,507.8	73.9	295.1	0.2	1996 Jan.
229.4	88.5	1,657.6	74.8	40.5	321.1	257.0	7,585.3	74.8	302.8	0.2	Feb.
228.4	86.7	1,670.5	76.2	40.5	324.6	275.4	7,633.9	75.9	304.2	0.2	Mar.
227.6	86.2	1,685.3	75.7	40.5	326.5	278.4	7,676.9	77.0	304.3	0.2	Apr.
227.8	86.7	1,703.1	75.9	40.4	329.2	276.5	7,697.4	77.7	308.2	0.2	May
227.9	87.1	1,710.5	74.9	40.4	332.9	295.6	7,763.6	78.0	307.9	0.3	June
228.3	86.5	1,720.7	73.8	40.2	334.2	299.4	7,762.4	79.7	306.4	0.2	July
228.9	86.8	1,732.5	73.1	40.3	335.0	306.6	7,816.3	80.4	307.0	0.2	Aug.
229.4	86.9	1,756.6	73.0	39.9	336.3	328.0	7,899.1	81.7	310.2	0.2	Sep.
230.9	87.4	1,771.2	72.6	39.8	337.6	329.6	7,955.5	82.7	316.2	0.2	Oct.
232.7	88.0	1,797.1	70.9	39.8	339.5	339.5	8,129.6	84.4	319.6	0.3	Nov.
234.7	87.9	1,795.1	71.5	39.7	341.3	312.1	8,237.3	85.6	352.1	0.8	Dec.
235.1	88.5	1,820.5	76.1	40.2	343.4	311.1	8,217.4	87.8	357.8	0.3	1997 Jan.
235.4	88.8	1,848.7	79.3	40.5	346.0	314.2	8,334.6	89.8	362.3	0.3	Feb.
236.5	89.3	1,878.2	81.2	40.5	347.8	329.5	8,418.0	93.9	358.9	0.3	Mar.
Changes *											
+ 0.3	+ 1.4	- 6.5	+ 1.5	- 2.2	+ 8.6	+ 11.1	+ 232.9	-	+ 6.4	+ 0.2	1988
+ 14.8	+ 2.8	+ 54.3	- 0.5	- 2.9	+ 15.6	+ 18.7	+ 296.3	-	+ 11.6	- 0.1	1989
+ 23.3	+ 4.6	+ 140.5	+ 1.3	+ 0.0	+ 16.4	+ 46.4	+ 457.0	-	+ 11.5	+ 0.1	1990
+ 10.1	- 1.1	+ 138.7	+ 11.3	+ 16.7	+ 18.6	+ 10.9	+ 363.8	-	+ 18.7	- 0.1	1991
+ 4.4	+ 4.4	+ 115.9	+ 4.3	+ 4.2	+ 21.6	+ 28.7	+ 429.5	-	+ 16.7	- 0.3	1992
- 13.3	+ 2.2	+ 159.6	+ 4.6	+ 14.0	+ 22.2	+ 27.8	+ 656.9	+ 0.0	+ 29.3	- 0.0	1993
- 12.2	+ 1.1	+ 117.4	+ 0.4	- 4.1	+ 31.9	+ 17.3	+ 386.1	+ 10.3	+ 21.6	- 0.1	1994
+ 12.4	+ 5.4	+ 168.5	+ 4.8	- 1.9	+ 23.9	+ 61.5	+ 668.2	+ 14.2	+ 26.2	- 0.2	1995
+ 0.6	+ 1.3	+ 198.3	+ 2.1	- 0.2	+ 24.3	+ 41.1	+ 716.0	+ 12.9	+ 58.7	+ 0.6	1996
- 0.1	+ 0.5	+ 18.8	+ 0.1	- 2.8	+ 1.5	+ 11.0	+ 61.3	+ 1.3	+ 1.6	- 0.0	1995 Oct.
+ 0.4	+ 0.5	+ 24.7	- 0.6	+ 3.2	+ 1.6	+ 1.7	+ 162.6	+ 1.6	+ 3.4	- 0.1	Nov.
+ 0.7	+ 0.4	+ 9.9	+ 2.5	+ 0.2	+ 2.7	- 19.9	+ 95.5	+ 2.2	+ 13.3	- 0.1	Dec.
- 2.8	+ 0.1	+ 40.2	+ 2.6	+ 0.4	+ 1.7	+ 0.2	+ 16.7	+ 1.2	+ 1.6	- 0.0	1996 Jan.
- 2.1	+ 0.8	+ 20.9	+ 3.8	+ 0.1	+ 2.4	- 10.7	+ 78.6	+ 1.0	+ 7.7	+ 0.0	Feb.
- 1.0	- 1.9	+ 12.9	+ 1.4	+ 0.1	+ 3.5	+ 18.4	+ 47.7	+ 1.1	+ 1.6	- 0.0	Mar.
- 0.8	+ 0.1	+ 14.8	- 0.4	- 0.0	+ 1.9	+ 0.1	+ 31.3	+ 1.1	+ 0.1	- 0.0	Apr.
+ 0.2	+ 0.5	+ 17.8	- 0.9	- 0.1	+ 2.7	- 2.0	+ 19.2	+ 0.7	+ 3.9	- 0.0	May
+ 0.2	+ 0.4	+ 7.4	- 1.0	+ 0.0	+ 3.6	+ 19.7	+ 52.9	+ 0.2	- 0.3	+ 0.1	June
+ 0.4	- 0.1	+ 10.2	- 1.1	- 0.2	+ 1.4	+ 5.6	+ 10.2	+ 1.8	- 1.5	- 0.0	July
+ 0.6	+ 0.4	+ 11.8	- 0.7	+ 0.1	+ 0.8	+ 6.8	+ 52.3	+ 0.7	+ 0.6	-	Aug.
+ 1.1	+ 0.0	+ 23.5	- 0.1	- 0.4	+ 1.2	+ 19.6	+ 74.1	+ 1.3	+ 3.2	- 0.0	Sep.
+ 1.4	+ 0.5	+ 14.5	- 0.4	- 0.1	+ 1.3	+ 2.0	+ 58.5	+ 1.0	+ 6.0	- 0.0	Oct.
+ 1.8	+ 0.5	+ 25.9	- 1.6	- 0.0	+ 1.9	+ 8.7	+ 169.1	+ 1.7	+ 3.4	+ 0.1	Nov.
+ 1.6	- 0.0	- 1.6	+ 0.5	- 0.1	+ 1.8	- 27.3	+ 105.5	+ 1.2	+ 32.6	+ 0.5	Dec.
+ 0.5	+ 0.5	+ 25.3	+ 4.6	+ 0.5	+ 2.0	- 3.2	- 31.6	+ 2.2	+ 5.6	- 0.5	1997 Jan.
+ 0.3	+ 0.2	+ 28.2	+ 3.2	+ 0.4	+ 2.7	+ 0.8	+ 106.8	+ 2.0	+ 4.6	- 0.0	Feb.
+ 1.1	+ 0.5	+ 29.5	+ 1.9	+ 0.0	+ 1.8	+ 15.9	+ 87.0	+ 4.1	- 3.5	+ 0.0	Mar.

associations. — <sup>8</sup> Including liabilities arising from non-negotiable bearer debt securities. — <sup>9</sup> Including negotiable subordinated bearer debt securities; excluding non-negotiable bearer debt securities. — <sup>10</sup> From January 1990 including all untaxed general value adjustments and individual country risk value adjustments, which were previously mainly shown under "Other liabilities". — <sup>11</sup> Including participation rights capital

(end-1996; DM 37.7 billion). From December 1993 including fund for general banking risks. — <sup>12</sup> Including "Special reserves". From June 1990 including the "computed counterparts" of the east German credit institutions in respect of the currency conversion (July 1, 1990; DM 30.1 billion). — <sup>13</sup> Collected separately only as from December 1993.

IV. Credit institutions

3. Principal assets and liabilities, by category of banks \*

DM billion

End of month	Number of reporting credit institutions	Volume of business	Cash in hand and balances with central banks	Lending to credit institutions			Lending to non-banks				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and advances	Securities issued by credit institutions		Loans and advances not evidenced by certificates for	Bills discounted	Securities issued by non-banks			
							up to 1 year	over 1 year					
<b>All categories of banks</b>													
1997 Jan.	3,515	8,273.9	72.8	2,697.1	1,948.0	701.5	5,150.2	658.8	3,664.3	49.1	568.6	135.4	218.4
Feb.	3,513	8,390.8	73.5	2,750.4	1,988.9	714.7	5,207.3	678.1	3,681.1	49.4	588.4	135.9	223.7
Mar.	3,511	8,474.7	78.0	2,789.3	2,008.8	733.7	5,247.7	685.7	3,694.2	50.1	606.7	136.5	223.2
<b>Commercial banks</b>													
1997 Jan.	331	2,033.7	17.4	567.3	449.4	110.7	1,320.2	306.2	766.3	28.5	180.6	71.5	57.4
Feb.	332	2,084.8	18.4	576.3	454.9	114.0	1,353.6	323.0	766.9	28.7	197.3	72.0	63.7
Mar.	330	2,112.0	21.8	587.5	459.7	120.4	1,365.7	323.7	770.4	29.2	205.7	72.3	64.7
<b>Big banks <sup>1</sup></b>													
1997 Jan.	3	777.2	9.9	197.6	155.7	41.0	511.9	140.2	276.1	13.4	75.5	44.2	13.6
Feb.	3	803.8	10.7	199.5	156.4	42.3	531.2	154.3	274.6	13.4	81.6	44.4	18.0
Mar.	3	810.6	13.3	204.7	159.3	44.4	532.1	154.4	277.2	13.6	79.9	44.7	15.8
<b>Regional banks and other commercial banks <sup>2</sup></b>													
1997 Jan.	193	1,085.9	6.7	280.2	217.4	57.1	738.2	136.3	468.7	11.3	91.5	26.8	34.1
Feb.	192	1,105.3	6.7	284.6	220.5	58.2	751.6	138.1	470.7	11.6	102.7	27.1	35.2
Mar.	190	1,116.0	7.5	282.3	214.1	62.2	761.0	137.9	471.1	11.9	111.9	27.1	38.1
<b>Branches of foreign banks</b>													
1997 Jan.	75	121.4	0.2	72.0	62.7	9.1	41.2	16.4	9.4	2.7	11.6	0.0	8.0
Feb.	76	125.8	0.2	75.0	64.9	10.0	41.7	17.1	9.5	2.8	10.9	0.0	8.8
Mar.	76	135.8	0.2	83.6	73.6	9.9	42.7	17.7	9.4	2.7	11.7	0.0	9.2
<b>Private bankers <sup>3</sup></b>													
1997 Jan.	60	49.1	0.6	17.5	13.6	3.4	28.9	13.3	12.1	1.1	2.0	0.5	1.6
Feb.	61	49.1	0.8	17.2	13.1	3.6	29.1	13.5	12.1	1.1	2.1	0.5	1.7
Mar.	61	49.6	0.7	16.8	12.6	3.9	30.0	13.8	12.6	1.1	2.2	0.5	1.6
<b>Regional giro institutions (including Deutsche Girozentrale)</b>													
1997 Jan.	13	1,498.7	2.3	652.8	554.5	95.2	776.5	64.8	551.8	5.0	82.3	30.1	37.0
Feb.	13	1,525.1	2.6	671.9	570.9	97.4	782.5	65.1	553.4	5.2	85.1	30.1	37.9
Mar.	13	1,547.0	2.5	691.6	590.4	97.5	785.2	62.5	554.5	5.2	87.5	30.3	37.4
<b>Savings banks</b>													
1997 Jan.	606	1,590.5	27.5	387.4	117.4	263.7	1,121.3	138.4	814.2	8.3	135.1	13.2	41.0
Feb.	605	1,600.6	26.7	397.1	127.2	264.4	1,123.4	137.9	816.7	8.2	135.5	13.3	40.0
Mar.	605	1,605.1	28.6	393.2	118.9	268.8	1,131.0	141.2	818.2	8.4	138.2	13.3	39.1
<b>Regional institutions of credit cooperatives (including Deutsche Genossenschaftsbank)</b>													
1997 Jan.	4	301.4	0.9	195.2	135.2	56.6	88.4	14.6	34.7	1.9	21.7	9.6	7.3
Feb.	4	302.4	1.0	193.3	131.1	58.8	90.4	18.1	34.0	1.9	21.0	9.6	8.0
Mar.	4	300.8	0.9	192.3	126.9	62.1	90.5	17.2	34.1	1.9	22.0	9.6	7.4
<b>Credit cooperatives</b>													
1997 Jan.	2,509	928.1	15.9	237.6	116.9	114.8	643.8	102.3	449.0	5.0	78.7	5.1	25.7
Feb.	2,507	930.5	16.0	240.3	116.5	117.9	643.2	102.1	449.7	5.0	77.5	5.1	25.9
Mar.	2,507	932.9	17.1	239.0	111.2	122.0	646.1	103.1	451.2	5.1	78.0	5.1	25.6
<b>Mortgage banks</b>													
1997 Jan.	34	1,138.1	0.4	236.8	223.7	12.7	863.7	14.4	820.9	0.2	22.1	3.8	33.4
Feb.	34	1,154.8	0.7	243.7	230.5	12.7	874.9	15.1	831.4	0.2	22.1	3.8	31.8
Mar.	34	1,172.4	0.8	248.3	235.0	12.7	886.3	16.0	840.3	0.2	23.7	3.8	33.2
<b>Credit institutions with special functions <sup>4</sup></b>													
1997 Jan.	18	783.5	8.4	419.9	350.9	47.9	336.4	18.2	227.4	0.3	48.1	2.2	16.6
Feb.	18	793.5	8.0	427.8	357.7	49.4	339.3	16.9	229.0	0.3	49.9	2.2	16.3
Mar.	18	804.5	6.3	437.4	366.7	50.2	342.9	22.1	225.5	0.2	51.8	2.2	15.7
<b>Memo item: Foreign banks <sup>5</sup></b>													
1997 Feb.	154	366.9	2.0	167.4	135.2	28.6	175.0	47.9	77.3	5.7	40.4	2.2	20.3
Mar.	154	375.5	2.2	171.1	138.1	29.5	178.5	48.4	77.5	5.7	43.3	2.2	21.5
<b>of which: Credit institutions majority-owned by foreign banks <sup>6</sup></b>													
1997 Feb.	78	241.1	1.8	92.4	70.3	18.7	133.3	30.8	67.8	3.0	29.5	2.2	11.5
Mar.	78	239.7	2.0	87.5	64.5	19.6	135.8	30.7	68.0	3.0	31.6	2.1	12.3

\* Excluding the assets and liabilities of foreign branches. Statistical alterations are not specially marked here, see changes in the Statistical Supplement to the Monthly Report, Banking statistics. For the definition of the items see the notes to Table IV. 1 "Assets" and IV. 2 "Liabilities", page 16\* ff. The figures for the latest date are always to be regarded as

provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG. — 2 Including private bankers whose business is not organised in the form of a sole proprietorship or partnership. —



IV. Credit institutions

Deposits of credit institutions			Deposits of non-banks									Bearer debt securities outstanding	Capital (including published reserves)	Other liabilities	End of month
Total	of which		Total	of which					Total	of which At three months' notice	Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits for			Savings deposits							
					1 month to less than 3 months	3 months to less than 4 years	4 years and more								
<b>All categories of banks</b>															
2,202.5	530.0	1,538.6	3,480.1	638.0	339.0	114.7	892.1	1,172.8	895.4	235.1	1,820.5	343.4	427.4	1997 Jan.	
2,264.5	575.4	1,555.0	3,497.5	644.5	331.8	117.5	901.8	1,177.6	902.0	235.4	1,848.7	346.0	434.1	Feb.	
2,300.6	585.0	1,580.9	3,497.0	639.9	324.7	119.1	908.7	1,178.8	903.8	236.5	1,878.2	347.8	451.2	Mar.	
<b>Commercial banks</b>															
747.0	244.5	461.0	748.6	231.6	131.2	38.1	159.0	155.1	116.7	26.3	245.9	123.2	169.0	1997 Jan.	
775.7	266.0	468.3	748.4	236.8	122.9	39.6	160.9	154.5	116.2	26.3	250.0	124.4	185.6	Feb.	
792.5	265.1	485.7	747.0	231.9	123.2	39.5	163.0	154.4	114.7	27.3	253.8	125.0	193.8	Mar.	
<b>Big banks <sup>1</sup></b>															
253.8	95.8	144.1	367.0	116.8	75.9	21.3	51.4	87.5	63.0	9.9	41.4	55.3	59.7	1997 Jan.	
277.4	111.9	151.6	363.1	119.6	68.4	21.7	52.5	86.6	62.5	10.0	42.9	56.3	64.2	Feb.	
282.8	108.2	160.5	359.2	114.1	69.4	21.6	53.0	86.8	61.3	10.0	43.1	56.9	68.7	Mar.	
<b>Regional banks and other commercial banks <sup>2</sup></b>															
384.6	119.6	243.5	340.8	96.5	46.9	13.3	103.0	63.7	50.6	14.5	203.4	62.5	94.7	1997 Jan.	
387.1	124.0	241.4	343.3	98.0	46.1	14.1	103.7	64.0	50.6	14.4	205.9	62.5	106.4	Feb.	
386.6	123.7	241.2	347.0	98.7	45.8	14.2	106.1	63.7	50.3	15.4	209.5	62.9	110.0	Mar.	
<b>Branches of foreign banks</b>															
96.7	26.0	66.9	10.6	4.9	1.4	1.1	2.9	0.0	0.0	0.1	0.2	2.2	11.8	1997 Jan.	
99.7	27.0	69.0	11.5	5.5	1.4	1.2	3.0	0.0	0.0	0.1	0.2	2.2	12.2	Feb.	
111.2	29.5	77.8	10.2	5.1	1.2	1.2	2.3	0.0	0.0	0.1	0.2	1.9	12.3	Mar.	
<b>Private bankers <sup>3</sup></b>															
11.9	3.1	6.6	30.2	13.4	7.0	2.5	1.7	3.8	3.1	1.7	1.0	3.2	2.8	1997 Jan.	
11.5	3.1	6.3	30.5	13.7	7.0	2.5	1.6	3.8	3.1	1.8	1.0	3.3	2.7	Feb.	
12.0	3.6	6.2	30.6	14.0	6.8	2.5	1.6	3.8	3.1	1.8	1.0	3.3	2.8	Mar.	
<b>Regional giro institutions (including Deutsche Girozentrale)</b>															
530.4	131.9	386.4	335.1	33.7	12.9	11.8	206.5	20.6	19.3	1.3	531.6	50.4	51.2	1997 Jan.	
549.9	152.1	385.6	338.6	35.3	12.8	11.9	208.3	20.7	19.4	1.2	536.4	51.0	49.2	Feb.	
562.6	161.0	389.3	339.8	35.3	12.6	11.8	209.9	20.6	19.4	1.2	544.1	51.5	49.0	Mar.	
<b>Savings banks</b>															
298.3	40.1	234.8	1,074.5	206.0	98.6	21.5	13.5	597.5	438.6	135.7	94.7	63.3	59.6	1997 Jan.	
303.1	41.9	237.9	1,081.1	207.8	99.6	21.9	13.5	600.3	442.9	136.2	94.9	63.5	58.0	Feb.	
306.7	44.2	238.8	1,077.6	207.7	95.6	21.9	13.6	600.7	445.0	136.4	95.1	63.8	61.9	Mar.	
<b>Regional institutions of credit cooperatives (including Deutsche Genossenschaftsbank)</b>															
195.2	68.1	119.9	26.4	5.9	1.7	1.8	16.4	0.0	0.0	0.1	52.1	10.8	16.9	1997 Jan.	
194.8	65.0	122.6	26.7	4.9	2.1	2.4	16.7	0.0	0.0	0.1	53.9	10.9	16.1	Feb.	
191.8	63.0	121.7	27.9	5.7	1.6	3.3	16.7	0.0	0.0	0.1	54.3	11.6	15.2	Mar.	
<b>Credit cooperatives</b>															
119.2	9.7	93.6	690.5	126.9	88.4	37.5	29.4	339.4	270.3	68.4	47.6	44.2	26.6	1997 Jan.	
120.2	9.8	94.3	692.5	125.8	88.7	37.4	29.6	342.0	273.1	68.2	47.6	44.5	25.7	Feb.	
122.4	11.9	94.5	690.7	125.8	86.3	37.0	29.9	343.0	274.6	68.0	48.1	44.8	26.9	Mar.	
<b>Mortgage banks</b>															
126.3	13.3	110.1	287.1	3.7	1.3	1.3	276.6	0.3	0.3	0.3	656.0	26.7	42.0	1997 Jan.	
129.1	12.8	113.4	290.0	3.2	1.4	1.4	279.8	0.3	0.3	0.3	670.9	26.9	38.0	Feb.	
131.8	14.8	114.1	292.5	3.5	1.2	1.4	282.1	0.3	0.3	0.3	681.7	27.3	39.2	Mar.	
<b>Credit institutions with special functions <sup>4</sup></b>															
186.2	22.3	132.7	317.9	30.2	4.8	2.8	190.7	59.9	50.1	3.1	192.7	24.7	62.0	1997 Jan.	
191.8	27.8	132.9	320.3	30.7	4.3	2.9	193.0	59.9	50.1	3.2	195.0	24.9	61.5	Feb.	
192.8	25.1	136.7	321.5	29.9	4.2	4.2	193.5	59.7	49.9	3.3	201.1	24.0	65.1	Mar.	
<b>Memo item: Foreign banks <sup>5</sup></b>															
217.1	75.4	130.3	80.5	29.0	8.9	4.9	16.4	14.6	8.7	5.5	17.5	15.8	36.0	1997 Feb.	
224.4	72.1	140.7	81.9	30.9	8.5	5.2	15.8	14.5	8.7	5.5	17.5	15.5	36.2	Mar.	
<b>of which: Credit institutions majority-owned by foreign banks <sup>6</sup></b>															
117.4	48.4	61.3	69.0	23.5	7.4	3.7	13.4	14.5	8.7	5.4	17.4	13.6	23.8	1997 Feb.	
113.2	42.6	62.9	71.7	25.8	7.3	4.0	13.5	14.5	8.6	5.4	17.4	13.6	23.9	Mar.	

<sup>3</sup> Only credit institutions organised in the form of a sole proprietorship or partnership; see also footnote 2. — <sup>4</sup> Including Deutsche Postbank AG. — <sup>5</sup> Sum of the credit institutions majority-owned by foreign banks and included in other categories of banks, and of the category "Branches of

foreign banks" (of dependent legal status). — <sup>6</sup> Separate presentation of the credit institutions majority-owned by foreign banks, included in the banking categories "Regional banks and other commercial banks", "Private bankers" and "Mortgage banks".

















IV. Credit institutions

Services sector (including the professions)						Memorandum items			Lending to employed and other individuals					Lending to non-commercial organisations		Period
Total	of which			Lending to self-employed persons	Lending to craft enterprises	Total	Housing loans	Other lending			Total	of which Housing loans	Total	of which Housing loans		
	Housing enterprises	Investment companies	Other real estate enterprises					Total	Instalment credit 4	Debit balances on wage and salary accounts and pension accounts						
<b>End of year or quarter *</b>														<b>Lending, total</b>		
889.1	213.1	37.7	217.5	662.0	125.3	1,092.5	729.3	363.2	160.9	39.4	30.2	9.4	1994			
938.2	217.6	41.3	216.4	703.3	131.3	1,184.3	813.7	370.6	182.1	40.5	26.3	8.3	1995			
948.4	221.6	44.4	218.0	705.8	133.2	1,193.9	825.0	368.9	183.7	39.8	26.1	8.2	1996 Mar.			
969.0	227.7	45.0	224.0	713.4	134.7	1,214.6	841.1	373.5	187.4	40.4	26.4	8.0	June			
991.1	235.4	45.2	232.4	722.9	135.3	1,238.8	859.6	379.2	190.2	42.3	26.4	8.1	Sep.			
1,046.1	249.9	47.6	247.4	750.2	136.2	1,279.3	890.5	388.8	192.5	42.2	27.0	8.4	Dec.			
1,052.1	253.3	48.8	249.8	752.5	138.8	1,285.7	900.3	385.3	193.2	40.6	27.4	8.6	1997 Mar.			
<b>Short-term lending</b>																
156.1	21.8	14.2	43.2	101.6	32.3	82.3	8.1	74.2	3.0	39.4	2.7	0.1	1994			
171.4	29.0	15.5	43.9	105.8	34.9	85.6	8.9	76.8	4.0	40.5	2.4	0.1	1995			
166.3	27.6	17.7	41.8	100.8	35.6	81.1	8.3	72.8	3.6	39.8	2.5	0.1	1996 Mar.			
171.6	29.3	17.5	43.9	101.3	35.8	81.8	8.5	73.4	3.6	40.4	2.5	0.1	June			
174.5	30.8	17.2	46.3	100.4	35.1	83.9	8.4	75.5	3.6	42.3	2.3	0.1	Sep.			
192.7	33.4	18.7	53.0	107.7	34.3	89.2	9.0	80.2	3.9	42.2	2.4	0.1	Dec.			
183.2	32.9	19.3	49.2	103.1	36.0	83.5	8.3	75.3	3.9	40.6	2.3	0.1	1997 Mar.			
<b>Medium-term lending</b>																
70.7	16.7	3.8	17.9	40.1	6.8	76.8	20.9	55.9	39.6	-	1.2	0.1	1994			
57.3	8.3	3.8	12.4	40.9	6.7	78.2	23.0	55.1	41.4	-	0.8	0.1	1995			
56.5	8.2	4.0	12.7	40.3	6.7	77.7	22.7	55.0	41.5	-	0.8	0.1	1996 Mar.			
56.1	8.2	4.0	12.7	40.2	6.6	78.3	23.0	55.4	41.9	-	1.0	0.1	June			
57.2	8.4	4.1	12.8	40.8	6.8	79.0	23.5	55.6	41.9	-	0.9	0.1	Sep.			
58.9	8.9	3.9	13.3	41.2	6.9	79.3	24.1	55.2	41.2	-	0.9	0.1	Dec.			
57.7	8.4	4.1	12.7	40.8	6.7	78.0	23.8	54.3	40.2	-	0.9	0.1	1997 Mar.			
<b>Long-term lending</b>																
662.3	174.6	19.6	156.4	520.2	86.2	933.4	700.3	233.0	118.3	-	26.3	9.2	1994			
709.5	180.2	22.1	160.1	556.6	89.7	1,020.5	781.9	238.7	136.6	-	23.1	8.1	1995			
725.6	185.7	22.8	163.5	564.7	90.9	1,035.1	794.0	241.1	138.6	-	22.9	8.0	1996 Mar.			
741.3	190.3	23.5	167.3	571.8	92.3	1,054.4	809.7	244.7	141.9	-	22.9	7.9	June			
759.4	196.1	23.9	173.3	581.8	93.5	1,075.9	827.7	248.2	144.6	-	23.2	8.0	Sep.			
794.5	207.7	25.0	181.1	601.3	95.1	1,110.8	857.4	253.4	147.5	-	23.6	8.2	Dec.			
811.2	211.9	25.4	187.9	608.6	96.2	1,124.1	868.3	255.8	149.1	-	24.2	8.4	1997 Mar.			
<b>Change during quarter *</b>														<b>Lending, total</b>		
+ 21.1	+ 6.6	+ 0.6	+ 6.1	+ 8.1	+ 1.5	+ 20.7	+ 16.0	+ 4.7	+ 2.9	+ 0.6	+ 0.2	- 0.1	1996 2nd qtr			
+ 21.5	+ 7.1	+ 0.2	+ 8.4	+ 9.5	+ 0.6	+ 24.2	+ 18.3	+ 5.9	+ 2.7	+ 1.9	+ 0.1	+ 0.1	3rd qtr			
+ 50.4	+ 10.3	+ 2.5	+ 14.6	+ 27.4	+ 0.9	+ 40.6	+ 30.8	+ 9.8	+ 1.8	- 0.2	+ 0.6	+ 0.2	4th qtr			
+ 2.9	+ 1.2	+ 1.2	+ 2.5	+ 2.5	+ 2.6	+ 6.8	+ 10.1	- 3.4	+ 0.7	- 1.6	+ 0.4	+ 0.2	1997 1st qtr			
<b>Short-term lending</b>																
+ 5.1	+ 1.7	- 0.1	+ 2.2	+ 0.6	+ 0.2	+ 0.7	+ 0.2	+ 0.5	+ 0.0	+ 0.6	+ 0.1	- 0.0	1996 2nd qtr			
+ 2.8	+ 1.6	- 0.4	+ 2.3	+ 0.9	- 0.8	+ 2.1	- 0.0	+ 2.1	+ 0.1	+ 1.9	- 0.3	+ 0.0	3rd qtr			
+ 18.1	+ 2.5	+ 1.5	+ 6.8	+ 7.4	- 0.8	+ 5.4	+ 0.6	+ 4.8	+ 0.3	+ 0.2	+ 0.2	- 0.0	4th qtr			
- 10.4	- 0.3	+ 0.7	- 3.8	- 4.6	+ 1.7	- 5.7	- 0.7	- 4.9	+ 0.1	- 1.6	- 0.1	+ 0.0	1997 1st qtr			
<b>Medium-term lending</b>																
- 0.6	- 0.0	- 0.1	+ 0.0	- 0.1	- 0.0	+ 0.7	+ 0.2	+ 0.5	+ 0.3	-	+ 0.2	+ 0.0	1996 2nd qtr			
+ 1.1	+ 0.2	+ 0.1	+ 0.1	+ 0.5	+ 0.1	+ 0.7	+ 0.5	+ 0.2	+ 0.0	-	- 0.0	+ 0.0	3rd qtr			
+ 1.7	+ 0.4	- 0.2	+ 0.5	+ 0.4	+ 0.1	+ 0.3	+ 0.6	- 0.4	- 0.8	-	- 0.0	+ 0.0	4th qtr			
- 1.2	- 0.4	+ 0.2	- 0.6	- 0.4	- 0.2	- 1.3	- 0.3	- 0.9	- 0.9	-	- 0.0	-	1997 1st qtr			
<b>Long-term lending</b>																
+ 16.6	+ 5.0	+ 0.8	+ 3.9	+ 7.6	+ 1.4	+ 19.4	+ 15.6	+ 3.7	+ 2.7	-	- 0.0	- 0.1	1996 2nd qtr			
+ 17.5	+ 5.3	+ 0.4	+ 6.0	+ 9.9	+ 1.2	+ 21.5	+ 17.8	+ 3.6	+ 2.6	-	+ 0.3	+ 0.1	3rd qtr			
+ 30.6	+ 7.4	+ 1.1	+ 7.4	+ 19.6	+ 1.6	+ 35.0	+ 29.6	+ 5.4	+ 2.4	-	+ 0.4	+ 0.2	4th qtr			
+ 14.5	+ 2.0	+ 0.4	+ 6.8	+ 7.5	+ 1.1	+ 13.7	+ 11.2	+ 2.5	+ 1.6	-	+ 0.5	+ 0.2	1997 1st qtr			

always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Including the extraction of stones and earths. — 2 Including the maintenance and repair of motor vehicles and consumer goods. — 3 Excluding

credit institutions (with the exception of building and loan associations). — 4 Excluding mortgage loans and housing loans, even in the form of instalment credit.

IV. Credit institutions

8. Lending to domestic public authorities \*

DM billion

Period	Lending to domestic public authorities (excluding Treasury bill and securities portfolios and excluding equalisations claims)											
	Domestic public authorities, total				Federal Government and its special funds <sup>1</sup>				Länder Governments			
	Total	Short-term	Medium-term	Long-term <sup>2</sup>	Total	Short-term	Medium-term	Long-term <sup>2</sup>	Total	Short-term	Medium-term	Long-term <sup>2</sup>
	<b>End of year or month *</b>											
1994	625.8	32.7	34.5	558.7	91.2	13.7	5.6	71.9	298.4	10.3	22.5	265.6
1995	761.0	30.5	74.5	656.0	178.6	8.7	44.0	125.9	337.8	8.1	25.0	304.7
1996	831.3	40.2	69.5	721.6	194.6	10.8	38.0	145.7	383.3	12.5	25.5	345.3
1996 Aug.	789.8	30.2	71.7	687.9	178.2	5.8	39.8	132.5	361.0	10.2	26.3	324.4
Sep.	793.3	27.3	72.9	693.0	181.1	5.4	41.2	134.4	359.8	5.6	26.1	328.1
Oct.	813.2	41.0	67.9	704.3	189.7	17.8	35.6	136.2	369.0	6.8	26.3	335.9
Nov.	839.8	50.9	70.1	718.8	201.1	19.0	38.4	143.8	382.3	16.0	25.8	340.6
Dec.	831.3	40.2	69.5	721.6	194.6	10.8	38.0	145.7	383.3	12.5	25.5	345.3
1997 Jan.	833.5	45.1	63.3	725.1	192.0	17.2	31.4	143.4	387.1	10.5	26.1	350.5
Feb.	841.8	49.4	62.0	730.4	194.4	20.9	28.6	144.8	392.7	11.9	27.6	353.2
Mar.	848.0	52.4	60.9	734.6	209.3	30.3	28.6	150.3	390.7	7.7	26.5	356.6
	<b>Changes *</b>											
1995	+ 92.4	- 1.0	+ 15.3	+ 78.0	+ 43.9	- 1.6	+ 13.9	+ 31.7	+ 39.0	- 2.2	+ 2.2	+ 39.0
1996	+ 73.2	+ 7.4	- 5.5	+ 71.3	+ 15.7	- 0.2	- 6.4	+ 22.3	+ 45.6	+ 4.4	+ 0.5	+ 40.6
1996 Aug.	- 2.6	- 10.6	+ 0.2	+ 7.9	- 1.4	- 4.9	+ 0.6	+ 2.9	+ 1.6	- 2.7	- 0.3	+ 4.7
Sep.	+ 4.0	- 2.9	+ 1.2	+ 5.7	+ 2.9	- 0.4	+ 1.4	+ 1.9	- 1.2	- 4.6	- 0.2	+ 3.7
Oct.	+ 20.0	+ 13.7	- 5.1	+ 11.3	+ 8.6	+ 12.4	- 5.6	+ 1.7	+ 9.2	+ 1.1	+ 0.2	+ 7.8
Nov.	+ 26.6	+ 9.9	+ 2.2	+ 14.5	+ 11.5	+ 1.1	+ 2.7	+ 7.6	+ 13.3	+ 9.2	- 0.5	+ 4.6
Dec.	- 4.1	- 10.7	- 0.6	+ 7.3	- 6.7	- 8.1	- 0.4	+ 1.8	+ 1.0	- 3.5	- 0.2	+ 4.8
1997 Jan.	+ 2.2	+ 4.9	- 6.2	+ 3.5	- 2.6	+ 6.4	- 6.6	- 2.3	+ 3.8	- 1.9	+ 0.6	+ 5.1
Feb.	+ 8.3	+ 4.3	- 1.3	+ 5.3	+ 2.4	+ 3.7	- 2.7	+ 1.4	+ 5.5	+ 1.3	+ 1.5	+ 2.8
Mar.	+ 6.3	+ 3.1	- 1.1	+ 4.2	+ 14.9	+ 9.4	+ 0.0	+ 5.5	- 1.9	- 4.1	- 1.1	+ 3.3

Period	Lending to domestic public authorities (excluding Treasury bill and securities portfolios and excluding equalisations claims) (cont'd)											
	Local authorities and local authority associations				Municipal special-purpose associations with sovereign functions				Social security funds			
	Total	Short-term	Medium-term	Long-term <sup>2</sup>	Total	Short-term	Medium-term	Long-term <sup>2</sup>	Total	Short-term	Medium-term	Long-term <sup>2</sup>
	<b>End of year or month *</b>											
1994	216.1	7.5	5.8	202.9	18.8	0.6	0.5	17.8	1.3	0.7	0.0	0.5
1995	228.9	12.4	5.1	211.5	14.2	0.5	0.3	13.3	1.6	0.8	0.1	0.7
1996	233.5	14.8	5.3	213.5	17.9	1.0	0.5	16.4	1.9	1.1	0.2	0.7
1996 Aug.	231.9	12.5	5.0	214.5	17.1	0.8	0.5	15.8	1.7	0.8	0.2	0.7
Sep.	232.9	14.0	5.0	213.9	17.2	0.8	0.5	15.9	2.2	1.4	0.2	0.7
Oct.	235.4	14.4	5.2	215.8	17.2	0.9	0.6	15.8	2.0	1.1	0.2	0.7
Nov.	236.5	13.7	5.2	217.6	17.7	0.9	0.5	16.3	2.2	1.3	0.2	0.7
Dec.	233.5	14.8	5.3	213.5	17.9	1.0	0.5	16.4	1.9	1.1	0.2	0.7
1997 Jan.	235.1	16.0	5.2	214.0	17.9	0.9	0.5	16.5	1.4	0.5	0.2	0.7
Feb.	235.0	14.8	5.2	215.0	17.9	0.8	0.5	16.6	1.8	1.0	0.2	0.7
Mar.	227.7	12.4	5.1	210.1	18.5	1.0	0.5	17.0	1.9	1.0	0.2	0.7
	<b>Changes *</b>											
1995	+ 10.0	+ 2.9	- 0.7	+ 7.8	- 0.8	- 0.0	- 0.2	- 0.6	+ 0.2	+ 0.0	+ 0.1	+ 0.1
1996	+ 9.9	+ 2.4	+ 0.2	+ 7.3	+ 1.7	+ 0.5	+ 0.1	+ 1.1	+ 0.3	+ 0.3	+ 0.1	- 0.0
1996 Aug.	- 2.4	- 2.5	- 0.1	+ 0.2	+ 0.1	+ 0.0	+ 0.0	+ 0.1	- 0.5	- 0.5	+ 0.0	- 0.0
Sep.	+ 1.5	+ 1.5	- 0.0	- 0.0	+ 0.2	+ 0.0	+ 0.0	+ 0.1	+ 0.6	+ 0.6	-	- 0.0
Oct.	+ 2.5	+ 0.4	+ 0.2	+ 1.8	- 0.0	+ 0.0	+ 0.1	- 0.1	- 0.3	- 0.3	+ 0.0	+ 0.0
Nov.	+ 1.2	- 0.7	+ 0.0	+ 1.8	+ 0.5	+ 0.0	- 0.1	+ 0.5	+ 0.2	+ 0.2	+ 0.0	- 0.0
Dec.	+ 1.6	+ 1.1	+ 0.0	+ 0.5	+ 0.2	+ 0.1	- 0.0	+ 0.2	- 0.3	- 0.2	- 0.0	- 0.0
1997 Jan.	+ 1.6	+ 1.1	- 0.1	+ 0.5	+ 0.0	- 0.1	- 0.0	+ 0.1	- 0.5	- 0.5	- 0.0	+ 0.0
Feb.	- 0.2	- 1.2	- 0.1	+ 1.1	+ 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.4	+ 0.4	+ 0.0	- 0.0
Mar.	- 7.3	- 2.4	- 0.0	- 4.9	+ 0.6	+ 0.1	+ 0.0	+ 0.4	+ 0.0	+ 0.0	-	- 0.0

\* Excluding lending to the Treuhand agency and its successor organisations and to the Federal Railways, east German Railways and Federal Post Office or, from 1995, to Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, as well as to publicly owned enterprises, which are included in "Enterprises and individuals" (Table IV. 7). Methodological discrepancies as against the data on bank lending to domestic public authorities contained in Tables VIII. 7 and 8 are explained in the annex to the article "Public authorities' bank balances and other claims on banks" in Monthly Report of

the Deutsche Bundesbank, Vol. 24, No. 1, January 1997, page 42. Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund, Equalisation of Burdens Fund. — 2 Including trust loans (or, up to November 1993, loans on a trust basis).

IV. Credit institutions

9. Securities portfolios \*

DM billion

Period	Domestic securities							Foreign securities					
	Secur- ities port- folios, total	Total	Bank debt secur- ities 1	Public debt secur- ities 2	Corporate debt secur- ities 3	Shares	Invest- ment fund certifi- cates	Other secur- ities	Total	Bank debt secur- ities	Debt securities issued by non-banks	Shares and invest- ment fund certifi- cates	Other secur- ities
<b>End of year or month *</b>													
1994	1,037.6	947.3	506.2	230.5	128.5	28.8	49.9	3.4	90.3	22.7	60.5	6.2	0.9
1995	1,094.5	989.2	553.8	234.4	94.8	39.5	61.6	5.1	105.4	25.2	73.4	6.3	0.5
1996	1,229.8	1,094.4	646.2	231.3	82.3	48.6	77.0	9.1	135.4	30.6	94.7	9.2	0.9
1996 Oct.	1,218.9	1,085.6	630.9	244.5	83.9	46.2	74.5	5.6	133.4	29.1	93.6	9.9	0.8
Nov.	1,238.3	1,104.2	644.3	242.0	84.4	51.1	74.5	7.8	134.1	29.7	93.3	10.2	0.9
Dec.	1,229.8	1,094.4	646.2	231.3	82.3	48.6	77.0	9.1	135.4	30.6	94.7	9.2	0.9
1997 Jan.	1,270.1	1,132.3	659.4	249.4	80.3	54.2	78.9	10.0	137.8	30.1	97.2	9.8	0.7
Feb.	1,303.2	1,155.4	671.0	252.1	80.5	58.0	81.2	12.6	147.8	31.1	105.5	10.2	0.9
Mar.	1,340.5	1,189.0	686.6	260.0	81.9	64.5	83.1	12.8	151.5	32.0	106.8	11.8	0.9
<b>Changes *</b>													
1995	+ 76.2	+ 57.2	+ 53.6	- 0.4	- 20.1	+ 10.7	+ 11.6	+ 1.7	+ 19.0	+ 3.5	+ 15.7	+ 0.2	- 0.4
1996	+ 133.1	+ 106.5	+ 92.9	- 3.3	- 12.5	+ 9.1	+ 16.4	+ 3.9	+ 26.6	+ 4.9	+ 19.5	+ 1.9	+ 0.4
1996 Oct.	+ 18.0	+ 13.3	+ 6.6	+ 4.8	- 2.8	+ 3.1	+ 1.5	+ 0.2	+ 4.7	+ 0.5	+ 3.3	+ 0.8	+ 0.1
Nov.	+ 18.6	+ 18.6	+ 13.4	- 2.5	+ 0.5	+ 4.9	+ 0.1	+ 2.2	+ 0.0	+ 0.5	- 0.8	+ 0.2	+ 0.1
Dec.	- 8.6	- 9.6	+ 2.1	- 10.8	- 2.1	- 2.5	+ 2.5	+ 1.3	+ 1.0	+ 0.8	+ 1.2	- 1.0	- 0.0
1997 Jan.	+ 39.4	+ 38.2	+ 13.4	+ 17.2	- 1.0	+ 5.6	+ 1.9	+ 1.0	+ 1.2	- 0.9	+ 1.7	+ 0.6	- 0.2
Feb.	+ 32.1	+ 23.4	+ 11.7	+ 2.8	+ 0.3	+ 3.8	+ 2.2	+ 2.5	+ 8.8	+ 0.6	+ 7.6	+ 0.4	+ 0.2
Mar.	+ 37.8	+ 33.6	+ 15.6	+ 7.9	+ 1.4	+ 6.4	+ 2.0	+ 0.2	+ 4.3	+ 1.0	+ 1.6	+ 1.6	+ 0.1

\* Excluding securities portfolios of building and loan associations, excluding debt securities arising from the exchange of equalisation claims (see also Table IV. 1, footnote 8) and excluding money market paper. Including securities sold to the Bundesbank in open market transactions under repurchase agreements. Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following

Monthly Report, are not specially marked. — 1 Excluding own issues, excluding registered debt securities. — 2 From 1995 including issues of the Federal Railways and the east German Railways. — 3 Including issues of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG and previous issues of the Federal Post Office and the Treuhand agency; until 1994 also including issues of the Federal Railways and the east German Railways (see also footnote 2).

10. Portfolios of Treasury bills and debt securities issued by domestic public authorities and their special funds \*

DM billion

Period	Treasury bills and Treasury discount paper (excluding mobilisation and liquidity paper)					Debt securities of domestic public authorities and their special funds					
	Total	Public authorities			German Railways, Post Office, Telekom; Treuhand agency 2	Total	Public authorities				
		Total	of which Federal Government and its special funds 1	Länder Govern- ments			Total	Federal Government and its special funds 1	Länder Govern- ments	Local authorities and local authority associ- ations	German Railways, Post Office, Telekom; Treuhand agency 2
<b>End of year or month *</b>											
1994	1.8	1.8	1.6	0.2	0.0	357.6	230.5	149.5	80.6	0.5	127.1
1995	0.8	0.8	0.4	0.4	0.0	327.9	234.4	147.1	86.3	1.1	93.4
1996	4.9	4.9	4.5	0.4	0.0	312.5	231.3	142.1	88.1	1.1	81.2
1996 Oct.	6.9	6.9	6.7	0.2	-	327.0	244.5	153.7	89.8	1.0	82.5
Nov.	5.9	5.7	5.5	0.1	0.2	325.2	242.0	150.9	89.8	1.3	83.1
Dec.	4.9	4.9	4.5	0.4	0.0	312.5	231.3	142.1	88.1	1.1	81.2
1997 Jan.	4.9	4.9	4.5	0.4	-	328.7	249.4	158.7	89.6	1.1	79.3
Feb.	4.8	4.8	4.4	0.5	-	331.8	252.1	163.9	87.1	1.1	79.7
Mar.	4.5	4.5	3.6	0.4	0.0	340.9	260.0	173.7	85.2	1.1	80.9
<b>Changes *</b>											
1995	- 1.0	- 1.0	- 1.2	+ 0.2	+ 0.0	- 20.5	- 0.4	- 9.0	+ 8.0	+ 0.6	- 20.1
1996	+ 4.3	+ 4.3	+ 4.1	+ 0.2	± 0.0	- 15.6	- 3.3	- 5.0	+ 1.6	+ 0.1	- 12.3
1996 Oct.	+ 4.6	+ 4.6	+ 4.7	- 0.1	-	+ 2.0	+ 4.8	+ 3.6	+ 1.2	+ 0.0	- 2.8
Nov.	- 1.0	- 1.2	- 1.1	- 0.1	+ 0.2	- 1.9	- 2.5	- 2.8	+ 0.0	+ 0.3	+ 0.6
Dec.	- 1.0	- 0.8	- 1.0	+ 0.3	- 0.2	- 12.7	- 10.8	- 8.9	- 1.7	- 0.2	- 1.9
1997 Jan.	- 0.0	- 0.0	- 0.0	+ 0.0	- 0.0	+ 16.3	+ 17.2	+ 15.7	+ 1.5	+ 0.0	- 0.9
Feb.	- 0.1	- 0.1	- 0.1	+ 0.0	- 0.1	+ 3.2	+ 2.8	+ 5.3	- 2.5	- 0.0	+ 0.4
Mar.	- 0.3	- 0.3	- 0.7	+ 0.1	+ 0.0	+ 9.1	+ 7.9	+ 9.7	- 1.8	-	+ 1.2

For footnote \* see Table IV. 1. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for inherited Liabilities, ERP Special Fund, "German Unity" Fund. From 1995 including issues of the former Federal Railways and

the east German Railways. — 2 Issues of the former Federal Railways and the east German Railways included up to end-1994 (see also footnote 1).





IV. Credit institutions

12. Deposits of domestic individuals and non-commercial organisations \*

DM billion

Period	Deposits of domestic individuals and non-commercial organisations, total									Time deposits <sup>1</sup>			
	Sight deposits									Time deposits <sup>1</sup>			
	Total	by creditor group					by maturity			Total	by creditor group		
		Domestic individuals					Domestic non-commercial organisations	On demand	Less than 1 month		Domestic individuals		
Total		Self-employed	Employees	Other individuals	Total	Self-employed					Employees		
	<b>End of year or month *</b>												
1994	1,850.5	333.2	315.0	65.5	210.2	39.3	18.2	329.0	4.1	405.8	361.0	97.4	210.8
1995	1,908.6	352.0	335.4	66.9	226.2	42.3	16.7	348.0	4.0	331.7	296.1	83.4	170.7
1996	1,993.5	393.8	376.1	78.7	248.5	48.9	17.7	389.0	4.7	285.0	252.8	75.2	137.6
1996 Oct.	1,942.2	372.0	354.9	73.4	234.6	46.9	17.1	368.1	3.8	296.9	263.9	78.5	143.7
Nov.	1,970.2	401.9	384.6	77.8	257.6	49.2	17.3	397.8	4.1	289.2	257.3	76.6	140.1
Dec.	1,993.5	393.8	376.1	78.7	248.5	48.9	17.7	389.0	4.7	285.0	252.8	75.2	137.6
1997 Jan.	1,990.3	379.3	362.2	76.2	238.6	47.4	17.1	374.8	4.5	289.4	257.1	78.1	138.8
Feb.	1,999.6	386.6	369.9	76.0	244.0	49.8	16.7	382.4	4.2	287.2	254.7	77.0	137.8
Mar.	1,998.7	386.2	369.5	72.5	248.4	48.6	16.7	382.5	3.7	284.9	251.8	75.7	136.4
	<b>Changes *</b>												
1995	+ 59.1	+ 19.1	+ 20.4	+ 1.4	+ 15.8	+ 3.1	- 1.3	+ 19.2	- 0.1	- 68.3	- 60.1	- 13.8	- 36.8
1996	+ 85.9	+ 41.8	+ 40.8	+ 11.9	+ 22.8	+ 6.1	+ 1.0	+ 41.1	+ 0.7	- 46.0	- 43.1	- 8.0	- 28.4
1996 Oct.	+ 5.9	+ 4.7	+ 4.4	+ 3.6	+ 0.2	+ 0.5	+ 0.3	+ 4.1	+ 0.6	- 5.3	- 3.5	- 0.1	- 2.8
Nov.	+ 28.1	+ 29.9	+ 29.7	+ 4.4	+ 23.0	+ 2.3	+ 0.2	+ 29.6	+ 0.3	- 7.6	- 6.6	- 1.9	- 3.7
Dec.	+ 23.0	- 8.1	- 8.4	+ 0.9	- 9.2	- 0.2	+ 0.3	- 8.7	+ 0.6	- 4.2	- 4.5	- 1.4	- 2.4
1997 Jan.	- 3.2	- 14.5	- 14.0	- 2.6	- 10.2	- 1.2	- 0.5	- 14.3	- 0.2	+ 4.4	+ 4.4	+ 2.9	+ 1.1
Feb.	+ 9.3	+ 7.3	+ 7.7	- 0.2	+ 5.5	+ 2.4	- 0.4	+ 7.6	- 0.3	- 2.2	- 2.5	- 1.1	- 1.0
Mar.	- 0.9	- 0.4	- 0.4	- 3.6	+ 4.4	- 1.3	- 0.0	+ 0.1	- 0.5	- 2.3	- 2.8	- 1.3	- 1.3

\* Excluding deposits of foreign branches (see Table IV. 18) and of building and loan associations (see Table IV. 19). From June 1990 including liabilities of east German credit institutions. Statistical alterations have been

eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — <sup>1</sup> Including

13. Deposits of domestic public authorities, by creditor group \*

DM billion

Period	Deposits												
	Domestic public authorities, total	Federal Government and its special funds <sup>1</sup>						Länder Governments					
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	Trust loans <sup>3</sup>	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	Trust loans <sup>3</sup>
				Less than 4 years	4 years and more					Less than 4 years	4 years and more		
	<b>End of year or month *</b>												
1994	285.5	107.3	4.4	2.9	77.3	0.0	22.7	79.0	5.6	1.9	24.3	0.1	47.1
1995	278.6	111.0	4.4	2.7	81.1	0.1	22.8	79.3	5.6	1.4	23.7	0.1	48.6
1996	280.5	114.6	5.1	4.5	80.3	0.1	24.6	82.4	6.1	1.3	25.1	0.1	49.7
1996 Oct.	263.5	111.3	3.0	3.4	80.2	0.1	24.7	79.2	3.2	1.8	24.8	0.1	49.2
Nov.	266.1	110.5	2.7	2.6	80.5	0.1	24.8	80.0	4.0	1.5	24.9	0.2	49.5
Dec.	280.5	114.6	5.1	4.5	80.3	0.1	24.6	82.4	6.1	1.3	25.1	0.1	49.7
1997 Jan.	267.0	109.5	1.5	2.8	80.7	0.1	24.4	79.9	3.2	1.4	25.1	0.1	50.1
Feb.	268.8	108.8	0.9	2.6	80.7	0.1	24.4	80.5	3.7	1.2	25.2	0.1	50.3
Mar.	267.5	109.8	1.3	4.0	79.5	0.1	24.9	80.6	3.7	1.3	25.2	0.1	50.2
	<b>Changes *</b>												
1995	- 2.2	+ 4.0	+ 0.2	- 0.0	+ 3.8	+ 0.0	+ 0.1	+ 3.8	- 0.0	- 0.5	- 0.6	+ 0.0	+ 4.9
1996	+ 1.1	+ 1.6	+ 0.8	+ 1.7	- 0.8	+ 0.0	- 0.1	+ 4.3	+ 0.5	- 0.1	+ 1.5	+ 0.0	+ 2.4
1996 Oct.	- 0.9	+ 2.1	+ 1.7	- 0.1	+ 0.4	- 0.0	+ 0.2	+ 0.2	- 0.5	+ 0.1	+ 0.2	+ 0.0	+ 0.4
Nov.	+ 2.6	- 0.8	- 0.3	- 0.8	+ 0.3	+ 0.0	+ 0.1	+ 0.8	+ 0.7	- 0.3	+ 0.1	+ 0.0	+ 0.3
Dec.	+ 14.3	+ 4.0	+ 2.5	+ 1.9	- 0.2	+ 0.0	- 0.2	+ 2.4	+ 2.1	- 0.2	+ 0.2	- 0.0	+ 0.2
1997 Jan.	- 13.5	- 5.1	- 3.6	- 1.6	+ 0.4	+ 0.0	- 0.3	- 2.5	- 2.9	+ 0.1	- 0.1	- 0.0	+ 0.4
Feb.	+ 1.8	- 0.7	- 0.6	- 0.2	+ 0.1	- 0.0	+ 0.0	+ 0.6	+ 0.5	- 0.2	+ 0.2	- 0.0	+ 0.2
Mar.	- 1.9	+ 1.0	+ 0.4	+ 1.4	- 1.3	-	+ 0.6	+ 0.1	- 0.0	+ 0.1	- 0.0	- 0.0	+ 0.0

\* Excluding deposits of the Treuhand agency and its successor organisations and of the Federal Railways, east German Railways and Federal Post Office or, from 1995, of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, as well as publicly owned enterprises, which are included in

"Enterprises". Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report,

IV. Credit institutions

							Savings deposits			Bank savings bonds 2	Trust loans 3	Memo item Subordinated liabilities (excluding negotiable debt securities) 4	Period
by maturity							Total	Domestic individuals	Domestic non-commercial organisations				
Other individuals	Domestic non-commercial organisations	1 month to less than 4 years				4 years and more							
		Total	1 month to less than 3 months	3 months to 1 year	Over 1 year to less than 4 years								
End of year or month *													
52.9	44.8	352.0	267.0	81.5	3.5	53.9	930.6	915.7	14.8	179.9	1.0	6.7	1994
42.0	35.6	285.8	215.8	65.2	4.8	45.9	1,033.7	1,018.7	15.0	190.1	1.1	10.2	1995
39.9	32.2	239.6	186.9	47.5	5.1	45.5	1,129.0	1,112.1	16.8	184.9	0.8	13.2	1996
41.6	33.0	251.0	195.5	50.4	5.1	45.9	1,089.5	1,073.0	16.5	182.8	0.9	12.5	1996 Oct.
40.6	31.9	243.6	189.2	49.2	5.2	45.6	1,094.3	1,078.0	16.3	183.8	0.9	12.8	Nov.
39.9	32.2	239.6	186.9	47.5	5.1	45.5	1,129.0	1,112.1	16.8	184.9	0.8	13.2	Dec.
40.3	32.3	243.8	192.0	46.7	5.1	45.6	1,135.9	1,118.7	17.1	184.9	0.8	13.7	1997 Jan.
39.9	32.6	241.3	189.2	47.0	5.1	45.9	1,140.3	1,122.9	17.4	184.7	0.8	14.0	Feb.
39.7	33.1	239.0	187.1	46.8	5.0	46.0	1,141.4	1,123.8	17.6	185.5	0.7	15.3	Mar.
Changes *													
- 9.5	- 8.2	- 65.8	- 50.8	- 16.3	+ 1.3	- 2.5	+ 103.1	+ 102.9	+ 0.2	+ 4.8	+ 0.4	+ 3.7	1995
- 6.7	- 2.9	- 46.3	- 28.9	- 17.7	+ 0.4	+ 0.3	+ 95.3	+ 93.4	+ 1.8	- 4.9	- 0.2	+ 3.1	1996
- 0.6	- 1.8	- 5.4	- 4.1	- 1.4	+ 0.1	+ 0.1	+ 5.6	+ 5.7	- 0.1	+ 1.0	- 0.0	+ 0.4	1996 Oct.
- 1.0	- 1.0	- 7.5	- 6.3	- 1.2	+ 0.1	- 0.2	+ 4.7	+ 5.0	- 0.3	+ 1.1	+ 0.0	+ 0.4	Nov.
- 0.7	+ 0.3	- 4.0	- 2.3	- 1.7	- 0.0	- 0.2	+ 34.7	+ 34.1	+ 0.6	+ 0.7	- 0.1	+ 0.4	Dec.
+ 0.4	+ 0.0	+ 4.2	+ 5.1	- 0.8	- 0.0	+ 0.2	+ 6.9	+ 6.6	+ 0.3	- 0.0	- 0.0	+ 0.5	1997 Jan.
- 0.4	+ 0.3	- 2.5	- 2.8	+ 0.3	-	+ 0.3	+ 4.4	+ 4.2	+ 0.2	- 0.2	-	+ 1.3	Feb.
- 0.2	+ 0.5	- 2.4	- 2.1	- 0.2	- 0.1	+ 0.1	+ 1.2	+ 0.9	+ 0.2	+ 0.8	-	+ 0.4	Mar.

subordinated liabilities and liabilities arising from registered debt securities. — 2 Including liabilities arising from non-negotiable bearer debt securities. — 3 Up to November 1993: loans on a trust basis. — 4 Collected separately only as from December 1993.

Local authorities and local authority associations					Municipal special-purpose associations with sovereign functions					Social security funds					Period
Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	
		Less than 4 years	4 years and more 4				Less than 4 years	4 years and more 4				Less than 4 years	4 years and more 4		
End of year or month *															
36.0	13.7	17.6	0.9	3.7	4.7	1.7	2.3	0.3	0.4	58.6	7.7	31.7	14.9	4.2	1994
34.5	13.2	16.2	0.9	4.3	4.0	1.5	1.9	0.2	0.4	49.8	6.7	22.8	15.6	4.7	1995
35.5	14.2	14.6	1.5	5.2	3.9	1.4	1.8	0.3	0.4	44.1	9.5	13.9	15.8	4.9	1996
31.4	10.5	14.6	1.4	4.9	3.9	1.2	2.0	0.3	0.4	37.6	7.3	10.1	15.4	4.8	1996 Oct.
34.1	12.8	14.9	1.5	5.0	3.9	1.4	1.8	0.3	0.4	37.6	6.2	11.1	15.4	4.8	Nov.
35.5	14.2	14.6	1.5	5.2	3.9	1.4	1.8	0.3	0.4	44.1	9.5	13.9	15.8	4.9	Dec.
30.4	9.3	14.4	1.4	5.3	3.8	1.2	1.8	0.3	0.4	43.5	8.3	14.4	15.7	5.1	1997 Jan.
33.5	11.0	15.7	1.4	5.3	3.8	1.2	1.8	0.3	0.4	42.3	6.8	14.4	15.7	5.3	Feb.
31.8	9.6	15.4	1.4	5.4	3.7	1.0	1.9	0.3	0.4	41.6	7.1	12.8	16.4	5.3	Mar.
Changes *															
- 1.4	- 0.6	- 1.4	+ 0.1	+ 0.4	- 0.7	- 0.2	- 0.4	- 0.1	- 0.0	- 7.9	- 1.0	- 8.6	+ 1.5	+ 0.2	1995
+ 1.0	+ 1.0	- 1.6	+ 0.6	+ 0.9	- 0.1	- 0.1	- 0.1	+ 0.1	+ 0.0	- 5.7	+ 2.8	- 8.9	+ 0.2	+ 0.2	1996
- 1.2	+ 0.7	- 2.1	+ 0.1	+ 0.1	+ 0.2	+ 0.2	+ 0.0	+ 0.0	+ 0.0	- 2.1	- 0.1	- 1.9	- 0.1	+ 0.0	1996 Oct.
+ 2.7	+ 2.3	+ 0.3	+ 0.0	+ 0.1	+ 0.0	+ 0.2	- 0.2	- 0.0	+ 0.0	- 0.1	- 1.1	+ 1.0	+ 0.0	- 0.0	Nov.
+ 1.4	+ 1.4	- 0.2	+ 0.0	+ 0.2	+ 0.0	- 0.0	+ 0.0	-	-	+ 6.5	+ 3.3	+ 2.8	+ 0.3	+ 0.1	Dec.
- 5.1	- 4.9	- 0.2	- 0.1	+ 0.0	- 0.1	- 0.1	- 0.0	-	+ 0.0	- 0.6	- 1.2	+ 0.4	- 0.0	+ 0.2	1997 Jan.
+ 3.1	+ 1.7	+ 1.3	+ 0.0	+ 0.1	+ 0.0	- 0.0	+ 0.0	- 0.0	+ 0.0	- 1.2	- 1.6	+ 0.1	+ 0.0	+ 0.3	Feb.
- 1.7	- 1.4	- 0.3	-	+ 0.1	- 0.1	- 0.1	+ 0.0	+ 0.0	+ 0.0	- 1.2	+ 0.3	- 1.7	+ 0.2	- 0.0	Mar.

are not specially marked. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund, Equalisation of Burdens Fund. — 2 Including liabilities arising

from non-negotiable bearer debt securities. — 3 Up to November 1993: loans on a trust basis. — 4 Including trust loans (or, up to November 1993, loans on a trust basis).

#### IV. Credit institutions

#### 14. Savings deposits and bank savings bonds sold to non-banks \*

DM billion															
Period	Savings deposits										Bank savings bonds, <sup>2</sup> sold to				
	Total	of residents							of non-residents	Memo item Interest credited on savings deposits	non-banks, total	domestic non-banks			foreign non-banks
		Total	at three months' notice		at over three months' notice			Total				of which With maturities of 4 years and more			
			of which Special savings facilities <sup>1</sup>	Total	of which Special savings facilities <sup>1</sup>	More than 3 months but less than 4 years	4 years and more								
<b>End of year or month *</b>															
1994	959.4	940.5	654.3	249.4	286.2	225.0	217.1	69.1	18.9	36.1	213.1	206.9	176.3	6.2	
1995	1,067.1	1,046.1	749.7	344.7	296.4	238.5	234.0	62.3	21.0	38.0	234.3	227.4	197.9	7.0	
1996	1,165.8	1,143.0	865.8	459.6	277.2	219.5	216.1	61.0	22.8	39.5	234.7	227.8	203.3	6.9	
1996 Oct.	1,125.4	1,103.4	828.7	426.6	274.7	219.9	215.4	59.3	22.0	1.0	230.9	224.3	199.6	6.6	
Nov.	1,130.0	1,107.9	833.9	441.1	274.1	218.4	214.7	59.4	22.1	1.0	232.7	226.1	201.7	6.6	
Dec.	1,165.8	1,143.0	865.8	459.6	277.2	219.5	216.1	61.0	22.8	29.9	234.7	227.8	203.3	6.9	
1997 Jan.	1,172.8	1,150.0	879.0	471.7	271.0	216.6	213.9	57.1	22.8	1.3	235.1	228.4	204.6	6.7	
Feb.	1,177.6	1,154.8	885.6	478.7	269.3	214.6	212.5	56.8	22.8	0.8	235.4	228.7	205.3	6.7	
Mar.	1,178.8	1,156.0	887.3	482.7	268.6	213.9	211.8	56.9	22.8	0.7	236.5	229.9	206.9	6.7	
<b>Changes *</b>															
1995	+ 107.8	+ 105.6	+ 101.9	+ 96.4	+ 3.8	+ 7.8	+ 10.5	- 6.7	+ 2.2	.	+ 12.4	+ 11.7	+ 12.7	+ 0.7	
1996	+ 98.6	+ 96.9	+ 116.8	+ 100.2	- 19.9	- 19.6	- 18.7	- 1.1	+ 1.7	.	+ 0.6	+ 0.7	+ 5.5	- 0.1	
1996 Oct.	+ 6.0	+ 5.9	+ 6.7	+ 6.4	- 0.7	- 1.1	- 1.0	+ 0.2	+ 0.1	.	+ 1.4	+ 1.5	+ 1.9	- 0.0	
Nov.	+ 4.6	+ 4.6	+ 5.9	+ 5.1	- 1.3	- 1.5	- 1.4	+ 0.1	+ 0.0	.	+ 1.8	+ 1.8	+ 2.2	+ 0.0	
Dec.	+ 35.7	+ 35.1	+ 32.0	+ 18.5	+ 3.1	+ 1.1	+ 1.4	+ 1.7	+ 0.7	.	+ 1.6	+ 1.4	+ 1.5	+ 0.3	
1997 Jan.	+ 7.0	+ 7.0	+ 13.1	+ 10.9	- 6.1	- 2.9	- 2.3	- 3.9	+ 0.0	.	+ 0.5	+ 0.7	+ 1.3	- 0.2	
Feb.	+ 4.9	+ 4.9	+ 6.9	+ 7.0	- 2.0	- 2.0	- 1.8	- 0.2	+ 0.0	.	+ 0.3	+ 0.3	+ 0.8	+ 0.0	
Mar.	+ 1.1	+ 1.1	+ 1.8	+ 4.0	- 0.7	- 0.7	- 0.7	+ 0.1	+ 0.0	.	+ 1.1	+ 1.2	+ 1.6	- 0.1	

For footnote \* see Table IV. 11. — 1 Savings deposits for which an increasing rate of interest or — not only for a limited time — a bonus or generally a higher interest than the normal rate is paid under special contracts. Up to November 1993 special savings facilities of domestic individuals; from

December 1993 special savings facilities of non-banks and, from January 1995, of domestic non-banks. — 2 Including liabilities arising from non-negotiable bearer debt securities.

#### 15. Debt securities and money market paper outstanding \*

DM billion														
Period	Negotiable bearer debt securities and money market paper <sup>1</sup>								Non-negotiable bearer debt securities and money market paper <sup>1, 5</sup>				Subordinated	
	Total	of which				with maturities of			Total	with maturities of			negotiable debt securities <sup>6</sup>	non-negotiable debt securities <sup>6</sup>
		Floating-rate notes <sup>2</sup>	Zero-coupon bonds <sup>2, 3</sup>	Foreign currency bonds <sup>4</sup>	Certificates of deposit	up to 1 year	over 1 year and up to 4 years	over 4 years		up to 1 year	over 1 year and up to 4 years	over 4 years		
<b>End of year or month *</b>														
1994	1,399.1	121.3	8.4	41.4	1.0	20.7	262.3	1,116.0	10.2	1.8	5.4	3.0	29.0	0.3
1995	1,562.3	157.7	6.5	62.2	1.3	20.5	313.9	1,227.9	8.3	0.9	4.7	2.6	34.2	0.6
1996	1,756.3	184.0	6.9	103.9	6.0	18.6	375.0	1,362.7	6.3	0.6	3.4	2.2	38.9	0.4
1996 Oct.	1,733.5	177.6	6.3	95.4	5.0	20.1	375.4	1,337.9	6.0	0.5	3.4	2.0	37.7	0.4
Nov.	1,758.5	181.5	6.8	99.3	5.0	20.1	381.0	1,357.4	5.9	0.5	3.3	2.0	38.5	0.4
Dec.	1,756.3	184.0	6.9	103.9	6.0	18.6	375.0	1,362.7	6.3	0.6	3.4	2.2	38.9	0.4
1997 Jan.	1,780.7	185.2	7.0	106.6	6.9	18.8	376.8	1,385.1	5.9	0.6	3.1	2.1	39.7	0.4
Feb.	1,807.9	192.6	8.1	115.0	7.0	17.4	377.6	1,412.9	5.7	0.6	3.0	2.1	40.8	0.4
Mar.	1,835.2	195.1	8.7	123.2	6.1	17.3	377.0	1,440.9	5.6	0.7	2.8	2.1	43.0	1.5
<b>Changes *</b>														
1995	+ 163.4	+ 23.0	- 1.9	+ 20.8	+ 0.3	- 0.2	+ 51.5	+ 112.0	- 1.9	- 0.8	- 0.7	- 0.4	+ 5.1	+ 0.4
1996	+ 193.6	+ 26.3	+ 0.4	+ 41.7	+ 4.6	- 2.0	+ 60.9	+ 134.7	- 1.7	- 0.3	- 1.1	- 0.3	+ 4.7	- 0.2
1996 Oct.	+ 14.0	- 1.8	- 0.2	+ 2.7	+ 0.0	- 0.3	+ 4.0	+ 10.3	- 0.2	- 0.0	- 0.2	- 0.0	+ 0.5	+ 0.0
Nov.	+ 25.1	+ 3.9	+ 0.5	+ 3.9	- 0.0	+ 0.0	+ 5.6	+ 19.4	- 0.1	- 0.0	- 0.1	- 0.0	+ 0.9	+ 0.0
Dec.	- 1.9	+ 2.5	+ 0.1	+ 4.5	+ 1.0	- 1.5	- 5.9	+ 5.4	+ 0.1	+ 0.0	- 0.1	+ 0.1	+ 0.4	-
1997 Jan.	+ 24.5	+ 1.2	+ 0.1	+ 2.7	+ 0.9	+ 0.2	+ 1.8	+ 22.4	- 0.4	+ 0.0	- 0.3	- 0.2	+ 0.9	- 0.0
Feb.	+ 27.2	+ 7.4	+ 1.2	+ 8.3	+ 0.1	- 1.4	+ 0.8	+ 27.8	- 0.1	+ 0.0	- 0.1	+ 0.0	+ 1.0	+ 0.0
Mar.	+ 27.3	+ 2.5	+ 0.6	+ 8.3	- 0.8	- 0.1	- 0.6	+ 28.0	- 0.1	+ 0.1	- 0.2	- 0.0	+ 2.2	+ 1.1

For footnote \* see Table IV. 2. — 1 Up to November 1993 including subordinated paper. — 2 Including debt securities in foreign currencies. — 3 Issue value when floated. — 4 Including debt securities in international units of account; including floating-rate notes in foreign currencies and

zero-coupon bonds. — 5 Non-negotiable bearer debt securities are classified under bank savings bonds (see also Table IV. 14, footnote 2). — 6 Collected separately only as from December 1993.



IV. Credit institutions

16. Lending commitments to domestic enterprises and individuals \*

DM billion

Period	Commitments for medium and long-term loans of fixed amounts and for fixed periods					Memorandum item Commitments for residential building (reduced range of reporting credit institutions 1)							
	Loans promised as at beginning of period	Loans promised during period	Loans promised and paid out	Cancel-lations	Loans promised but not yet paid out at end of period	Loans promised as at beginning of period	Loans promised				Loans promised and paid out	Cancel-lations, etc. 5	Loans promised but not yet paid out at end of period
							Total	for new construction 2	for mod-ernisation, purchase and ac-quisition 3	for repay-ment of other loans 4			
1994	177.4	668.2	601.7	53.1	190.8	46.7	158.3	68.5	81.2	8.5	148.5	3.3	53.1
1995	6 190.8	599.4	556.3	46.9	185.2	7 53.1	139.9	57.0	74.7	8.3	136.7	3.9	7 50.8
1996	8 185.2	654.3	610.3	49.5	177.7	9 52.2	162.3	64.4	87.4	10.6	157.6	3.5	9 53.4
1996 July	198.2	58.2	56.5	4.4	195.5	60.6	14.6	5.3	8.3	1.0	14.1	0.3	60.7
Aug.	195.5	45.9	46.0	3.3	192.1	60.7	11.6	4.9	6.0	0.7	12.4	0.2	59.7
Sep.	8 190.1	45.6	45.5	3.4	186.9	59.7	11.0	4.2	6.2	0.6	11.9	0.4	58.4
Oct.	186.9	49.4	48.5	4.3	183.5	58.4	13.5	5.6	7.1	0.9	13.3	-	0.0
Nov.	183.5	51.2	45.8	3.4	185.5	58.6	13.1	5.1	7.1	0.8	12.6	0.4	58.6
Dec.	185.5	91.9	94.9	4.8	177.7	58.6	23.8	10.9	12.0	1.0	28.6	0.4	53.4
1997 Jan.	177.7	48.7	45.9	5.9	174.6	10 51.4	11.5	4.4	6.5	0.7	11.5	0.6	10 50.9
Feb.	174.6	44.5	40.0	3.0	176.2	50.9	10.9	4.1	6.0	0.9	10.4	0.5	51.0
Mar.	176.2	53.3	44.1	3.5	181.8	...	...	...	...	...	...	...	...

\* Including non-profit organisations. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Source: Statistics of the Ministry for Regional Planning, Building and Urban Development; only institutions affiliated to the following associations: Deutscher Sparkassen- und Giroverband (excluding Länder building and loan associations; from January 1996 including savings banks in eastern Germany), Verband deutscher Hypothekenbanken, Verband öffent-

licher Banken (excluding housing promotion institutions). — 2 Creation of new housing. — 3 Including commitments for repairs. — 4 Repayments of housing loans from other credit institutions. — 5 Ascertained as a difference. — 6 Statistical decrease of DM 1.7 billion. — 7 Statistical decrease of DM 1.7 billion. — 8 Statistical decrease of DM 1.9 billion. — 9 Statistical increase of DM 1.4 billion as a result of the inclusion of east German savings banks. — 10 Statistical decrease of DM 2.0 billion.

17. Off-balance-sheet operations of domestic credit institutions, their foreign branches and their foreign subsidiaries \*

DM billion

End of year or month	Placing/underwriting commitments 1	Interest-rate and currency swaps 2				Liabilities arising from forward exchange transactions 3		Liabilities arising from forward transactions in bonds 3	
		Total	Interest-rate swaps	Currency swaps	Cross-currency interest-rate swaps	Commitments to take	Commitments to deliver	Commitments to take	Commitments to deliver
1994	0.2	2,007.9	1,792.0	52.3	163.6	1,123.5	1,125.8	4.1	8.2
1995	0.2	2,769.5	2,496.8	59.9	212.9	967.8	978.8	4.9	7.8
1996	0.1	4,400.3	4,020.0	72.9	307.4	1,194.0	1,198.4	4.3	5.9
1996 Dec.	0.1	4,400.3	4,020.0	72.9	307.4	1,194.0	1,198.4	4.3	5.9
1997 Jan.	0.1	4,723.7	4,324.8	78.6	320.3	1,328.6	1,323.1	8.2	9.2
Feb.	0.1	4,921.9	4,519.4	64.0	338.5	1,430.8	1,400.6	9.9	11.1
Mar.	0.1	5,124.3	4,700.0	82.0	342.3	1,408.4	1,377.5	5.8	6.5
Foreign branches of domestic credit institutions									
1994	3.1	494.4	425.1	40.7	28.6	515.9	533.4	0.2	0.2
1995	2.9	663.0	591.2	31.7	40.1	774.3	774.3	0.3	0.3
1996	4.6	1,423.5	1,326.1	23.2	74.1	1,129.2	1,120.6	0.5	0.8
1996 Nov.	4.6	1,349.0	1,265.6	22.0	61.4	1,184.5	1,176.2	0.6	0.9
Dec.	4.6	1,423.5	1,326.1	23.2	74.1	1,129.2	1,120.6	0.5	0.8
1997 Jan.	4.7	1,540.9	1,448.2	23.7	69.0	1,222.8	1,218.3	1.7	1.6
Feb.	4.9	1,673.2	1,575.1	21.8	76.3	1,291.3	1,289.3	1.5	1.4
Foreign subsidiaries of domestic credit institutions									
1994	.	315.8	286.6	19.1	10.0	.	.	.	.
1995	.	472.1	431.1	29.3	11.7	.	.	.	.
1996	.	581.8	550.7	22.3	8.8	.	.	.	.
1996 Nov.	.	604.6	570.3	25.9	8.4	.	.	.	.
Dec.	.	581.8	550.7	22.3	8.8	.	.	.	.
1997 Jan.	.	607.2	572.9	25.2	9.1	.	.	.	.
Feb.	.	657.1	624.0	24.7	8.4	.	.	.	.

\* The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Excluding underwriting commitments arising from usual syndicated lending. From December 1993 reduced by

commitments drawn down. From December 1993 no longer requested from foreign subsidiaries. — 2 It is the principal amounts that are listed. — 3 Data on foreign subsidiaries are no longer collected.





IV. Credit institutions

19. Building and loan associations \*  
Interim statements

DM billion

End of year or month	Number of associations	Balance sheet total	Lending to credit institutions			Lending to non-banks				Deposits of credit institutions <sup>6</sup>		Deposits of non-banks		Bearer debt securities outstanding	Capital (including published reserves) <sup>8</sup>	Memorandum item New contracts entered into in year or month <sup>9</sup>
			Balances and loans (except building loans) <sup>1</sup>	Building loans <sup>2</sup>	Bank debt securities <sup>3</sup>	Building loans			Securities (including Treasury bills and Treasury discount paper) <sup>5</sup>	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits <sup>7</sup>			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans <sup>4</sup>								
<b>All building and loan associations</b>																
1996	34	244.9	21.5	0.5	18.2	99.6	68.3	18.1	12.7	2.3	39.2	165.2	5.4	3.1	11.4	170.0
1997 Jan.	34	245.2	22.7	0.5	17.6	99.8	68.6	18.0	13.0	2.4	38.6	165.4	5.5	3.2	11.4	13.1
Feb.	34	245.3	23.2	0.5	17.7	99.0	68.7	18.0	13.2	2.4	38.0	166.1	5.4	3.5	11.8	12.3
Mar.	34	248.1	23.5	0.5	18.8	98.6	69.4	18.1	14.2	2.5	39.1	167.3	5.5	3.4	11.8	13.2
<b>Private building and loan associations</b>																
1997 Jan.	21	173.4	16.3	0.4	11.6	68.3	45.8	17.0	10.5	1.7	29.3	113.9	5.4	3.2	7.2	9.2
Feb.	21	173.5	16.5	0.3	11.6	67.7	45.9	17.0	10.9	1.7	28.8	114.4	5.4	3.5	7.6	8.4
Mar.	21	175.5	16.5	0.3	12.4	67.4	46.5	17.0	11.8	1.8	29.5	115.4	5.5	3.4	7.6	8.9
<b>Public building and loan associations</b>																
1997 Jan.	13	71.7	6.4	0.2	5.9	31.5	22.7	1.1	2.5	0.7	9.3	51.5	0.1	-	4.2	3.9
Feb.	13	71.8	6.6	0.2	6.1	31.3	22.8	1.0	2.4	0.7	9.2	51.7	0.0	-	4.2	3.9
Mar.	13	72.6	7.0	0.2	6.5	31.2	22.9	1.0	2.4	0.7	9.6	51.9	0.1	-	4.2	4.3

Trends in building and loan business

DM billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital paid out					Outpayment commitments outstanding at end of period		Interest and repayments received on building loans <sup>11</sup>		Memorandum item Housing bonuses received <sup>13</sup>	
	paid into savings accounts under savings and loan contracts <sup>10</sup>	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts	Total	of which Net allocations <sup>12</sup>	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under allocated contracts	Total		of which Repayments during quarter
							Deposits under savings and loan contracts		Loans under savings and loan contracts							
							Total	of which Applied to settlement of interim and bridging loans	Total	of which Applied to settlement of interim and bridging loans						
<b>All building and loan associations</b>																
1996	43.9	4.6	6.4	84.8	55.1	81.0	30.7	8.9	22.2	7.4	28.1	15.5	10.7	30.1	24.3	0.3
1997 Jan.	3.7	0.0	0.5	7.9	5.5	6.9	2.9	0.9	1.9	0.7	2.2	15.9	11.1	2.2	...	0.0
Feb.	3.5	0.0	0.6	6.3	4.1	5.7	2.2	0.7	1.5	0.6	1.9	16.4	11.3	2.5	...	0.0
Mar.	4.2	0.0	0.6	7.2	4.2	6.4	2.4	0.7	1.7	0.6	2.3	16.8	11.3	2.6	...	0.0
<b>Private building and loan associations</b>																
1997 Jan.	2.6	0.0	0.3	6.1	4.3	5.1	2.1	0.7	1.3	0.6	1.6	8.8	5.4	1.5	...	0.0
Feb.	2.5	0.0	0.4	4.5	2.7	4.1	1.6	0.6	1.1	0.5	1.4	9.0	5.4	1.8	...	0.0
Mar.	3.0	0.0	0.4	4.8	2.6	4.4	1.6	0.5	1.1	0.4	1.7	9.2	5.3	1.8	...	0.0
<b>Public building and loan associations</b>																
1997 Jan.	1.1	0.0	0.2	1.8	1.2	1.8	0.8	0.2	0.5	0.1	0.6	7.1	5.6	0.7	...	0.0
Feb.	1.1	0.0	0.2	1.8	1.3	1.6	0.7	0.2	0.5	0.1	0.5	7.3	5.8	0.8	...	0.0
Mar.	1.2	0.0	0.2	2.3	1.6	2.0	0.8	0.2	0.6	0.2	0.6	7.6	6.1	0.8	...	0.0

\* Excluding assets and liabilities and/or transactions of the foreign branches. From August 1990 including assets and liabilities and/or transactions with building and loan association savers in the former GDR. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Including postal giro account balances, claims on building and loan associations, claims arising from registered debt securities and central bank balances. — 2 Loans under savings and loan contracts and interim and bridging loans. — 3 Including money market paper. — 4 Including trust loans. — 5 Including equalisation claims. — 6 Including liabilities to building and loan associations. — 7 Including small amounts of savings deposits. —

8 Including participation rights capital; from December 1993 including fund for general banking risks. — 9 Total amount covered by the contracts; only contracts newly entered into, for which the contract fee has been fully paid. Increases in the sum contracted count as new contracts. — 10 For outpayments of deposits under savings and loan contracts arising from the allocation of contracts see "Capital paid out". — 11 Including housing bonuses credited. — 12 Only allocations accepted by the beneficiaries; including allocations applied to settlement of interim and bridging loans. — 13 The amounts already credited to the accounts of savers or borrowers are also included in "Amounts paid into savings accounts" and "Interest and repayments received on building loans".



V. Minimum reserves

2. Reserve maintenance (cont'd)  
Breakdown by category of banks

Monthly average 1	Number of credit institutions subject to reserve requirements	Liabilities subject to reserve requirements DM million	Required reserves 4	Average reserve ratio 12 for liabilities to			Memorandum items	
				residents and non-residents, total	residents	non-residents	Actual reserves 7	Excess reserves
				%			DM million	
<b>All categories of banks 11</b>								
1997 Feb.	3,524	2,252,194	39,462	1.8	1.7	1.9	39,730	268
Mar.	3,525	2,255,625	39,506	1.8	1.7	1.9	40,177	670
<b>Commercial banks</b>								
1997 Feb.	316	573,427	10,750	1.9	1.9	2.0	10,862	112
Mar.	317	573,984	10,763	1.9	1.9	2.0	11,036	273
<b>Big banks</b>								
1997 Feb.	3	309,614	5,793	1.9	1.9	1.9	5,798	4
Mar.	3	309,976	5,804	1.9	1.9	1.9	5,913	109
<b>Regional banks and other commercial banks 13</b>								
1997 Feb.	186	226,203	4,223	1.9	1.9	2.0	4,280	57
Mar.	186	225,813	4,213	1.9	1.9	2.0	4,337	124
<b>Branches of foreign banks</b>								
1997 Feb.	73	11,529	230	2.0	2.0	2.0	276	45
Mar.	74	12,086	242	2.0	2.0	2.0	269	28
<b>Private bankers 14</b>								
1997 Feb.	54	26,081	503	1.9	1.9	2.0	509	6
Mar.	54	26,109	504	1.9	1.9	2.0	517	13
<b>Regional giro institutions</b>								
1997 Feb.	13	75,099	1,403	1.9	1.9	2.0	1,409	6
Mar.	13	73,298	1,367	1.9	1.9	2.0	1,400	33
<b>Savings banks</b>								
1997 Feb.	604	898,843	15,109	1.7	1.7	1.7	15,163	54
Mar.	604	902,713	15,173	1.7	1.7	1.7	15,360	186
<b>Regional institutions of credit cooperatives</b>								
1997 Feb.	4	9,945	199	2.0	2.0	2.0	201	3
Mar.	4	11,429	228	2.0	2.0	2.0	231	3
<b>Credit cooperatives</b>								
1997 Feb.	2,505	586,238	10,121	1.7	1.7	1.7	10,203	82
Mar.	2,505	586,838	10,120	1.7	1.7	1.7	10,266	146
<b>Mortgage banks</b>								
1997 Feb.	33	12,094	240	2.0	2.0	2.0	245	5
Mar.	33	11,612	231	2.0	2.0	2.0	244	13
<b>Credit institutions with special functions 11</b>								
1997 Feb.	15	95,058	1,612	1.7	1.7	2.0	1,615	3
Mar.	15	94,304	1,597	1.7	1.7	1.9	1,605	8
<b>Building and loan associations</b>								
1997 Feb.	34	1,491	28	1.9	1.9	2.0	32	4
Mar.	34	1,446	27	1.9	1.9	2.0	35	8

\* From August 1990 including reserve maintenance of the east German credit institutions. — 1 Pursuant to sections 5 to 7 of the Minimum Reserves Order. — 2 Including liabilities arising from initial sales to non-residents of bearer debt securities and order debt securities forming part of a total issue. — 3 From August to December 1990 including liabilities in "giro accounts with savings banks and savings accounts evidenced by a passbook" in eastern Germany; from January 1991 only including those liabilities in "savings accounts evidenced by a passbook" in eastern Germany which were converted to the provisions of the Banking Act governing savings transactions then applying. — 4 Amount after applying the reserve ratios to liabilities subject to reserve requirements (section 5 (1) of the Minimum Reserves Order). Owing to the introduction in March 1978 of deductible cash balances, accompanied by a compensatory increase in reserve ratios, the continuity of the series is not assured. — 5 Average bank holdings of German legal tender. — 6 To be maintained as credit balances on giro

accounts at the Bundesbank. — 7 Average credit balances of credit institutions subject to reserve requirements maintained on giro accounts at the Bundesbank. — 8 Actual reserves less required reserves after deduction of deductible cash balances. — 9 Required reserves after deduction of deductible cash balances. — 10 The exemption of institutions mainly engaged in long-term business and of building and loan associations was abolished with effect from January 1, 1984. — 11 From February 1992 including "Deutsche Bundespost Postbank" (from January 1, 1995: Deutsche Postbank AG). — 12 Required reserves as a percentage of liabilities subject to reserve requirements. — 13 Including guarantee banks with small amounts. — 14 Only credit institutions organised in the form of a sole proprietorship or partnership. — 15 On August 1, 1995 credit institutions' cash balances ceased to be deductible from their minimum reserve requirements.

VI. Interest rates

1. Discount and lombard rates of the Bundesbank and special interest rate charged for failing to comply with the minimum reserve requirements \*

% p.a.

Applicable from	Discount rate 1	Lombard rate	Applicable from	Discount rate 1	Lombard rate 2	Applicable from	Discount rate	Lombard rate 2
1979 Jan. 19	3	4	1986 Mar. 7	3 1/2	5 1/2	1992 July 17	8 3/4	9 3/4
Mar. 30	4	5				Sep. 15	8 1/4	9 1/2
June 1	4	5 1/2	1987 Jan. 23	3	5			
July 13	5	6	Nov. 6	3	4 1/2	1993 Feb. 5	8	9
Nov. 1	6	7	Dec. 4	2 1/2	4 1/2	Mar. 19	7 1/2	9
						Apr. 23	7 1/4	8 1/2
1980 Feb. 29	7	8 1/2	1988 July 1	3	4 1/2	July 2	6 3/4	8 1/4
May 2	7 1/2	9 1/2	July 29	3	5	July 30	6 3/4	7 3/4
Sep. 19	7 1/2	3 9	Aug. 26	3 1/2	5	Sep. 10	6 1/4	7 1/4
			Dec. 16	3 1/2	5 1/2	Oct. 22	5 3/4	6 3/4
1982 Aug. 27	7	8						
Oct. 22	6	7	1989 Jan. 20	4	6	1994 Feb. 18	5 1/4	6 3/4
Dec. 3	5	6	Apr. 21	4 1/2	6 1/2	Apr. 15	5	6 1/2
			June 30	5	7	May 13	4 1/2	6
1983 Mar. 18	4	5	Oct. 6	6	8			
Sep. 9	4	5 1/2				1995 Mar. 31	4	6
			1990 Nov. 2	6	8 1/2	Aug. 25	3 1/2	5 1/2
1984 June 29	4 1/2	5 1/2				Dec. 15	3	5
			1991 Feb. 1	6 1/2	9			
1985 Feb. 1	4 1/2	6	Aug. 16	7 1/2	9 1/4	1996 Apr. 19	2 1/2	4 1/2
Aug. 16	4	5 1/2	Dec. 20	8	9 3/4			

\* Special interest rate charged for failing to comply with the minimum reserve requirements: 3% p.a. above lombard rate; unchanged since January 1, 1951. — 1 Until July 31, 1990 this was also the rate for cash advances. — 2 From August 1, 1990 to December 31, 1993 this was also the

rate for cash advances; since January 1, 1994 cash advances have no longer been granted. — 3 Lombard loans were generally not granted to credit institutions at the lombard rate from February 20, 1981 to May 6, 1982.

2. The Bundesbank's open market transactions in securities under repurchase agreements \*

Day of credit advice	Bids by credit institutions		Purchases by the Bundesbank 1					Running for ... days
	Number of bidders	Amount	Number	Amount	Fixed-rate tenders	Variable-rate tenders		
		DM million			Fixed-rate	Marginal allotment rate	Major allotment rate 2	
				% p.a.				
1996 Sep. 4	427	194,658	427	71,065	3.00	—	—	14
Sep. 11	437	185,046	437	64,323	3.00	—	—	14
Sep. 18	428	162,873	428	68,016	3.00	—	—	14
Sep. 25	414	187,397	414	67,956	3.00	—	—	14
Oct. 2	347	169,828	347	67,518	3.00	—	—	14
Oct. 9	392	173,677	392	69,925	3.00	—	—	14
Oct. 16	374	157,893	374	65,144	3.00	—	—	14
Oct. 23	425	193,512	425	70,164	3.00	—	—	14
Oct. 30	363	187,556	363	68,006	3.00	—	—	14
Nov. 6	371	199,632	371	68,888	3.00	—	—	15
Nov. 13	332	176,010	332	66,893	3.00	—	—	14
Nov. 21	403	196,135	403	69,153	3.00	—	—	13
Nov. 27	416	236,401	416	69,757	3.00	—	—	14
Dec. 4	416	210,824	416	76,964	3.00	—	—	14
Dec. 11	415	212,591	415	73,896	3.00	—	—	16
Dec. 18	612	245,301	612	83,425	3.00	—	—	15
Dec. 27	534	220,182	534	78,189	3.00	—	—	12
1997 Jan. 2	373	206,965	373	75,036	3.00	—	—	13
Jan. 8	457	206,907	457	73,987	3.00	—	—	14
Jan. 15	474	213,889	474	72,739	3.00	—	—	14
Jan. 22	503	228,174	503	74,175	3.00	—	—	14
Jan. 29	536	241,980	536	73,218	3.00	—	—	14
Feb. 5	459	234,254	459	72,048	3.00	—	—	14
Feb. 12	487	258,114	487	74,870	3.00	—	—	14
Feb. 19	563	270,097	563	72,947	3.00	—	—	14
Feb. 26	567	283,053	567	77,009	3.00	—	—	14
Mar. 5	498	262,583	498	71,966	3.00	—	—	14
Mar. 12	587	288,065	587	80,102	3.00	—	—	14
Mar. 19	643	290,637	643	71,961	3.00	—	—	14
Mar. 26	672	311,654	672	84,018	3.00	—	—	14
Apr. 2	562	273,351	562	69,041	3.00	—	—	15
Apr. 9	652	290,693	652	82,004	3.00	—	—	14
Apr. 17	603	264,052	603	59,966	3.00	—	—	12
Apr. 23	690	320,605	690	82,427	3.00	—	—	14
Apr. 29	582	266,400	582	61,000	3.00	—	—	15

\* Purchases of debt securities eligible as collateral for lombard loans; since July 11, 1983 also of Treasury discount paper; first such transaction on June 21, 1979. Excluding quick tenders; first such transaction on November 28, 1988. The figures for the latest date are always to be regarded as pro-

visional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 For allotment rate, see page 44\*. — 2 Spread of the rates at which most of the allotments took place.

## VI. Interest rates

### 2. The Bundesbank's open market transactions in securities under repurchase agreements \* (cont'd)

Allotment rate <sup>3</sup> , % p.a.							
Period	Monthly averages	Period	Monthly averages	Period	Monthly averages	Period	Monthly averages
1990 Jan.	7.70	1992 Jan.	9.40	1994 Jan.	6.00	1996 Jan.	3.67
Feb.	7.76	Feb.	9.41	Feb.	6.00	Feb.	3.32
Mar.	7.81	Mar.	9.48	Mar.	5.87	Mar.	3.30
Apr.	7.78	Apr.	9.56	Apr.	5.62	Apr.	3.30
May	7.80	May	9.60	May	5.30	May	3.30
June	7.80	June	9.60	June	5.05	June	3.30
July	7.89	July	9.63	July	4.89	July	3.30
Aug.	7.94	Aug.	9.70	Aug.	4.85	Aug.	3.24
Sep.	7.96	Sep.	9.53	Sep.	4.85	Sep.	3.00
Oct.	8.00	Oct.	8.83	Oct.	4.85	Oct.	3.00
Nov.	8.00	Nov.	8.75	Nov.	4.85	Nov.	3.00
Dec.	8.51	Dec.	8.77	Dec.	4.85	Dec.	3.00
1991 Jan.	8.56	1993 Jan.	8.63	1995 Jan.	4.85	1997 Jan.	3.00
Feb.	8.50	Feb.	8.51	Feb.	4.85	Feb.	3.00
Mar.	8.50	Mar.	8.31	Mar.	4.85	Mar.	3.00
Apr.	8.58	Apr.	8.05	Apr.	4.51	Apr.	3.00
May	8.60	May	7.63	May	4.51		
June	8.73	June	7.60	June	4.50		
July	8.79	July	7.25	July	4.50		
Aug.	8.93	Aug.	6.80	Aug.	4.42		
Sep.	9.00	Sep.	6.75	Sep.	4.14		
Oct.	9.00	Oct.	6.63	Oct.	4.04		
Nov.	9.05	Nov.	6.33	Nov.	3.99		
Dec.	9.29	Dec.	6.05	Dec.	3.87		

For footnotes \*, 1 and 2 see page 43\*. — <sup>3</sup> Unweighted average of the interest rates on the monthly securities repurchase agreements with maturities of one month or, since October 1992, two weeks; uniform or, since Septem-

ber 1988, marginal allotment rate (variable-rate tenders) and fixed rate (fixed-rate tenders).

### 3. Rates of the Bundesbank for short-term money market operations \*

% p.a.

Special lombard loans <sup>1</sup>				Treasury bill sales <sup>2</sup>					
Applicable	Rate	Applicable	Rate	Applicable	Rate	Days	Applicable	Rate	Days
1973 Nov. 26 to		Oct. 9 to Dec. 3	11	1993 Mar. 25 to May 2	7.5	3	Apr. 22	5.3	3
		Dec. 4 to		May 3 to Sep. 9	7.0	3	Aug. 26	4.5	3
1974 to Jan. 11	13	1982 to Jan. 21	10.5	Sep. 10 to Oct. 21	6.25	3	1996 Apr. 26	3.1	3
Mar. 14 to Apr. 8	13	Jan. 22 to Mar. 18	10	Oct. 22 to					
May 28 to July 3	10	Mar. 19 to May 6	9.5	1994 to Feb. 17	5.75	3			
1981 Feb. 25 to Feb. 26	12			Feb. 18 to Apr. 14	5.25	3			
Mar. 3 to Oct. 8	12			Apr. 15 to Apr. 21	5.0	3			

\* For Bundesbank open market transactions in bills under repurchase agreements of April 16, 1973 to March 18, 1982 see Table VI.2. page 43\*, most recently Monthly Report, January 1997. — <sup>1</sup> Special lombard loans were first

granted on November 26, 1973. — <sup>2</sup> Sales of Federal Treasury bills not included in the Bundesbank's money market regulating arrangements. Offered for the first time on August 13, 1973.

### 4. Money market rates, by month

% p.a.

Period	Money market rates reported by Frankfurt banks <sup>1</sup>				FIBOR <sup>2, 3</sup>					Old-style FIBOR <sup>2, 4</sup>	
	Day-to-day money		Three-month funds		Day-to-day money (overnight)	One-month funds	Three-month funds	Six-month funds	Twelve-month funds	Three-month funds	Six-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates	Monthly averages						
1996 Apr.	3.37	3.10 - 4.50	3.27	3.15 - 3.35	.	3.36	3.33	3.32	3.41	3.37	3.37
May	3.33	3.25 - 3.50	3.25	3.15 - 3.30	.	3.36	3.29	3.26	3.38	3.35	3.32
June	3.34	3.25 - 4.00	3.34	3.25 - 3.45	.	3.38	3.39	3.40	3.61	3.48	3.47
July	3.29	3.00 - 3.40	3.34	3.30 - 3.40	3.33	3.38	3.38	3.43	3.64	3.47	3.52
Aug.	3.25	2.80 - 4.00	3.27	3.10 - 3.35	3.30	3.29	3.29	3.31	3.46	3.37	3.39
Sep.	3.09	2.95 - 4.50	3.10	3.05 - 3.15	3.14	3.11	3.12	3.16	3.33	3.17	3.17
Oct.	3.08	2.97 - 4.50	3.10	3.05 - 3.17	3.13	3.10	3.12	3.14	3.25	3.20	3.19
Nov.	3.09	2.98 - 4.50	3.17	3.10 - 3.25	3.13	3.13	3.19	3.20	3.32	3.25	3.23
Dec.	3.11	2.90 - 4.75	3.21	3.05 - 3.25	3.15	3.27	3.23	3.24	3.29	3.25	3.29
1997 Jan.	3.12	3.00 - 4.30	3.09	3.05 - 3.15	3.16	3.13	3.14	3.15	3.22	3.15	3.17
Feb.	3.13	3.03 - 4.35	3.16	3.08 - 3.25	3.17	3.19	3.19	3.18	3.24	3.15	3.20
Mar.	3.15	3.05 - 4.00	3.24	3.20 - 3.30	3.19	3.26	3.26	3.27	3.39	3.33	3.35
Apr.	3.08	2.95 - 3.50	3.21	3.17 - 3.25	3.12	3.21	3.23	3.27	3.39	3.28	3.32

<sup>1</sup> Money market rates are not fixed or quoted officially; the monthly averages computed from daily quotations are unweighted. — <sup>2</sup> Frankfurt Interbank Offered Rate. — <sup>3</sup> Day-to-day money (overnight): since July 1, 1996 rate ascertained by Telerate; time deposits: since July 2, 1990 rate ascertained by Telerate on a broader basis than before and calculated by the

method of computing interest on the basis of 365/360 days. — <sup>4</sup> Rate calculated since August 1985 by Privatdiskont AG, and since January 1996 by Telerate, by the method of computing interest on the basis of 360/360 days (from July 1990 only as a basis for maturing transactions). — <sup>5</sup> At the end of December 4.25% to 4.75%.



VI. Interest rates

5. Lending and deposit rates \*

Lending rates

% p.a.

Reporting period <sup>1</sup>	Current account credit						Bills discounted		
	less than DM 200,000		DM 200,000 and more but less than DM 1 million <sup>2</sup>		DM 1 million and more but less than DM 5 million		Bills of less than DM 100,000 rediscountable at the Bundesbank		
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1996 June			10.08	7.75 - 11.75	7.81	6.00 - 10.25	4.76	3.25 - 6.75	
July			10.04	7.50 - 11.75	7.86	6.00 - 10.50	4.76	3.00 - 7.00	
Aug.			10.06	7.50 - 11.75	7.86	6.00 - 10.50	4.79	3.00 - 7.00	
Sep.			10.05	7.50 - 11.75	7.87	6.00 - 10.25	4.73	3.00 - 7.00	
Oct.			10.01	7.50 - 11.75	7.84	6.00 - 10.25	4.73	3.00 - 6.75	
Nov.	10.10	7.75 - 11.75	9.35	7.00 - 11.50	7.96	6.25 - 11.00	4.69	3.00 - 7.00	
Dec.	10.08	8.00 - 11.75	9.30	7.06 - 11.50	7.76	6.00 - 10.50	4.70	3.00 - 6.75	
1997 Jan.	10.08	8.00 - 11.75	9.26	7.00 - 11.50	7.83	6.00 - 10.50	4.73	3.00 - 7.00	
Feb.	10.05	8.00 - 11.75	9.17	7.00 - 11.50	7.82	6.00 - 10.50	4.71	3.00 - 7.00	
Mar.	10.03	7.75 - 11.75	9.16	7.00 - 11.25	7.73	6.00 - 10.25	4.72	3.05 - 6.75	
Apr.	10.02	7.90 - 11.75	9.17	7.00 - 11.25	7.78	6.00 - 10.25	4.74	3.10 - 7.00	

Reporting period <sup>1</sup>	Personal credit lines (overdraft facilities granted to individuals)									
	Instalment credits						Long-term fixed-rate loans to enterprises and self-employed persons (excluding lending to the housing sector) <sup>6</sup>			
	DM 10,000 and more but not more than DM 30,000 <sup>3</sup>						DM 200,000 and more but less than DM 1 million		DM 1 million and more but less than DM 10 million	
	Monthly rate <sup>4</sup>		Effective annual interest rate <sup>5</sup>		Effective interest rate		Effective interest rate		Effective interest rate	
Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1996 June			0.45	0.39 - 0.52	11.67	9.97 - 13.53				
July			0.45	0.39 - 0.52	11.63	9.84 - 13.52				
Aug.			0.45	0.39 - 0.52	11.64	9.84 - 13.53				
Sep.			0.45	0.39 - 0.52	11.63	9.93 - 13.53				
Oct.			0.45	0.38 - 0.52	11.59	9.84 - 13.53				
Nov.	11.30	10.25 - 12.25	0.44	0.37 - 0.51	11.31	9.73 - 13.02	6.85	5.70 - 9.23	6.57	5.50 - 8.30
Dec.	11.29	10.25 - 12.25	0.43	0.37 - 0.50	11.28	9.73 - 13.05	6.74	5.68 - 8.57	6.51	5.50 - 7.91
1997 Jan.	11.25	9.75 - 12.25	0.43	0.37 - 0.50	11.28	9.75 - 13.02	6.75	5.64 - 8.75	6.50	5.50 - 8.06
Feb.	11.24	9.75 - 12.25	0.43	0.37 - 0.50	11.22	9.63 - 13.06	6.61	5.51 - 8.80	6.36	5.48 - 7.75
Mar.	11.22	9.75 - 12.25	0.43	0.37 - 0.50	11.12	9.53 - 12.97	6.64	5.64 - 8.75	6.34	5.48 - 7.80
Apr.	11.21	9.75 - 12.25	0.42	0.37 - 0.50	11.03	9.28 - 12.97	6.72	5.72 - 8.80	6.42	5.50 - 8.01

Reporting period <sup>1</sup>	Mortgage loans secured by residential real estate							
	with interest rates fixed (effective interest rate) <sup>7</sup>						with variable interest rates (effective interest rate) <sup>7</sup>	
	for 2 years		for 5 years		for 10 years		with variable interest rates (effective interest rate) <sup>7</sup>	
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread
1996 June	5.74	5.06 - 6.56	6.63	6.26 - 7.23	7.65	7.34 - 8.14	6.61	5.43 - 7.77
July	5.87	5.30 - 6.59	6.75	6.43 - 7.23	7.69	7.45 - 8.14	6.63	5.38 - 7.98
Aug.	5.75	5.12 - 6.43	6.59	6.30 - 7.07	7.56	7.28 - 8.04	6.58	5.28 - 7.77
Sep.	5.62	4.84 - 6.43	6.46	6.17 - 6.97	7.46	7.18 - 7.93	6.55	5.62 - 7.77
Oct.	5.44	4.59 - 6.43	6.22	5.93 - 6.96	7.26	7.02 - 7.77	6.45	5.40 - 7.77
Nov.	5.35	4.63 - 6.28	6.09	5.81 - 6.70	7.17	6.94 - 7.66	6.40	5.38 - 7.77
Dec.	5.29	4.59 - 6.04	6.01	5.75 - 6.70	7.09	6.81 - 7.65	6.36	5.28 - 7.77
1997 Jan.	5.26	4.49 - 6.17	5.98	5.70 - 6.49	7.07	6.81 - 7.66	6.34	5.25 - 7.77
Feb.	5.16	4.49 - 5.96	5.78	5.49 - 6.49	6.83	6.59 - 7.34	6.27	5.16 - 7.77
Mar.	5.20	4.65 - 5.91	5.80	5.38 - 6.38	6.84	6.48 - 7.39	6.22	5.12 - 7.77
Apr.	5.24	4.65 - 5.91	5.92	5.49 - 6.43	6.96	6.48 - 7.39	6.23	5.12 - 7.72

\* The average rates are calculated as unweighted arithmetic means from the interest rates reported to be within the spread. The spread is ascertained by eliminating the reports in the top 5% and the bottom 5% of the interest rate range. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Second and third weeks of the months indicated. — 2 Up to and including October 1996; less than DM 1 million. — 3 With maturities between 36 months and 60 months; up to and including October 1996 instalment credits of DM 5,000 and more but less than DM 15,000 and maturities of more than 24 months but not more than 48 months. — 4 Interest rates as % per month of original amount of credit taken up. Besides interest, most credit institutions charge

a one-off processing fee (generally 2%, in some cases 3%, of the credit amount). — 5 Calculated on the basis of reported monthly rates (see footnote 4) and reported annual rates on the respective amount of debt and on the basis of the respective processing fees, taking due account of reported maturities. — 6 Lending to enterprises (with agreed maturities of four years and more), with agreed interest locked in for not less than four years. — 7 The figures refer to the time when the contract was concluded and not to the entire duration of the contract. The calculation of the effective interest rate is based on an annual redemption rate of 1% plus interest saved; the repayment conditions agreed upon in each case by the credit institutions involved are taken into account (at present mostly monthly payment and inclusion).

VI. Interest rates

5. Lending and deposit rates \* (cont'd)

Deposit rates

% p.a.

Reporting period 1	Higher-yielding sight deposits of individuals 8		Time deposits with agreed maturities							
			of 1 month 9						of 3 months	
			less than DM 100,000		DM 100,000 and more but less than DM 1 million		DM 1 million and more but less than DM 5 million		DM 100,000 and more but less than DM 1 million	
Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1996 June			2.49	2.00 - 2.90	2.83	2.45 - 3.13	3.05	2.75 - 3.25		
July			2.51	2.00 - 2.90	2.84	2.50 - 3.15	3.07	2.75 - 3.30		
Aug.			2.50	2.00 - 2.90	2.84	2.50 - 3.15	3.05	2.70 - 3.25		
Sep.			2.39	2.00 - 2.75	2.70	2.30 - 3.00	2.90	2.60 - 3.15		
Oct.			2.36	2.00 - 2.75	2.66	2.25 - 3.00	2.87	2.50 - 3.10		
Nov.	2.01	0.50 - 3.00	2.33	1.90 - 2.75	2.64	2.25 - 3.00	2.86	2.50 - 3.10	2.71	2.30 - 3.05
Dec.	1.96	0.50 - 3.00	2.38	2.00 - 2.75	2.70	2.25 - 3.00	2.94	2.60 - 3.20	2.74	2.30 - 3.05
1997 Jan.	1.97	0.50 - 3.00	2.35	1.95 - 2.75	2.66	2.25 - 3.00	2.87	2.50 - 3.10	2.69	2.30 - 3.00
Feb.	1.96	0.50 - 3.00	2.31	1.88 - 2.65	2.60	2.25 - 2.90	2.81	2.50 - 3.05	2.67	2.25 - 3.00
Mar.	1.97	0.50 - 3.00	2.34	1.93 - 2.75	2.64	2.25 - 3.00	2.90	2.50 - 3.15	2.71	2.30 - 3.00
Apr.	1.96	0.50 - 3.00	2.34	1.95 - 2.75	2.65	2.25 - 3.00	2.88	2.50 - 3.10	2.72	2.35 - 3.00

Reporting period 1	Bank savings bonds with regular interest payments		Savings deposits							
			with minimum rates of return 10				with higher rates of return 11 (without a duration of contract being agreed)			
			maturity of 4 years		with agreed notice of 3 months		less than DM 10,000		DM 10,000 and more but less than DM 20,000	
Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1996 June	4.71	4.25 - 5.00	2.01	1.50 - 2.50						
July	4.81	4.25 - 5.25	2.00	1.50 - 2.50						
Aug.	4.77	4.25 - 5.25	1.99	1.50 - 2.50						
Sep.	4.69	4.17 - 5.13	1.98	1.50 - 2.50						
Oct.	4.52	4.00 - 5.00	1.96	1.50 - 2.50						
Nov.	4.47	4.00 - 5.00	1.95	1.50 - 2.00	2.56	2.10 - 3.50	2.65	2.25 - 3.45	2.78	2.30 - 3.50
Dec.	4.40	3.95 - 5.00	1.94	1.50 - 2.00	2.57	2.10 - 3.81	2.64	2.20 - 3.45	2.78	2.30 - 3.50
1997 Jan.	4.37	4.00 - 4.90	1.91	1.50 - 2.00	2.54	2.00 - 3.50	2.63	2.20 - 3.45	2.76	2.25 - 3.50
Feb.	4.22	3.80 - 4.75	1.86	1.50 - 2.00	2.49	2.00 - 3.50	2.59	2.14 - 3.25	2.73	2.25 - 3.35
Mar.	4.21	3.90 - 4.60	1.79	1.50 - 2.00	2.44	2.00 - 3.25	2.58	2.13 - 3.25	2.71	2.25 - 3.25
Apr.	4.27	3.95 - 4.60	1.75	1.50 - 2.00	2.44	2.00 - 3.25	2.58	2.14 - 3.25	2.72	2.25 - 3.25

Reporting period 1	Savings deposits with higher rates of return 11 and with duration of contract being agreed for DM 20,000 and more but less than DM 50,000 (total rate of return) 12									
	with agreed notice of 3 months and a duration of contract of						with agreed notice of more than 3 months and a duration of contract of			
	up to and including 1 year		more than 1 year and up to and including 4 years		more than 4 years		up to and including 1 year		more than 4 years	
Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1996 June										
July										
Aug.										
Sep.										
Oct.										
Nov.	2.92	2.50 - 3.25	3.80	2.71 - 4.76	4.88	3.25 - 6.25	3.00	2.70 - 3.50	4.68	3.45 - 5.25
Dec.	2.91	2.50 - 3.25	3.77	2.75 - 4.93	4.81	3.25 - 6.22	2.99	2.65 - 3.50	4.69	3.50 - 5.24
1997 Jan.	2.89	2.50 - 3.25	3.70	2.55 - 4.76	4.84	3.25 - 6.31	2.99	2.70 - 3.50	4.71	3.10 - 5.29
Feb.	2.85	2.40 - 3.25	3.64	2.75 - 4.76	4.72	3.25 - 6.25	2.99	2.60 - 3.50	4.45	3.00 - 5.23
Mar.	2.86	2.45 - 3.25	3.64	2.88 - 4.75	4.67	3.00 - 6.22	2.99	2.60 - 3.60	4.43	3.00 - 5.03
Apr.	2.90	2.50 - 3.25	3.73	2.85 - 4.93	4.67	3.25 - 6.22	3.01	2.70 - 3.50	4.42	3.00 - 5.03

For footnotes \*,1 to 7 see page 45\*. — 8 Only such interest rates are taken into account as are above the relevant standard terms of the credit institutions included in the survey. — 9 Up to and including October 1996; one month to three months inclusive. — 10 Only a minimum rate of return is

granted, but no premium or bonus. — 11 An interest rate above the minimum rate of return and/or a premium or a bonus is granted. — 12 Rate of return which is paid when savings plans are held until maturity or when savings objectives have been achieved.









VII. Capital market

5. Yields and indices on domestic securities

Period	Yields									Price indices <sup>1</sup> <sup>2</sup>		
	Debt securities <sup>3</sup>									Bonds	Shares	
	Yield on debt securities outstanding									German bond index (REX)	CDAX share price index	German share index (DAX)
	Total	of which			Bank debt securities			Industrial bonds	Memo- randum item DM debt securities issued by non- residents <sup>5</sup>			
		Public debt securities		With re- sidual ma- turities of 9 to 10 years <sup>4</sup>	Total	With re- sidual ma- turities of 9 to 10 years						
Total		Listed Federal securities										
% p.a.	Average daily rate	End- 1987=100	End- 1987=1000									
1990	8.9	8.8	8.8	8.7	9.0	8.9	9.0	9.2	93.50	145.00	1,398.23	
1991	8.7	8.6	8.6	8.5	8.9	8.9	8.6	9.2	96.35	148.16	1,577.98	
1992	8.1	8.0	8.0	7.8	8.3	8.1	8.7	8.8	101.54	134.92	1,545.05	
1993	6.4	6.3	6.3	6.5	6.5	6.8	6.9	6.8	109.36	191.13	2,266.68	
1994	6.7	6.7	6.7	6.9	6.8	7.2	7.0	6.9	99.90	176.87	2,106.58	
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	181.47	2,253.88	
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	217.47	2,888.69	
1996 July	5.9	6.0	5.9	6.5	5.8	6.6	6.1	6.1	107.56	192.98	2,473.35	
Aug.	5.7	5.7	5.7	6.3	5.6	6.5	6.0	5.9	107.85	197.77	2,543.83	
Sep.	5.5	5.6	5.6	6.2	5.5	6.4	5.7	5.7	109.04	204.40	2,651.85	
Oct.	5.3	5.4	5.3	6.0	5.2	6.2	5.4	5.5	109.34	204.37	2,659.25	
Nov.	5.2	5.3	5.3	5.9	5.2	6.1	5.4	5.5	110.65	214.38	2,845.52	
Dec.	5.1	5.2	5.2	5.8	5.1	6.1	5.2	5.4	110.37	217.47	2,888.69	
1997 Jan.	5.1	5.1	5.1	5.8	5.0	6.0	5.2	5.4	110.73	229.12	3,035.15	
Feb.	4.9	4.9	4.9	5.6	4.8	5.8	5.0	5.1	111.70	243.73	3,259.64	
Mar.	5.1	5.1	5.1	5.7	5.0	5.9	5.1	5.4	110.02	255.74	3,429.05	
Apr.	5.1	5.2	5.2	5.9	5.1	6.1	5.2	5.5	110.35	256.62	3,438.07	

<sup>1</sup> End of year or month. — <sup>2</sup> Source: German Stock Exchange plc. — <sup>3</sup> Bearer debt securities with maximum maturities according to the terms of issue of over 4 years, if their mean residual maturities exceed 3 years. Convertible debt securities, etc., bank debt securities with unscheduled redemption, zero-coupon bonds, floating-rate notes and foreign currency bonds are not included. Group yields for the various categories of securities are weighted

with the amounts outstanding of the debt securities included in the calculation. Monthly figures are calculated on the basis of the yields on all the business days of a month. The annual figures are the unweighted means of the monthly figures. — <sup>4</sup> Only debt securities deliverable at the DTB (German Financial Futures Exchange) are included; calculated as unweighted averages. — <sup>5</sup> As far as quoted on German stock exchanges.

6. Sales and purchases of investment fund certificates

Period	DM million															
	Sales = total purchases (col. 2 plus col. 8 or col. 9 plus col. 14)	Sales of investment fund certificates							Purchases						Memo item Net transactions with non-residents (col. 14 less col. 8)	
		Domestic funds (sales receipts)							Residents							
		Investment funds open to the general public							Credit institutions <sup>1</sup> including building and loan associations			Non-banks <sup>2</sup>				Non-residents <sup>4</sup>
		Total	Total	Money market funds	Securities-based funds	Open-end real estate funds	Specialised investment funds	Foreign funds <sup>3</sup>	Total	Total	of which Foreign investment fund certificates	Total	of which Foreign investment fund certificates			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1990	25,788	26,857	7,904	—	8,032	— 128	18,952	— 1,069	25,766	4,296	— 362	21,470	— 707	22	1,091	
1991	50,064	37,492	13,738	—	11,599	2,144	23,754	12,572	49,890	8,594	— 5	41,296	12,577	174	— 12,398	
1992	81,514	20,474	—3,102	—	— 9,189	6,087	23,575	61,040	81,518	10,495	2,152	71,023	58,888	— 4	— 61,044	
1993	80,259	61,672	20,791	—	6,075	14,716	40,881	18,587	76,258	16,982	2,476	59,276	16,111	4,001	— 14,586	
1994	130,995	108,914	63,263	31,180	24,385	7,698	45,650	22,081	125,943	9,849	— 689	116,094	22,770	5,052	— 17,029	
1995	55,105	54,071	16,777	6,147	3,709	6,921	37,294	1,034	55,948	12,172	188	43,776	846	— 843	— 1,877	
1996	84,359	79,110	16,517	— 4,706	7,273	13,950	62,592	5,249	86,711	19,924	1,685	66,787	3,564	— 2,352	— 7,601	
1996 July	4,174	3,673	— 436	— 1,095	— 191	850	4,109	501	4,564	1,460	— 40	3,104	541	— 390	— 891	
Aug.	4,420	3,561	681	— 828	919	590	2,880	859	4,399	818	121	3,581	738	21	— 838	
Sep.	472	1,251	550	— 614	670	494	701	— 779	415	738	398	— 323	— 1,177	57	836	
Oct.	7,415	7,419	706	— 194	37	475	6,713	— 4	7,777	2,117	317	5,660	— 321	— 362	— 358	
Nov.	5,124	5,026	1,189	— 985	1,788	385	3,837	98	5,580	345	— 50	5,235	148	— 456	— 554	
Dec.	13,126	13,056	559	— 561	475	645	12,496	70	14,079	3,288	585	10,791	— 515	— 953	— 1,023	
1997 Jan.	16,502	16,250	5,665	— 1,318	4,205	2,778	10,585	252	15,529	2,281	— 146	13,248	398	973	721	
Feb.	16,150	15,660	6,506	— 59	5,262	1,185	9,154	490	15,814	2,542	— 37	13,272	527	336	— 154	
Mar.	11,592	10,237	2,615	— 863	2,744	733	7,623	1,355	11,758	2,691	216	9,067	1,139	— 166	— 1,521	

<sup>1</sup> Book values. — <sup>2</sup> Residual. — <sup>3</sup> Net purchases or net sales (–) of foreign investment fund certificates by residents; transaction values. — <sup>4</sup> Net purchases or net sales (–) of domestic investment fund certificates by

non-residents; transaction values. — The figures for the latest date are to be regarded as provisional.





VIII. Public finance

1. Finances of the public sector \*

DM billion

Period	Central, regional and local authorities <sup>1</sup>									Social security funds <sup>2</sup>			Public sector, total			
	Receipts			Expenditure						Balance of receipts and expenditure	Re-ceipts <sup>6</sup>	Ex-pend-iture	Balance of receipts and expenditure	Re-ceipts	Ex-pend-iture	Balance of receipts and expenditure
	Total	of which Taxes <sup>3</sup>	Total <sup>4</sup>	of which												
				Person-nel expen-diture	Other operat-ing expen-diture	Current grants	Interest paid	Capital forma-tion	Financi-aid <sup>5</sup>							
1987	602.0	468.7	653.0	211.1	103.4	182.4	58.6	57.2	39.9	- 51.0	374.2	370.7	+ 3.5	933.7	981.3	- 47.6
1988	620.3	488.1	673.6	216.5	105.0	192.6	60.4	58.2	40.4	- 53.3	393.3	394.8	- 1.5	966.9	1,021.7	- 54.8
1989	678.6	535.5	700.8	222.8	110.5	202.6	61.2	62.2	41.1	- 22.2	413.7	400.5	+ 13.2	1,042.8	1,051.8	- 9.0
1990	703.1	549.7	749.4	236.1	118.5	214.9	64.7	66.7	47.9	- 46.3	442.7	426.5	+ 16.2	1,094.3	1,124.4	- 30.1
1991 <sup>7</sup>	850.4	661.9	972.1	294.7	143.5	294.9	77.3	90.6	71.3	- 121.8	562.8	549.6	+ 13.1	1,343.5	1,452.1	- 108.7
1992	959.0	731.7	1,069.5	324.5	153.5	300.9	100.9	107.5	81.4	- 110.4	621.0	628.8	- 7.9	1,502.8	1,621.1	- 118.3
1993	989.0	749.1	1,121.0	339.2	156.9	336.2	102.3	103.5	82.4	- 132.0	673.0	670.2	+ 2.8	1,564.5	1,693.7	- 129.2
1994	1,058.0	786.2	1,164.1	358.8	159.1	347.4	114.2	99.7	82.2	- 106.1	706.0	704.9	+ 1.1	1,670.9	1,775.9	- 105.0
1995 pe	1,086.0	814.2	1,198.0	369.5	160.0	358.0	129.0	95.0	82.0	- 112.0	745.0	755.5	- 10.5	1,737.5	1,860.0	- 122.5
1996 pe	1,064.5	800.0	1,186.0	372.0	161.5	353.5	130.0	90.5	76.0	- 121.5	784.0	797.0	- 13.0	1,744.5	1,879.0	- 134.5
1995 1st qtr	236.9	195.0	261.3	73.3	29.7	90.9	37.8	13.5	15.0	- 24.4	174.1	181.3	- 7.3	385.2	416.9	- 31.7
2nd qtr	239.0	188.1	256.7	74.6	30.3	90.7	25.8	17.2	16.6	- 17.7	177.4	184.9	- 7.4	391.6	416.7	- 25.1
3rd qtr	249.6	200.4	274.6	78.1	32.5	91.3	32.5	21.1	19.6	- 25.0	178.7	185.5	- 6.9	406.6	438.4	- 31.9
4th qtr	293.9	231.0	336.9	95.5	43.4	96.8	32.0	32.3	35.4	- 42.9	196.5	191.4	+ 5.1	469.8	507.7	- 37.9
1996 1st qtr	236.0	191.6	260.2	74.1	30.5	92.6	36.9	12.8	14.3	- 24.2	187.2	193.7	- 6.5	395.3	426.0	- 30.7
2nd qtr	240.7	188.9	257.6	75.2	30.9	93.4	26.8	15.8	14.6	- 16.9	192.0	197.9	- 5.9	405.3	428.1	- 22.8
3rd qtr	240.2	193.3	270.3	77.4	33.1	87.9	31.8	20.4	19.8	- 30.0	192.7	199.3	- 6.6	408.5	445.1	- 36.6
4th qtr P	279.0	225.5	328.6	95.9	41.2	94.9	33.6	30.3	31.9	- 49.6	211.5	205.7	+ 5.9	466.7	510.5	- 43.8

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* The budgetary definition used here differs from the methods employed for the government account of the national accounts and, in case of the quarterly figures, in some respects also from the financial statistics. — <sup>1</sup> Incl. subsidiary budgets. The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal Statistical Office, do not include municipal special-purpose associations, hospitals keeping commercial accounts and various special accounts. For the receipts of Bundesbank profit see footnote 1 to Table VIII. 2. — <sup>2</sup> The annual figures

differ from the sum of the quarterly figures, as the latter are all provisional. The quarterly figures for some fields of insurance are estimated. — <sup>3</sup> The tax revenue shown here is taken from the budget statistics and may differ from the data given in Table VIII. 4, which are based on the tax statistics. — <sup>4</sup> Including discrepancies in clearing transactions between the central, regional and local authorities. — <sup>5</sup> Expenditure on investment grants, loans and acquisition of participating interests. — <sup>6</sup> Including Federal Government liquidity assistance to the Federal Labour Office. — <sup>7</sup> From 1991 including public authorities in eastern Germany.

2. Finances of the Federal Government, Länder Governments and local authorities \*

DM billion

Period	Federal Government		Länder Governments				Local authorities			
	Receipts <sup>1</sup>	Expenditure	Western <sup>2, 3</sup>		Eastern <sup>3</sup>		Western <sup>3</sup>		Eastern <sup>3</sup>	
			Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1987	243.6	271.5	244.4	263.9			176.7	179.2		
1988	242.2	278.2	253.7	270.1			185.1	184.4		
1989	277.9	292.9	275.1	282.7			196.0	194.3		
1990	290.5	311.4	280.2	299.6			205.8	209.9		
1991	354.1	406.1	312.5	330.8	67.4	77.9	222.9	228.9	50.2	48.2
1992	398.4	431.7	334.9	353.0	75.2	88.2	241.4	250.8	57.4	64.9
1993	401.6	462.5	342.7	369.0	79.4	95.5	252.7	261.6	63.1	67.5
1994	439.6	478.9	347.6	375.6	82.4	99.1	260.9	266.8	63.1	67.8
1995 pe	439.0	489.5	355.0	389.0	92.5	105.5	257.5	270.0	66.5	68.5
1996 pe	411.0	489.5	362.5	397.5	96.5	108.5	261.5	265.5	63.5	66.0
1995 1st qtr	96.8	113.1	80.4	85.2	19.8	19.6	48.8	54.0	11.3	12.4
2nd qtr	102.6	110.4	76.5	83.3	19.5	21.5	53.2	55.7	13.1	13.6
3rd qtr	111.0	125.5	78.2	89.7	23.8	23.9	55.3	57.9	14.3	14.6
4th qtr	128.4	140.4	98.5	109.2	25.2	36.5	66.9	68.6	18.9	18.9
1996 1st qtr	92.3	112.1	83.1	87.1	20.3	21.2	50.9	54.5	11.4	12.3
2nd qtr	99.0	115.4	80.3	86.0	21.3	22.9	54.6	54.7	13.5	13.2
3rd qtr	100.6	119.9	81.2	92.4	23.6	25.3	56.6	56.6	13.5	14.1
4th qtr P	119.2	142.2	95.9	110.3	27.3	35.1	65.4	65.8	16.5	17.9

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* See corresponding footnote to Table VIII. 1. — <sup>1</sup> The Bundesbank profit transfer is shown in full until 1994; from 1995 only the DM 7 billion scheduled in the budget is shown. Since that time, receipts over and above the scheduled amount accrue directly to the Redemption

Fund for Inherited Liabilities. — <sup>2</sup> Including Berlin, Bremen, Hamburg. From 1991 including Berlin (East). — <sup>3</sup> The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal Statistical Office, do not include hospitals keeping commercial accounts and various special accounts.

VIII. Public finance

3. Finances of the Government in the national accounts

DM billion

Item	1988	1989	1990	1991 1. p	1991 2. p	1992 p	1993 p	1994 p	1995 3. p	1996 p
Receipts	945.8	1,021.6	1,068.4	1,197.7	1,300.2	1,437.9	1,489.1	1,581.6	1,628.5	1,643.7
of which										
Taxes	512.5	560.1	573.2	653.3	689.2	754.7	772.9	811.2	838.6	821.1
Social security contributions	366.5	383.2	410.5	450.3	513.0	562.9	596.4	640.5	669.6	701.1
Expenditure	991.1	1,018.9	1,118.1	1,287.4	1,395.0	1,524.6	1,598.7	1,662.1	1,751.1	1,777.7
Government consumption	412.4	418.8	444.1	466.5	556.7	616.3	634.2	650.4	675.4	695.4
Interest	59.8	60.5	63.4	74.5	76.7	100.3	104.0	113.1	129.6	130.6
Current transfers	440.3	456.4	521.7	620.3	621.7	665.0	720.0	763.0	807.5	825.2
Capital transfers	29.7	30.8	33.3	66.2	64.9	55.8	53.5	46.1	51.9	45.2
Gross capital formation	48.9	52.4	55.5	59.9	75.0	87.2	87.0	89.7	86.7	81.3
Financial balance	- 45.2	+ 2.8	- 49.7	- 89.7	- 94.8	- 86.8	- 109.7	- 80.6	- 122.6	- 134.0
Debt 4	906.4	934.1	1,062.2		1,184.5	1,357.3	1,521.6	1,674.5	2,008.8	2,148.0
Memo item										
Deficit of the Treuhand agency			- 4.3	- 19.9	- 19.9	- 29.6	- 38.1	- 37.1		
as a percentage of the gross domestic product 5										
Financial balance	- 2.2	+ 0.1	- 2.0	- 3.4	- 3.3	- 2.8	- 3.5	- 2.4	- 3.5	- 3.8
Debt	43.2	42.0	43.8		41.5	44.1	48.2	50.4	58.1	60.7

Source: Federal Statistical Office. — 1 Western Germany. — 2 Germany as a whole. — 3 Adjusted for the balance of notional capital transfers between the public sector and the corporate sector, mainly in connection with the winding-up of the Treuhand agency. In unadjusted terms, the deficit amounted to 10.2% of GDP. — 4 The debt recorded here differs from that

shown in Tables VIII. 7 and VIII. 8 owing to some conversions. Level at end of year. — 5 These ratios will be used to ascertain whether or not the budget policy convergence criteria of the economic and monetary union have been met.

4. Tax revenue of the central, regional and local authorities

DM million

Period	Federal and Länder Governments and European Union						Local authorities 5		Balance of untransferred tax shares 6
	Total	Total 1	Federal Government 2	Länder Governments		European Union 4	Total	of which in the New Länder	
				Total	of which New Länder 3				
1991 7	661,920	577,150	321,334	224,321	19,139	31,495	84,633	2,540	+ 137
1992	731,738	638,423	356,849	247,372	23,807	34,203	93,374	4,034	- 58
1993	749,119	653,015	360,250	256,131	27,542	36,634	95,809	5,863	+ 295
1994	786,162	688,785	386,145	261,947	32,052	40,692	97,116	7,677	+ 260
1995	814,191	719,332	390,807	288,520	...	40,005	94,498	8,460	+ 360
1996 p	799,998	706,071	372,390	294,232	...	39,449	94,512	...	- 586
1996 4th qtr p	226,351	202,774	110,676	81,902	...	10,195	29,676	...	- 6,099
1997 1st qtr		161,382	77,600	69,501	...	14,281			
1996 Nov.		50,071	25,654	21,132	...	3,285			
Dec.		102,816	59,189	39,987	...	3,640			
1997 Jan.		50,728	19,213	24,002	...	7,513			
Feb.		48,566	24,600	19,734	...	4,231			
Mar.		62,088	33,787	25,765	...	2,536			

Source: Federal Ministry of Finance. — 1 Including receipts from the Equalisation of Burdens levies. — 2 Before deduction of supplementary Federal grants and shares in the revenue of mineral oil tax remitted to the Länder Governments. — 3 After taking account of the distribution of the Länder Governments' share in all-German turnover tax revenue on the basis of the number of inhabitants in the old and new Länder. — 4 Including the (GNP-related) receipts accruing to the EU from 1988 to the detriment of the

Federal Government's tax revenue. — 5 Including local authority taxes of Berlin, Bremen and Hamburg. — 6 Difference between the local authorities' share in the income taxes received by the Länder cash offices in the period in question (see Table VIII. 5) and the amounts passed on to the local authorities during the same period. — 7 From 1991 including the tax revenue in the new Länder.



VIII. Public finance

7. Indebtedness of the public sector \*

DM million

End of year or month	Total	Bundes- bank advances	Treasury discount paper	Treasury notes <sup>1</sup>	5-year special Federal bonds <sup>1</sup>	Federal savings bonds	Debt secur- ities <sup>1</sup>	Direct lending by credit institu- tions <sup>2</sup>	Loans from non-banks		Old debt		
									Social security funds <sup>3</sup>	Other <sup>2</sup>	owing to German unifica- tion <sup>4</sup>	Equalisa- tion claims	Other <sup>5</sup>
<b>Public authorities</b>													
1991	1,173,864	189	34,709	66,159	133,663	34,696	333,202	527,630	6,998	21,841	1,481	13,109	188
1992	1,345,224	4,542	36,186	109,733	153,825	35,415	362,230	539,235	7,021	18,132	1,451	77,269	188
1993	1,509,150	-	30,589	150,138	188,767	46,093	402,073	578,352	6,076	19,267	1,421	86,181	196
1994	1,662,150	-	20,506	169,181	181,737	59,334	465,408	646,855	5,329	25,127	1,391	87,098	184
1995 Dec.	1,995,974	-	8,072	219,864	170,719	78,456	607,224	767,253	4,971	37,033	15,106	87,079	198
1996 Mar.	2,014,089	-	8,713	202,933	161,703	84,988	632,566	781,782	5,042	36,238	12,537	87,386	201
June	2,027,944	-	8,661	206,499	163,213	89,995	641,909	783,828	4,784	35,398	6,011	87,445	203
Sep.	2,061,895	-	19,536	213,554	167,285	94,126	638,664	796,720	4,737	36,274	6,033	84,762	204
Dec. p <sup>e</sup>	2,133,324	-	27,609	217,688	176,164	96,391	631,696	842,790	4,463	36,533	9,960	89,826	204
<b>Federal Government</b>													
1991	586,493	-	19,932	47,861	133,663	34,696	278,734	52,654	1,616	5,737	1,481	9,934	186
1992	611,099	4,354	24,277	50,516	153,825	35,415	289,049	37,081	1,457	3,671	1,451	9,818	186
1993	685,283	-	23,276	60,565	188,767	46,093	325,201	26,129	730	3,211	1,421	9,698	194
1994	712,488	-	15,870	66,987	181,737	59,334	359,833	16,654	63	862	1,391	9,576	183
1995 Dec.	756,834	-	8,072	52,354	170,719	78,456	402,307	26,572	23	8,111	1,360	8,684	176
1996 Mar.	775,688	-	8,713	46,215	161,703	84,988	429,565	26,010	23	8,256	1,352	8,684	179
June	791,609	-	8,661	46,414	163,213	89,995	439,927	25,870	23	7,288	1,352	8,684	182
Sep.	807,946	-	19,216	49,867	167,285	94,126	438,132	21,800	13	7,288	1,352	8,684	183
Dec.	839,883	-	26,789	55,289	176,164	96,391	434,295	32,988	10	7,761	1,330	8,684	183
<b>West German Länder Governments</b>													
1991	347,409	100	-	17,268	.	.	28,618	286,881	1,706	9,660	.	3,175	2
1992	366,602	141	-	40,822	.	.	26,026	286,020	1,728	8,991	.	2,874	2
1993	393,577	-	-	62,585	.	.	22,450	293,845	1,733	10,399	.	2,563	2
1994	415,052	-	-	68,643	.	.	20,451	311,622	1,632	10,444	.	2,259	2
1995 Dec.	442,536	-	-	72,001	.	.	19,151	339,084	1,333	10,965	.	-	2
1996 Mar.	442,513	-	-	72,792	.	.	17,119	341,100	1,147	10,353	.	-	2
June	448,315	-	-	75,025	.	.	16,517	344,717	1,041	11,013	.	-	2
Sep.	461,639	-	320	78,066	.	.	15,128	355,721	1,040	11,362	.	-	2
Dec. p	477,354	-	320	80,056	.	.	11,934	372,445	874	11,724	.	-	2
<b>East German Länder Governments</b>													
1991	4,937	89	.	1,030	.	.	-	3,819	-	-	.	.	.
1992	22,528	48	.	9,740	.	.	-	12,465	-	275	.	.	.
1993	40,263	-	.	18,115	.	.	1,000	21,003	5	140	.	.	.
1994	55,650	-	.	19,350	.	.	1,000	35,065	5	230	.	.	.
1995 Dec.	69,151	-	.	23,845	.	.	1,500	43,328	17	461	.	.	.
1996 Mar.	68,846	-	.	23,285	.	.	1,500	43,246	281	534	.	.	.
June	70,111	-	.	24,285	.	.	1,500	43,831	129	366	.	.	.
Sep.	72,562	-	.	24,645	.	.	1,500	46,147	100	170	.	.	.
Dec. p	80,985	-	.	25,320	.	.	1,500	53,483	-	182	.	.	.
<b>West German local authorities <sup>6</sup></b>													
1991	132,060	.	.	.	.	.	150	125,642	3,557	2,711	.	.	.
1992	140,132	.	.	.	.	.	150	134,618	3,516	1,848	.	.	.
1993	149,211	.	.	.	.	.	-	143,940	3,264	2,007	.	.	.
1994	155,663	.	.	.	.	.	100	149,745	3,186	2,632	.	.	.
1995 Dec.	159,575	.	.	.	.	.	1,000	153,323	3,006	2,246	.	.	.
1996 Mar.	161,900	.	.	.	.	.	1,100	155,550	3,000	2,250	.	.	.
June	162,450	.	.	.	.	.	1,280	155,920	3,000	2,250	.	.	.
Sep.	162,650	.	.	.	.	.	1,280	156,120	3,000	2,250	.	.	.
Dec. p <sup>e</sup>	165,750	.	.	.	.	.	1,280	159,020	3,000	2,250	.	.	.

For footnotes see end of the table.

VIII. Public finance

7. Indebtedness of the public sector \* (cont 'd)

DM million

End of year or month	Total	Bundes- bank advances	Treasury discount paper	Treasury notes 1	5-year special Federal bonds 1	Federal savings bonds	Debt secur- ities 1	Direct lending by credit institu- tions 2	Loans from non-banks		Old debt		
									Social security funds 3	Other 2	owing to German unifica- tion 4	Equalisa- tion claims	Other 5
<b>East German local authorities 6</b>													
1991	8,642							8,392	115	135			
1992	14,462							14,031	313	118			
1993	23,648						300	22,727	339	282			
1994	32,465			125			400	31,046	371	523			
1995 Dec.	37,024			225			400	35,609	349	441			
1996 Mar.	37,300			225			400	35,875	350	450			
June	37,400			225			400	35,975	350	450			
Sep.	37,850			225			400	36,425	350	450			
Dec. pe	38,850			225			400	37,425	350	450			
<b>Federal Railways Fund</b>													
1994	71,173			5,208			29,467	29,232	65	7,200			
1995 Dec.	78,400			3,848			28,992	39,005	140	6,415			
1996 Mar.	76,991			1,872			29,043	39,859	139	6,079			
June	76,842			1,849			28,898	40,082	138	5,875			
Sep.	76,620			1,900			28,844	40,036	132	5,709			
Dec.	77,785			1,882			28,749	41,537	130	5,489			
<b>"German Unity" Fund</b>													
1991	50,482						25,701	22,625	5	2,152			
1992	74,371			8,655			42,371	21,787	5	1,553			
1993	87,676		1,876	8,873			43,804	31,566	5	1,552			
1994	89,187		897	8,867			43,859	33,744	5	1,816			
1995 Dec.	87,146			8,891			44,398	31,925	5	1,927			
1996 Mar.	86,171						44,518	39,730	5	1,918			
June	84,249						44,255	37,270	5	2,719			
Sep.	84,488						44,181	37,230	5	3,072			
Dec.	83,547						44,312	38,020	5	1,210			
<b>ERP Special Fund</b>													
1991	16,368							16,368					
1992	24,283						4,633	19,650					
1993	28,263						9,318	18,945					
1994	28,043						10,298	17,745					
1995 Dec.	34,200						10,745	23,455					
1996 Mar.	34,139						10,789	23,350					
June	33,621						10,791	22,830					
Sep.	33,385						10,710	22,675					
Dec.	34,135						10,750	23,385					
<b>Debt-Processing Fund / Redemption Fund for Inherited Liabilities 7</b>													
1991	27,472		14,777					11,250		1,445			
1992	91,747		11,909					13,583	2	1,676		64,577	
1993	101,230		5,437					20,197		1,676		73,921	
1994	102,428		3,740					22,003	2	1,420		75,263	
1995 Dec.	328,888			8 58,699			98,731	72,732	98	6,468	13,745	78,395	21
1996 Mar.	327,787			8 58,544			98,532	74,307	98	6,399	11,185	78,702	20
June	320,633			8 58,700			98,342	74,617	98	5,437	4,659	78,761	19
Sep.	321,924			8 58,851			98,487	77,737	98	5,974	4,681	76,078	19
Dec.	331,918			8 54,718			98,468	81,380	95	7,468	8,630	81,142	19
<b>"Use of Hard Coal" Equalisation Fund / Indemnification Fund</b>													
1995	2,220							2,220					
1996 Mar.	2,756						0	2,756					
June	2,715						1	2,714					
Sep.	2,833						4	2,829					
Dec.	3,117						9	3,108					

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* Excluding public authorities' mutual indebtedness. — 1 Excluding paper in the issuers' portfolios. — 2 Mainly loans against borrowers' notes. Including loans raised abroad. Other loans from non-banks, including liabilities arising from the investment assistance levy. — 3 Including Debt Register claims and special Federal papers. — 4 Old liabilities arising from residential construction and liabilities arising from residential construction by the former GDR's armed forces and from residential construction in connection with the return of the troops of the

former USSR in eastern Germany to their home country. — 5 Old debt mainly expressed in foreign currency, in accordance with the London Debts agreement; excluding debt securities in own portfolios. — 6 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations and municipal hospitals. — 7 At the beginning of 1995 the debt of the Debt-Processing Fund and the Treuhand agency was assumed at the Redemption Fund for Inherited Liabilities. — 8 Including medium-term notes.

VIII. Public finance

8. Changes in public sector indebtedness \*

DM million

Item	Level at end of			Net borrowing 1						
	1994	1995	Dec. 1996 pe	1995			1996			
				Total	1st-3rd qtr	4th qtr	Total pe	1st half	1st-3rd qtr	4th qtr pe
<b>Borrowers</b>										
Federal Government	712,488	756,834	839,883	+ 44,850	+ 24,013	+ 20,837	+ 83,049	+ 34,775	+ 51,112	+ 31,937
"German Unity" Fund	89,188	87,146	83,547	- 2,042	- 1,663	- 378	- 3,599	- 2,897	- 2,658	- 941
Debt-Processing Fund	102,428	-	-	-	-	-	-	-	-	-
ERP Special Fund	28,043	34,200	34,135	+ 6,157	+ 5,086	+ 1,071	- 65	- 579	- 815	+ 750
Federal Railways Fund	71,173	78,400	77,785	+ 7,228	+ 3,904	+ 3,325	- 615	- 1,558	- 1,780	+ 1,166
Inherited Liabilities Fund	-	328,888	331,918	- 9,997	- 14,004	+ 4,007	- 10,131	- 8,622	- 6,617	- 3,514
"Use of Hard Coal" Equalisation Fund	-	2,220	3,108	- 112	-	- 112	+ 888	+ 494	+ 609	+ 279
West German Länder Governments	415,052	442,536	477,354	+ 29,591	+ 15,446	+ 14,146	+ 34,819	+ 5,779	+ 19,103	+ 15,716
East German Länder Governments	55,650	69,151	80,985	+ 13,501	+ 2,869	+ 10,632	+ 11,834	+ 960	+ 3,411	+ 8,423
West German local authorities 2	155,663	159,575	165,750	+ 3,912	+ 3,287	+ 625	+ 6,175	+ 2,875	+ 3,075	+ 3,100
East German local authorities 2	32,465	37,024	38,850	+ 4,559	+ 1,835	+ 2,724	+ 1,826	+ 376	+ 826	+ 1,000
Total 3	1,662,150	1,995,974	2,133,324	+ 97,647	+ 40,772	+ 56,876	+ 124,189	+ 31,604	+ 66,268	+ 57,921
<b>Types of debt</b>										
Treasury discount paper 4	20,506	8,072	27,609	- 12,484	- 11,633	- 851	+ 19,536	+ 588	+ 11,464	+ 8,072
Treasury notes 5	169,181	219,864	217,688	- 8,030	+ 6,741	- 14,771	- 2,175	- 13,365	- 6,309	+ 4,134
Five-year special Federal bonds 5	181,737	170,719	176,164	- 11,017	- 9,826	- 1,192	+ 5,445	- 7,507	- 3,435	+ 8,879
Federal savings bonds	59,334	78,456	96,391	+ 19,122	+ 14,285	+ 4,837	+ 17,935	+ 11,539	+ 15,670	+ 2,265
Debt securities 5	465,408	607,224	631,696	+ 45,057	+ 25,382	+ 19,675	+ 24,472	+ 34,685	+ 31,440	- 6,968
Direct lending by credit institutions 6	646,855	767,253	842,790	+ 70,082	+ 23,505	+ 46,577	+ 75,538	+ 16,575	+ 29,467	+ 46,070
Loans from social security funds	5,329	4,971	4,463	- 358	- 90	- 268	- 508	- 188	- 234	- 274
Other loans 6	25,047	36,954	36,454	+ 11,644	+ 8,315	+ 3,329	- 500	- 1,635	- 760	+ 259
Old debt 7	1,575	15,304	10,164	- 16,093	- 15,635	- 457	- 13,553	- 9,090	- 9,090	- 4,463
Equalisation claims	87,098	87,079	89,826	- 277	- 272	- 5	- 2,001	-	- 1,947	- 54
Investment assistance levy	79	79	79	-	-	-	-	-	-	-
Total 3	1,662,150	1,995,974	2,133,324	+ 97,647	+ 40,772	+ 56,876	+ 124,189	+ 31,604	+ 66,268	+ 57,921
<b>Creditors</b>										
<b>Banking system</b>										
Bundesbank	11,614	9,505	8,684	- 2,110	- 1,004	- 1,105	- 821	- 821	- 821	-
Credit institutions	918,000	1,051,700	1,136,800	+ 46,800	+ 9,400	+ 37,400	+ 73,400	+ 34,500	+ 38,100	+ 35,300
<b>Domestic non-banks</b>										
Social security funds 8	5,300	5,000	4,500	- 300	- 100	- 200	- 500	- 200	- 300	- 200
Other 9 r	297,335	366,170	365,640	- 5,043	- 9,024	+ 3,981	- 1,990	- 12,775	- 5,611	+ 3,621
Foreign creditors pe r	429,900	563,600	617,700	+ 58,300	+ 41,500	+ 16,800	+ 54,100	+ 10,900	+ 34,900	+ 19,200
Total 3	1,662,150	1,995,974	2,133,324	+ 97,647	+ 40,772	+ 56,876	+ 124,189	+ 31,604	+ 66,268	+ 57,921

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* Excluding public authorities' mutual indebtedness. — 1 Net borrowing is lower than the increase in indebtedness which includes the assumption of debts. — 2 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations and municipal hospitals. — 3 In 1996 including Indemnification Fund (DM 9 million). — 4 Excluding mobilisation and liquidity paper. — 5 Excluding paper in the issuers' portfolios. — 6 Including loans raised abroad. — 7 Old

liabilities arising from residential construction and liabilities arising from the residential construction of the former GDR's armed forces and from residential construction in connection with the return of the troops of the former USSR based in eastern Germany to their home country, and old debt in accordance with the London Debts Agreement. — 8 Excluding public bonds acquired by supplementary pension funds for government employees. — 9 Ascertained as a difference.

9. Loans raised by public authorities against borrowers' notes

DM million

End of year or month	Total 1	Federal Government 2	"German Unity" Fund	Debt-Processing Fund	ERP Special Fund	Länder Governments 3	Local authorities 3, 4, 5	Federal Railways Fund	Inherited Liabilities Fund	"Use of Hard Coal" Equalisation Fund
1991	549,325	59,784	24,782	12,695	16,319	298,254	137,491	-	-	-
1992	555,633	42,028	23,345	15,261	19,650	304,656	150,693	-	-	-
1993	594,345	29,903	33,123	21,873	18,945	322,097	168,404	-	-	-
1994	661,675	17,428	35,565	23,425	17,745	349,377	181,638	36,497	-	-
1995	790,631	31,807	33,857	-	23,455	387,309	187,125	45,560	79,297	2,220
1996 Mar.	806,662	30,192	41,653	-	23,350	392,471	189,360	46,076	80,803	2,756
June	804,756	25,903	39,994	-	22,830	397,017	190,051	46,095	80,151	2,714
Sep.	824,312	28,792	40,307	-	22,675	408,737	191,288	45,876	83,808	2,829
Dec. p	858,990	33,817	39,235	-	23,385	428,265	195,082	47,155	88,942	3,108

Source: Bundesbank calculations based on data from the Federal Statistical Office. — 1 Excluding Debt Register claims and cash advances. Including small amounts of: mortgage loans, land charges in annuity and other forms, and debts outstanding. — 2 Including Equalisation of Burdens Fund. —

3 From 1991, in the whole of Germany. — 4 Data other than end-of-year figures have been estimated. Including municipal special-purpose associations and municipal hospitals. — 5 Including contractually agreed loans.



VIII. Public finance

12. Receipts, expenditure and assets of the wage and salary earners' pension insurance funds

DM million

Period	Receipts 1			Expenditure 1			Balance of receipts and expenditure	Assets 5					Memorandum item Administrative assets
	Total	of which		Total	of which			Total	Deposits 6	Securities	Mortgage and other loans 7	Real estate	
		Contributions 2	Federal payments		Pension payments 3	Pensioners' health insurance 4							
<b>Western Germany</b>													
1992	238,428	193,310	39,806	228,049	195,812	11,781	+ 10,379	49,812	38,319	10,055	1,307	131	5,839
1993	243,119	196,357	41,837	248,866	207,633	13,064	- 5,747	39,786	29,957	8,499	1,100	229	6,297
1994	267,265	215,758	48,108	266,443	220,744	14,375	+ 822	33,578	24,194	8,170	909	305	6,890
1995	276,302	225,324	47,979	279,226	230,222	15,923	- 2,924	21,756	16,801	3,948	746	262	7,800
1996 pe 8	288,070	236,037	49,778	288,061	238,123	16,778	+ 9	14,485	9,616	2,135	2,506	228	8,555
1996 2nd qtr	71,259	57,684	12,768	70,965	58,827	4,006	+ 294	15,789	9,718	3,234	2,580	257	8,062
3rd qtr	70,558	57,743	12,466	72,620	59,960	4,357	- 2,062	11,126	5,554	2,789	2,544	239	8,288
4th qtr	77,065	64,761	11,806	72,530	59,959	4,383	+ 4,535	14,485	9,616	2,135	2,506	228	8,555
1997 1st qtr	73,877	59,293	13,931	72,950	60,823	4,414	+ 927	13,364	8,624	2,039	2,471	230	8,783
<b>Eastern Germany</b>													
1992	42,324	32,553	9,463	46,918	40,017	2,515	- 4,594	.	.	.	.	.	.
1993	53,241	36,051	10,834	55,166	45,287	2,834	- 1,925	.	.	.	.	.	.
1994	63,001	40,904	13,783	65,811	53,136	3,376	- 2,810	.	.	.	.	.	.
1995	70,774	44,970	16,408	77,780	63,812	4,362	- 7,006	.	.	.	.	.	.
1996 pe	73,714	46,555	17,930	83,721	68,721	4,823	- 10,007	.	.	.	.	.	.
1996 2nd qtr	18,291	11,630	4,400	20,997	17,048	1,139	- 2,706	.	.	.	.	.	.
3rd qtr	18,104	11,227	4,426	20,945	17,297	1,259	- 2,841	.	.	.	.	.	.
4th qtr	19,680	12,664	4,730	20,912	17,082	1,274	- 1,232	.	.	.	.	.	.
1997 1st qtr	19,492	11,885	4,822	21,276	17,378	1,264	- 1,784	.	.	.	.	.	.

Source: Federal Minister of Labour and Social Affairs and Association of German Pension Insurance Funds. — 1 The annual figures differ from the sum of the quarterly figures, as the latter are all provisional. From 1993 including financial compensation payments. — 2 Including contributions for recipients of public financial benefits. — 3 Payments by pension insurance funds to health insurance institutions under section 50 of the Social Security Code V have been deducted from pension payments. — 4 From 1995

including nursing insurance scheme for pensioners. — 5 Largely corresponds to fluctuation reserves. Level at the end of the year or quarter. From 1992 figures for the whole of Germany. — 6 Including cash resources. — 7 Excluding loans to other social security funds; including participating interests. — 8 Excluding receipts arising from the higher valuation of participating interests.

13. Receipts, expenditure and assets of the Federal Labour Office

DM million

Period	Receipts			Expenditure				Balance of receipts and expenditure	Subsidies or working fund credits of the Federal Government	Assets 6			
	Total 1	of which		Total	of which					Total	Deposits 7	Securities	Loans 8
		Contributions	Levies 2		Unemployment relief 3, 4	Promotion of winter construction	Promotion of vocational training 4, 5						
<b>Western Germany</b>													
1992	76,368	73,365	1,440	47,508	21,742	1,373	17,648	+ 28,860	-	72	0	68	5
1993	81,509	76,326	1,820	58,970	34,149	1,467	15,895	+ 22,540	-	65	-	62	3
1994	85,873	77,807	3,809	58,244	35,163	1,366	14,382	+ 27,629	-	57	-	54	3
1995	86,195	80,398	2,942	61,322	36,161	1,168	16,745	+ 24,873	-	52	-	50	2
1996	87,885	81,189	3,334	67,362	40,186	655	18,368	+ 20,523	-	45	-	43	2
1996 2nd qtr	21,114	19,391	738	16,907	10,159	261	4,639	+ 4,206	-	49	-	47	2
3rd qtr	21,699	20,038	944	16,010	9,716	55	4,397	+ 5,689	-	47	-	45	2
4th qtr	24,755	22,473	1,363	18,248	10,515	12	5,046	+ 6,507	-	45	-	43	2
1997 1st qtr	20,317	19,288	350	16,678	10,678	146	4,019	+ 3,639	-	.	.	.	.
<b>Eastern Germany</b>													
1992	3,313	3,297	3	46,015	14,569	357	20,228	- 42,702	8,940	-	-	-	-
1993	3,600	3,569	8	50,566	13,856	452	20,996	- 46,966	24,419	-	-	-	-
1994	3,785	3,730	13	41,619	13,179	456	16,891	- 37,835	10,142	-	-	-	-
1995	4,016	3,956	15	35,781	13,094	418	17,696	- 31,765	6,887	-	-	-	-
1996	3,941	3,884	12	38,226	16,938	247	18,111	- 34,286	13,756	-	-	-	-
1996 2nd qtr	937	922	4	9,600	4,386	99	4,411	- 8,662	4,813	-	-	-	-
3rd qtr	998	985	2	9,297	4,051	18	4,520	- 8,299	1,845	-	-	-	-
4th qtr	1,070	1,058	1	10,611	4,430	2	5,291	- 9,541	1,770	-	-	-	-
1997 1st qtr	899	885	3	9,646	4,858	64	4,053	- 8,747	5,703	-	-	-	-

Source: Federal Labour Office. — 1 Excluding Federal Government liquidity assistance. — 2 Levies to promote winter construction and to pay bankruptcy compensation to employees. — 3 Unemployment benefits, short-time-working benefits. Including the integration allowance paid to resettlers from eastern Europe and emigrants from the GDR as a replacement for the unemployment benefits. — 4 Including contributions to

the statutory health insurance, and to the pension insurance funds. — 5 Vocational training, measures to foster the commencement of work, rehabilitation and job creation measures. — 6 Excluding administrative assets. Level at the end of the year or quarter. — 7 Including cash resources. — 8 Excluding loans out of budgetary expenditure; including participating interests.



IX. Economic conditions

1. Origin and expenditure of domestic product, distribution of national income  
Germany

Item	1992	1993 p	1994 p	1995 p	1996 p	1993 p	1994 p	1995 p	1996 p	1993 p	1994 p	1995 p	1996 p
	DM billion					Change from previous year in %				Percentage of total			
<b>at current prices</b>													
<b>I. Origin of domestic product</b>													
Agriculture and forestry 1	40.6	36.5	36.1	35.8	37.2	- 10.2	- 1.2	- 0.6	+ 3.7	1.2	1.1	1.0	1.0
Producing sector	1,117.1	1,074.2	1,113.7	1,145.5	1,143.5	- 3.8	+ 3.7	+ 2.9	- 0.2	34.0	33.5	33.1	32.3
Distribution, transportation 2	438.5	446.3	458.8	473.4	471.5	+ 1.8	+ 2.8	+ 3.2	- 0.4	14.1	13.8	13.7	13.3
Services 3	951.2	1,041.2	1,126.2	1,201.4	1,281.1	+ 9.5	+ 8.2	+ 6.7	+ 6.6	33.0	33.9	34.7	36.2
Enterprises	2,547.4	2,598.2	2,734.8	2,856.2	2,933.2	+ 2.0	+ 5.3	+ 4.4	+ 2.7	82.3	82.4	82.6	82.8
Government, households, etc. 4	427.4	449.4	459.9	476.5	486.8	+ 5.1	+ 2.3	+ 3.6	+ 2.1	14.2	13.9	13.8	13.7
Gross value added do. adjusted 5	2,974.8	3,047.6	3,194.7	3,332.7	3,420.0	+ 2.4	+ 4.8	+ 4.3	+ 2.6	96.5	96.2	96.4	96.6
Gross domestic product	2,845.5	2,912.5	3,055.4	3,190.9	3,272.7	+ 2.4	+ 4.9	+ 4.4	+ 2.6	92.2	92.0	92.3	92.4
Gross domestic product	3,075.6	3,158.1	3,320.4	3,457.4	3,541.0	+ 2.7	+ 5.1	+ 4.1	+ 2.4	100	100	100	100
<b>II. Expenditure of domestic product</b>													
Private consumption	1,754.7	1,829.8	1,902.9	1,974.7	2,039.1	+ 4.3	+ 4.0	+ 3.8	+ 3.3	57.9	57.3	57.1	57.6
Government consumption	616.3	634.2	650.2	675.4	695.4	+ 2.9	+ 2.5	+ 3.9	+ 3.0	20.1	19.6	19.5	19.6
Machinery and equipment	301.8	261.5	257.8	262.7	269.8	- 13.4	- 1.4	+ 1.9	+ 2.7	8.3	7.8	7.6	7.6
Construction	407.6	427.7	471.5	488.0	473.8	+ 4.9	+ 10.2	+ 3.5	- 2.9	13.5	14.2	14.1	13.4
Increase in stocks	- 3.5	- 11.6	+ 16.4	+ 27.7	+ 17.0	.	.	.	.	- 0.4	0.5	0.8	0.5
Domestic expenditure	3,076.8	3,141.7	3,298.8	3,428.4	3,495.2	+ 2.1	+ 5.0	+ 3.9	+ 1.9	99.5	99.4	99.2	98.7
Foreign balance	- 1.2	+ 16.4	+ 21.6	+ 29.0	+ 45.8	.	.	.	.	0.5	0.6	0.8	1.3
Exports	732.1	698.0	758.6	817.2	859.7	- 4.6	+ 8.7	+ 7.7	+ 5.2	22.1	22.8	23.6	24.3
Imports	733.2	681.6	737.0	788.2	813.9	- 7.0	+ 8.1	+ 6.9	+ 3.3	21.6	22.2	22.8	23.0
Gross domestic product	3,075.6	3,158.1	3,320.4	3,457.4	3,541.0	+ 2.7	+ 5.1	+ 4.1	+ 2.4	100	100	100	100
<b>III. Distribution of national income</b>													
Compensation of employees 6	1,741.2	1,777.7	1,821.0	1,875.7	1,895.2	+ 2.1	+ 2.4	+ 3.0	+ 1.0	74.2	72.8	71.6	71.1
Entrepreneurial and property income	628.9	618.7	680.3	744.3	771.4	- 1.6	+ 10.0	+ 9.4	+ 3.6	25.8	27.2	28.4	28.9
National income	2,370.1	2,396.4	2,501.3	2,620.0	2,666.6	+ 1.1	+ 4.4	+ 4.7	+ 1.8	100	100	100	100
Memorandum item													
Gross national product	3,094.6	3,164.5	3,312.9	3,444.8	3,506.8	+ 2.3	+ 4.7	+ 4.0	+ 1.8				
<b>at 1991 prices</b>													
<b>IV. Origin of domestic product</b>													
Agriculture and forestry 1	48.1	45.5	43.8	45.0	47.4	- 5.3	- 3.8	+ 2.8	+ 5.2	1.6	1.5	1.5	1.5
Producing sector	1,064.5	1,000.5	1,027.7	1,034.1	1,030.1	- 6.0	+ 2.7	+ 0.6	- 0.4	34.7	34.6	34.2	33.6
Distribution, transportation 2	424.7	424.8	430.5	439.1	443.5	+ 0.0	+ 1.4	+ 2.0	+ 1.0	14.7	14.5	14.5	14.5
Services 3	882.5	918.9	959.6	1,003.3	1,051.0	+ 4.1	+ 4.4	+ 4.6	+ 4.7	31.9	32.4	33.2	34.3
Enterprises	2,419.8	2,389.6	2,461.6	2,521.5	2,571.9	- 1.2	+ 3.0	+ 2.4	+ 2.0	82.9	83.0	83.4	83.9
Government, households, etc. 4	395.5	400.5	406.3	409.4	411.6	+ 1.3	+ 1.4	+ 0.8	+ 0.5	13.9	13.7	13.5	13.4
Gross value added do. adjusted 5	2,815.3	2,790.1	2,867.9	2,930.8	2,983.5	- 0.9	+ 2.8	+ 2.2	+ 1.8	96.8	96.7	96.9	97.4
Gross domestic product	2,695.5	2,665.4	2,736.6	2,794.7	2,836.0	- 1.1	+ 2.7	+ 2.1	+ 1.5	92.4	92.3	92.4	92.5
Gross domestic product	2,916.4	2,883.6	2,966.2	3,023.4	3,064.6	- 1.1	+ 2.9	+ 1.9	+ 1.4	100	100	100	100
<b>V. Expenditure of domestic product</b>													
Private consumption	1,676.0	1,680.3	1,697.9	1,728.8	1,751.4	+ 0.3	+ 1.0	+ 1.8	+ 1.3	58.3	57.2	57.2	57.1
Government consumption	580.7	580.4	588.2	600.0	614.2	- 0.0	+ 1.3	+ 2.0	+ 2.4	20.1	19.8	19.8	20.0
Machinery and equipment	296.2	254.5	251.6	256.6	262.7	- 14.1	- 1.2	+ 2.0	+ 2.4	8.8	8.5	8.5	8.6
Construction	383.1	386.4	416.2	421.2	410.0	+ 0.9	+ 7.7	+ 1.2	- 2.7	13.4	14.0	13.9	13.4
Increase in stocks	- 0.0	- 5.2	+ 23.4	+ 31.7	+ 23.9	.	.	.	.	- 0.2	0.8	1.0	0.8
Domestic expenditure	2,936.0	2,896.4	2,977.2	3,038.3	3,062.2	- 1.3	+ 2.8	+ 2.1	+ 0.8	100.4	100.4	100.5	99.9
Foreign balance	- 19.6	- 12.8	- 11.0	- 14.9	+ 2.4	.	.	.	.	- 0.4	- 0.4	- 0.5	0.1
Exports	724.6	689.1	744.3	788.5	826.9	- 4.9	+ 8.0	+ 5.9	+ 4.9	23.9	25.1	26.1	27.0
Imports	744.2	701.9	755.3	803.4	824.5	- 5.7	+ 7.6	+ 6.4	+ 2.6	24.3	25.5	26.6	26.9
Gross domestic product	2,916.4	2,883.6	2,966.2	3,023.4	3,064.6	- 1.1	+ 2.9	+ 1.9	+ 1.4	100	100	100	100

Source: Federal Statistical Office. — 1 Including fishing. — 2 Including telecommunications. — 3 Credit institutions, insurance enterprises, letting of dwellings and other services. — 4 Including private non-commercial organisations. — 5 Gross value added by all economic sectors less imputed re-

muneration for bank services. — 6 Including employers' contributions to social security funds and other social security expenditure by employers (inter alia on company old-age pension schemes).



IX. Economic conditions

3. Orders received by the manufacturing sector

Per calendar month

Period	Manufacturing											
	Total		Domestic orders		Foreign orders		Intermediate goods industries		Capital goods industries		Durable and non-durable consumer goods industries	
	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %
<b>Germany</b>												
1993	90.5	- 7.0	89.2	- 9.2	93.1	- 2.5	91.3	- 6.8	90.3	- 6.3	88.7	- 8.7
1994	98.0	+ 8.3	94.0	+ 5.4	105.9	+ 13.7	99.4	+ 8.9	98.6	+ 9.2	93.4	+ 5.3
1995	100.6	+ 2.7	96.6	+ 2.8	108.6	+ 2.5	101.2	+ 1.8	103.8	+ 5.3	93.4	+ 0.0
1996	100.1	- 0.5	93.2	- 3.5	113.9	+ 4.9	99.0	- 2.2	104.3	+ 0.5	95.0	+ 1.7
1996 Apr.	99.9	+ 6.6	93.9	+ 3.9	111.8	+ 11.7	99.8	+ 1.6	103.0	+ 12.4	94.6	+ 9.5
May	97.6	- 6.0	90.5	- 10.3	111.8	+ 2.1	98.3	- 6.7	100.2	- 7.3	91.0	- 1.0
June	99.5	- 1.2	94.1	- 1.3	110.2	- 1.2	98.3	- 5.2	107.7	+ 3.7	87.6	+ 0.1
July	102.5	+ 5.5	95.5	+ 1.4	116.5	+ 12.9	100.6	+ 4.7	111.2	+ 4.8	91.5	+ 9.2
Aug.	92.8	- 0.3	87.8	- 4.6	102.8	+ 8.0	92.4	- 1.7	93.7	- 0.3	92.0	+ 3.4
Sep.	103.0	- 2.4	96.3	- 5.7	116.5	+ 3.8	101.5	+ 0.2	105.7	- 6.6	101.9	+ 0.1
Oct.	105.2	+ 8.5	97.3	+ 4.3	120.9	+ 15.7	106.7	+ 7.8	105.0	+ 10.5	101.5	+ 5.7
Nov.	101.9	- 1.2	94.0	- 6.4	117.7	+ 8.4	102.5	+ 1.9	105.8	- 4.3	93.5	- 2.7
Dec.	92.1	- 1.5	83.3	- 4.4	109.6	+ 3.0	89.9	+ 0.9	101.1	- 4.8	80.9	- 0.7
1997 Jan.	102.7	+ 3.2	91.5	- 2.5	125.3	+ 13.1	102.3	+ 2.3	106.0	+ 5.2	97.8	+ 2.0
Feb.	101.8	+ 2.6	90.7	- 0.8	124.1	+ 8.0	101.7	+ 5.2	102.3	- 0.4	101.2	+ 1.8
Mar. P	106.7	- 1.1	95.4	- 4.9	129.5	+ 5.2	103.8	+ 2.3	109.8	- 4.6	108.4	- 1.8
<b>Western Germany</b>												
1993	89.9	- 7.8	88.0	- 10.1	94.0	- 2.8	90.9	- 7.6	89.7	- 7.1	88.1	- 9.4
1994	97.1	+ 8.0	91.9	+ 4.4	107.5	+ 14.4	98.4	+ 8.3	98.0	+ 9.3	92.2	+ 4.7
1995	98.9	+ 1.9	93.6	+ 1.8	109.6	+ 2.0	99.3	+ 0.9	102.2	+ 4.3	92.3	+ 0.1
1996	98.7	- 0.2	90.4	- 3.4	115.1	+ 5.0	96.9	- 2.4	103.9	+ 1.7	93.8	+ 1.6
1996 Apr.	98.8	+ 6.8	91.6	+ 3.9	113.2	+ 12.1	97.9	+ 1.5	103.2	+ 13.5	93.2	+ 9.1
May	96.1	- 5.0	87.5	- 9.2	113.1	+ 2.1	96.2	- 7.0	99.5	- 4.4	89.6	- 1.3
June	97.4	- 2.0	90.5	- 2.2	111.0	- 1.8	96.0	- 5.7	105.7	+ 2.1	86.3	- 0.1
July	101.1	+ 4.6	93.1	+ 0.4	117.1	+ 11.7	98.6	+ 4.1	110.7	+ 3.4	90.6	+ 8.5
Aug.	91.3	+ 0.2	84.9	- 4.9	104.0	+ 9.9	89.9	- 2.1	93.5	+ 1.6	90.9	+ 3.6
Sep.	101.6	- 2.6	93.5	- 6.3	117.8	+ 4.0	99.2	+ 0.0	105.7	- 6.8	100.6	- 0.2
Oct.	104.0	+ 9.6	94.8	+ 5.8	122.3	+ 16.1	104.6	+ 7.6	105.2	+ 14.6	100.4	+ 5.9
Nov.	100.4	+ 0.9	91.0	- 3.8	118.9	+ 8.8	100.2	+ 1.7	105.3	+ 1.4	92.0	- 2.6
Dec.	90.5	- 1.2	80.4	- 3.9	110.4	+ 3.0	88.0	+ 0.7	99.8	- 3.8	79.9	- 0.7
1997 Jan.	101.2	+ 3.0	88.8	- 2.8	125.8	+ 12.3	100.1	+ 2.0	105.6	+ 4.7	96.4	+ 1.9
Feb.	100.4	+ 2.4	88.0	- 0.9	124.9	+ 7.4	99.6	+ 4.7	101.7	- 0.4	100.0	+ 1.9
Mar. P	104.9	- 1.8	92.5	- 5.4	129.4	+ 3.9	101.5	+ 2.1	108.3	- 6.2	107.3	- 1.9
<b>Eastern Germany</b>												
1993	104.9	+ 14.1	120.0	+ 14.6	69.7	+ 11.7	102.4	+ 14.8	104.7	+ 11.7	114.9	+ 20.1
1994	122.6	+ 16.9	147.4	+ 22.8	64.3	- 7.7	128.0	+ 25.0	111.4	+ 6.4	139.4	+ 21.3
1995	141.2	+ 15.2	164.8	+ 11.8	81.0	+ 26.0	147.6	+ 15.3	135.5	+ 21.6	137.5	- 1.4
1996	134.1	- 5.0	155.5	- 5.6	79.6	- 1.7	152.0	+ 3.0	112.6	- 16.9	144.7	+ 5.2
1996 Apr.	126.9	+ 3.3	147.8	+ 4.1	73.5	- 0.5	147.0	+ 6.1	100.1	- 4.0	148.5	+ 13.2
May	134.7	- 18.8	159.1	- 21.7	72.7	+ 2.4	150.6	- 3.2	114.9	- 37.5	147.1	+ 6.4
June	150.5	+ 13.1	175.4	+ 10.6	87.0	+ 27.8	157.8	+ 2.9	145.6	+ 31.6	140.4	+ 1.8
July	136.0	+ 24.8	150.0	+ 15.6	100.4	+ 79.0	152.1	+ 14.2	121.7	+ 40.7	126.6	+ 28.7
Aug.	127.6	- 10.4	151.8	- 1.2	66.0	- 41.9	155.0	+ 2.4	96.3	- 27.4	137.6	- 4.0
Sep.	137.4	+ 3.5	160.3	+ 4.2	79.2	+ 0.4	161.4	+ 5.2	106.8	- 1.3	158.6	+ 10.0
Oct.	133.9	- 10.3	155.0	- 11.8	80.0	- 2.2	161.2	+ 11.9	102.0	- 34.6	146.5	+ 1.3
Nov.	140.2	- 26.8	162.2	- 30.1	84.1	- 3.8	159.6	+ 4.2	116.5	- 51.2	153.0	- 5.8
Dec.	131.4	- 7.2	149.8	- 8.9	84.4	+ 1.1	138.9	+ 5.3	126.0	- 19.1	121.5	- 3.6
1997 Jan.	139.0	+ 9.5	151.1	+ 2.6	108.3	+ 44.2	159.3	+ 7.9	113.4	+ 14.5	156.2	+ 3.6
Feb.	136.7	+ 5.9	151.1	+ 0.3	100.0	+ 35.1	154.2	+ 11.8	113.5	- 0.3	155.2	+ 2.1
Mar. P	151.8	+ 13.0	159.7	+ 2.2	131.7	+ 68.2	164.3	+ 6.5	138.3	+ 27.5	153.8	+ 0.3

Source: Federal Statistical Office. — 1 Figures not fully comparable owing to the switch in data collection to an EU-consistent industrial classification.







IX. Economic conditions

8. Households' income  
Germany

Period	Gross wages and salaries <sup>1</sup>		Net wages and salaries <sup>o, 2</sup>		Government current transfers <sup>o, 3</sup>		"Mass income" <sup>o, 4</sup>		Disposable income <sup>5</sup>		Private saving <sup>6</sup>		Saving ratio <sup>7</sup>
	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	
1991	1,354.8	.	942.7	.	415.3	.	1,358.0	.	1,892.2	.	261.9	.	13.8
1992	1,462.8	+ 8.0	1,000.7	+ 6.2	460.5	+ 10.9	1,461.2	+ 7.6	2,037.2	+ 7.7	282.5	+ 7.9	13.9
1993 P	1,488.1	+ 1.7	1,017.3	+ 1.7	495.4	+ 7.6	1,512.7	+ 3.5	2,101.8	+ 3.2	272.0	- 3.7	12.9
1994 P	1,510.9	+ 1.5	1,014.4	- 0.3	515.6	+ 4.1	1,530.0	+ 1.1	2,169.8	+ 3.2	266.9	- 1.8	12.3
1995 P	1,553.7	+ 2.8	1,015.9	+ 0.2	544.7	+ 5.6	1,560.7	+ 2.0	2,252.7	+ 3.8	278.0	+ 4.1	12.3
1996 P	1,564.5	+ 0.7	1,037.7	+ 2.1	549.4	+ 0.9	1,587.1	+ 1.7	2,328.4	+ 3.4	289.2	+ 4.0	12.4
1995 1st qtr P	355.2	+ 2.3	238.0	+ 0.6	135.7	+ 5.7	373.7	+ 2.4	548.3	+ 2.9	75.4	+ 1.4	13.7
2nd qtr P	371.4	+ 3.4	239.9	+ 0.0	132.9	+ 5.6	372.8	+ 1.9	548.8	+ 4.9	58.6	+ 2.3	10.7
3rd qtr P	385.9	+ 3.3	257.1	+ 0.5	136.4	+ 4.1	393.4	+ 1.7	547.4	+ 4.1	58.1	+ 7.6	10.6
4th qtr P	441.3	+ 2.4	281.0	- 0.4	139.7	+ 7.2	420.8	+ 2.0	608.2	+ 3.4	85.9	+ 5.6	14.1
1996 1st qtr P	362.5	+ 2.1	245.6	+ 3.2	137.6	+ 1.4	383.2	+ 2.5	572.1	+ 4.3	80.9	+ 7.4	14.1
2nd qtr P	373.7	+ 0.6	246.3	+ 2.7	135.5	+ 1.9	381.8	+ 2.4	565.0	+ 3.0	61.2	+ 4.5	10.8
3rd qtr P	387.9	+ 0.5	262.9	+ 2.3	136.5	+ 0.1	399.3	+ 1.5	564.1	+ 3.1	58.5	+ 0.7	10.4
4th qtr P	440.5	- 0.2	283.0	+ 0.7	139.8	+ 0.1	422.8	+ 0.5	627.1	+ 3.1	88.6	+ 3.2	14.1

Source: Calculated by the Bundesbank on the basis of figures provided by the Federal Statistical Office. — <sup>o</sup> Modified definition as a result of the revision of the accounting of child benefit. — <sup>1</sup> Including employers' other social security expenditure (inter alia on company old-age pension schemes but excluding employers' contributions to social security funds); residence concept. — <sup>2</sup> After deducting wage tax payable on gross wages and salaries and employees' contributions to social security funds. From the beginning of 1996 including the child benefit payable to wage and salary earners. — <sup>3</sup> Social security pensions, maintenance payments and civil servants' pen-

sions (net), less households' transfers to government. From the beginning of 1996 excluding the child benefit paid to wage and salary earners, but including, as before, the child benefit paid to non-tax-payers. — <sup>4</sup> Net wages and salaries plus government current transfers. — <sup>5</sup> "Mass income" plus all households' property income and plus self-employed persons' private withdrawals from entrepreneurial income, less current transfers to non-residents. — <sup>6</sup> Including claims on company pension funds. — <sup>7</sup> Saving as a percentage of disposable income.

9. Pay rates and actual earnings

Period	Overall economy						Producing sector (including construction)					
	Negotiated wage and salary level <sup>1</sup>				Wages and salaries per employee (work-place concept) <sup>2</sup>		Negotiated wage and salary level <sup>1</sup>				Wages and salaries per employee (work-place concept) <sup>2</sup>	
	on an hourly basis		on a monthly basis				on an hourly basis		on a monthly basis			
	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year
<b>Western Germany</b>												
1994 P	113.5	+ 2.0	112.1	+ 1.6	110.9	+ 1.9	114.8	+ 2.0	111.8	+ 1.1	112.8	+ 3.6
1995 P	118.0	+ 3.9	116.3	+ 3.7	114.3	+ 3.1	120.7	+ 5.1	117.0	+ 4.6	.	.
1996 P	120.7	+ 2.3	118.5	+ 1.9	116.5	+ 1.9	124.7	+ 3.3	119.8	+ 2.4	.	.
1996 4th qtr P	136.9	+ 1.5	134.4	+ 1.5	131.5	+ 1.3	139.4	+ 1.7	133.8	+ 1.6	.	.
1997 1st qtr P	111.9	+ 1.6	109.9	+ 1.6	.	.	115.4	+ 2.1	110.7	+ 1.9	.	.
1996 Sep. P	111.3	+ 2.3	109.4	+ 1.9	.	.	114.2	+ 4.1	109.7	+ 2.8	.	.
Oct. P	111.4	+ 1.9	109.4	+ 1.9	.	.	114.3	+ 2.8	109.7	+ 2.8	.	.
Nov. P	187.8	+ 1.4	184.5	+ 1.4	.	.	189.8	+ 1.4	182.1	+ 1.2	.	.
Dec. P	111.4	+ 1.2	109.4	+ 1.2	.	.	114.3	+ 1.2	109.7	+ 1.0	.	.
1997 Jan. P	111.9	+ 1.6	109.9	+ 1.6	.	.	115.3	+ 2.2	110.6	+ 1.9	.	.
Feb. P	111.9	+ 1.6	109.9	+ 1.6	.	.	115.3	+ 2.1	110.7	+ 1.9	.	.
Mar. P	112.0	+ 1.6	110.0	+ 1.6	.	.	115.4	+ 2.1	110.7	+ 1.9	.	.
<b>Eastern Germany</b>												
1994 P	169.6	+ 8.9	164.6	+ 8.2	168.3	+ 6.1	180.5	+ 14.9	172.4	+ 12.8	207.8	+ 12.6
1995 P	184.0	+ 8.5	177.4	+ 7.7	178.7	+ 6.2	206.1	+ 14.2	194.0	+ 12.5	.	.
1996 P	193.3	+ 5.0	185.9	+ 4.8	184.9	+ 3.5	222.5	+ 8.0	208.1	+ 7.3	.	.
1996 4th qtr P	213.8	+ 3.2	205.4	+ 3.0	203.1	+ 2.4	239.4	+ 6.4	222.7	+ 5.2	.	.
1997 1st qtr P	184.4	+ 3.0	177.0	+ 2.8	.	.	215.2	+ 5.9	200.0	+ 5.0	.	.
1996 Sep. P	182.9	+ 4.3	176.1	+ 4.3	.	.	211.7	+ 6.6	198.3	+ 6.1	.	.
Oct. P	183.5	+ 3.3	176.3	+ 3.1	.	.	213.8	+ 6.2	198.8	+ 5.0	.	.
Nov. P	274.2	+ 3.2	263.5	+ 2.9	.	.	290.4	+ 6.7	270.1	+ 5.5	.	.
Dec. P	183.7	+ 3.2	176.5	+ 3.0	.	.	214.2	+ 6.2	199.2	+ 5.0	.	.
1997 Jan. P	184.4	+ 3.0	177.0	+ 2.9	.	.	215.2	+ 6.0	199.9	+ 5.0	.	.
Feb. P	184.4	+ 2.9	177.0	+ 2.8	.	.	215.2	+ 5.7	200.0	+ 4.7	.	.
Mar. P	184.5	+ 3.0	177.1	+ 2.8	.	.	215.3	+ 6.1	200.0	+ 5.2	.	.

<sup>1</sup> Results of the recalculation; current data are normally revised upwards on account of additional reports. For methodological notes see Deutsche Bundesbank, The movement of negotiated wage rates and actual earnings

since the mid-eighties, Monthly Report, August 1994, page 43 f. — <sup>2</sup> Source: Federal Statistical Office.





X. Foreign trade and payments

2. Foreign trade (special trade),  
by group of countries and country \*

DM million

Group of countries / Country	1994	1995 †	1996 1	1996				1997		
				September	October	November	December	January P	February P	
All countries 2	Exports Imports Balance	694,685 622,923 + 71,762	749,537 664,234 + 85,303	784,331 685,744 + 98,588	63,818 55,304 + 8,513	74,574 63,585 +10,989	70,548 60,263 +10,285	66,198 58,461 + 7,737	64,400 58,800 + 5,600	67,800 58,600 + 9,200
I. Industrialised countries	Exports Imports Balance	532,969 474,190 + 58,779	575,750 511,570 + 64,179	596,889 525,795 + 71,093	48,270 41,399 + 6,871	56,406 49,005 + 7,402	52,732 46,229 + 6,503	49,661 45,395 + 4,266	...	...
1. EU member countries	Exports Imports Balance	400,596 343,376 + 57,220	435,907 374,908 + 61,000	447,938 384,574 + 63,364	35,602 29,482 + 6,120	41,873 36,223 + 5,650	38,925 33,713 + 5,213	38,011 33,913 + 4,098	...	...
of which										
Austria	Exports Imports Balance	39,738 29,398 + 10,340	41,702 26,034 + 15,668	44,469 26,352 + 18,118	3,684 2,352 + 1,332	4,448 2,388 + 2,060	3,792 2,459 + 1,333	3,588 2,302 + 1,286	...	...
Belgium and Luxembourg	Exports Imports Balance	46,791 38,048 + 8,743	49,139 43,965 + 5,174	49,457 44,029 + 5,427	4,024 3,714 + 310	4,827 4,499 + 328	4,284 3,724 + 560	4,477 3,669 + 809	...	...
France	Exports Imports Balance	83,092 68,330 + 14,762	87,862 73,086 + 14,776	86,492 74,024 + 12,468	6,785 5,405 + 1,380	7,828 6,971 + 857	7,135 6,436 + 700	7,426 5,959 + 1,468	...	...
Italy	Exports Imports Balance	52,469 51,830 + 639	56,874 56,825 + 49	58,969 57,266 + 1,703	4,782 4,098 + 684	5,361 5,355 + 6	5,031 4,899 + 132	4,737 4,877 - 140	...	...
Netherlands	Exports Imports Balance	52,765 51,652 + 1,113	57,118 58,176 - 1,058	58,925 60,036 - 1,111	4,719 4,580 + 138	5,726 5,484 + 242	5,020 5,123 - 103	5,014 5,847 - 833	...	...
Spain	Exports Imports Balance	21,866 17,307 + 4,559	25,795 20,837 + 4,957	28,349 22,776 + 5,573	2,079 1,648 + 431	2,631 1,985 + 646	2,632 2,151 + 481	2,432 2,055 + 377	...	...
Sweden	Exports Imports Balance	15,322 14,036 + 1,286	18,399 13,938 + 4,461	18,952 14,467 + 4,486	1,550 1,059 + 491	1,864 1,329 + 535	1,803 1,306 + 497	1,590 1,202 + 388	...	...
United Kingdom	Exports Imports Balance	55,395 38,681 + 16,714	61,912 43,569 + 18,343	63,432 47,494 + 15,938	4,791 3,712 + 1,079	5,592 4,764 + 828	5,827 4,383 + 1,443	5,398 4,607 + 792	...	...
2. Other European industrial countries	Exports Imports Balance	50,495 45,164 + 5,332	56,311 48,173 + 8,138	57,409 50,806 + 6,602	4,760 4,561 + 199	5,380 4,976 + 403	5,309 4,672 + 636	4,327 4,445 - 118	...	...
of which										
Switzerland	Exports Imports Balance	37,065 26,610 + 10,455	39,680 28,168 + 11,512	37,793 27,381 + 10,412	3,225 2,507 + 718	3,442 2,444 + 998	3,377 2,614 + 764	2,641 2,114 + 526	...	...
3. Non-European industrial countries	Exports Imports Balance	81,878 85,650 - 3,773	83,531 88,489 - 4,958	91,542 90,415 + 1,127	7,908 7,356 + 552	9,153 7,805 + 1,348	8,497 7,844 + 653	7,323 7,037 + 286	...	...
of which										
Japan	Exports Imports Balance	17,918 34,144 - 16,226	18,842 35,411 - 16,569	21,191 34,098 - 12,906	1,886 2,772 - 885	2,005 2,804 - 798	2,004 2,849 - 845	1,591 2,605 - 1,014	...	...
United States	Exports Imports Balance	54,158 44,679 + 9,478	54,611 45,289 + 9,321	60,112 48,980 + 11,132	5,165 3,991 + 1,174	6,248 4,420 + 1,828	5,564 4,376 + 1,189	4,851 3,937 + 914	...	...
II. Countries in transition	Exports Imports Balance	64,079 65,550 - 1,470	71,819 74,490 - 2,671	82,673 80,130 + 2,543	6,963 7,087 - 124	8,231 7,572 + 659	8,561 7,329 + 1,232	7,219 6,875 + 344	...	...
of which										
Central and east European countries in transition	Exports Imports Balance	52,109 49,362 + 2,747	59,718 57,891 + 1,827	70,031 61,722 + 8,308	5,995 5,378 + 617	6,797 5,823 + 974	6,911 5,677 + 1,234	5,943 5,441 + 502	...	...
China	Exports Imports Balance	10,297 15,400 - 5,103	10,784 15,989 - 5,206	10,889 17,917 - 7,028	828 1,665 - 837	1,200 1,693 - 493	1,506 1,614 - 109	1,114 1,385 - 272	...	...
III. Developing countries	Exports Imports Balance	92,358 77,012 + 15,346	100,028 77,543 + 22,485	102,512 78,171 + 24,341	8,381 6,755 + 1,627	9,723 6,943 + 2,780	9,106 6,637 + 2,469	9,042 6,132 + 2,909	...	...
of which										
Newly industrialising countries in south-east Asia 3	Exports Imports Balance	37,244 34,650 + 2,594	42,014 35,492 + 6,522	44,458 35,527 + 8,931	3,590 3,091 + 499	4,312 3,208 + 1,104	3,821 3,190 + 631	3,897 2,725 + 1,172	...	...
OPEC countries	Exports Imports Balance	17,544 12,926 + 4,619	16,811 11,082 + 5,730	16,710 12,505 + 4,205	1,309 1,163 + 146	1,771 1,152 + 619	1,494 1,111 + 382	1,556 1,157 + 399	...	...

\* Source: Federal Statistical Office. Exports (f.o.b.) by country of destination, imports (c.i.f.) by country of origin. Inclusion of individual countries in groups of countries according to the current position. The figures for "All countries" include estimates for external transactions which do not have to be reported and which have not been incorporated in the figures for individual countries and groups of countries in 1993 and 1994. — 1 The

figures for total imports from January to July 1996 include revisions which, in the case of non-EU countries, have not been broken down by region. — 2 Including fuel and other supplies for ships and aircraft and other data not classifiable by region. — 3 Brunei, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.





X. Foreign trade and payments

7. External position of the Bundesbank \*

DM million

End of year or month	Monetary reserves and other claims on non-residents							Liabilities to non-residents			Net external position (col. 1 less col. 8)
	Monetary reserves							Total	Liabilities arising from external trans- actions 5	Liabilities arising from liquidity Treasury discount paper	
	Total	Total	Gold	Foreign currency balances 1	Reserve position in the Inter- national Monetary Fund and special drawing rights 2	Claims on the EMI 3 (net) 2	Loans and other claims on non- residents 4				
1	2	3	4	5	6	7	8	9	10	11	
1991	97,345	94,754	13,688	55,424	8,314	17,329	2,592	42,335	42,335	-	55,010
1992	143,959	141,351	13,688	85,845	8,199	33,619	2,608	26,506	26,506	-	117,453
1993	122,763	120,143	13,688	61,784	8,496	36,176	2,620	39,541	23,179	16,362	83,222
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995	123,261	121,307	13,688	68,484	10,337	28,798	1,954	16,390	16,390	-	106,871
1996	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	-	105,381
1996 Apr.	125,752	124,048	13,688	70,478	10,934	28,948	1,704	16,796	16,796	-	108,956
May	123,225	121,521	13,688	72,413	10,955	24,466	1,704	16,812	16,812	-	106,413
June	123,939	122,235	13,688	73,142	10,928	24,478	1,704	16,960	16,960	-	106,979
July	120,883	119,178	13,688	73,080	10,965	21,446	1,704	16,590	16,590	-	104,293
Aug.	121,579	120,124	13,688	73,951	11,054	21,432	1,454	16,860	16,860	-	104,718
Sep.	123,035	121,594	13,688	75,477	10,999	21,432	1,441	16,083	16,083	-	106,953
Oct.	123,765	122,325	13,688	75,555	10,997	22,085	1,441	16,307	16,307	-	107,458
Nov.	124,706	123,265	13,688	76,529	10,964	22,085	1,441	15,956	15,956	-	108,750
Dec.	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	-	105,381
1997 Jan.	120,670	119,230	13,688	72,756	11,214	21,572	1,441	15,766	15,766	-	104,904
Feb.	119,949	118,758	13,688	72,335	11,163	21,572	1,191	16,211	16,211	-	103,738
Mar.	119,148	117,957	13,688	71,658	11,039	21,572	1,191	15,429	15,429	-	103,718

Supplementary stock figures on "Reserve position in the International Monetary Fund and special drawing rights" and "Claims on the European Monetary Institute"

DM million

End of year or month	Reserve position in the IMF and special drawing rights						Claims on the European Monetary Institute				
	Reserve position in the IMF			Special drawing rights			Total	ECU balances 9	Difference between ECU value and book value of the reserves contributed	Other claims 10	
	Total	Drawing rights within the reserve tranche 6	Loans under special borrowing arrange- ments 7	Total	Allocated	Net acquisitions or net use 8					
1	2	3	4	5	6	7	8	9	10		
1991	8,314	5,408	-	2,906	2,626	280	17,329	29,129	-	11,800	-
1992	8,199	6,842	-	1,357	2,687	-	33,619	34,826	-	8,040	6,834
1993	8,496	6,833	-	1,663	2,876	-	36,176	43,663	-	11,787	4,300
1994	7,967	6,242	-	1,726	2,738	-	31,742	44,433	-	12,692	-
1995	10,337	7,469	-	2,869	2,580	289	28,798	38,406	-	9,607	-
1996	11,445	8,485	-	2,959	2,702	258	22,048	33,214	-	11,166	-
1996 Apr.	10,934	8,117	-	2,817	2,580	237	28,948	39,655	-	10,707	-
May	10,955	8,124	-	2,831	2,580	251	24,466	35,172	-	10,707	-
June	10,928	8,099	-	2,829	2,580	249	24,478	35,185	-	10,707	-
July	10,965	8,142	-	2,823	2,580	243	21,446	32,579	-	11,133	-
Aug.	11,054	8,201	-	2,852	2,580	273	21,432	32,579	-	11,147	-
Sep.	10,999	8,178	-	2,821	2,580	241	21,432	32,579	-	11,147	-
Oct.	10,997	8,178	-	2,819	2,580	239	22,085	33,214	-	11,129	-
Nov.	10,964	8,114	-	2,850	2,580	270	22,085	33,214	-	11,129	-
Dec.	11,445	8,485	-	2,959	2,702	258	22,048	33,214	-	11,166	-
1997 Jan.	11,214	8,255	-	2,959	2,702	258	21,572	32,681	-	11,109	-
Feb.	11,163	8,212	-	2,951	2,702	250	21,572	32,681	-	11,109	-
Mar.	11,039	8,088	-	2,951	2,702	250	21,572	32,681	-	11,109	-

\* Valuation of the gold holdings and the claims on non-residents according to section 26 (2) of the Bundesbank Act and the provisions of the Commercial Code, especially section 253. In the course of the year, valuation at the balance sheet rates of the preceding year. — 1 Mainly US dollar assets. — 2 For breakdown see Table below. — 3 European Monetary Institute (until 1993 claims on the European Monetary Cooperations Fund — EMCF). — 4 Mainly loans to the World Bank. — 5 Including liquidity paper sold to non-residents by the Bundesbank; excluding the liquidity Treasury

discount paper sold to non-residents between March 1993 and March 1995, as shown in column 10. — 6 Comprising subscription payments in cash and Deutsche Mark callings by the IMF to finance its sales of Deutsche Mark (net) to other countries. — 7 Including the "Witteveen Facility". — 8 Difference between actual holdings and SDRs allocated. — 9 Resulting from the provisional contribution of gold and dollar reserves and from transfers from other central banks. — 10 Assets resulting from the very short-term financing mechanism and from short-term monetary support.











## Overview of publications by the Deutsche Bundesbank

This overview is designed to inform readers about selected recent economic and statistical publications by the Deutsche Bundesbank. Except where stated, these publications are issued both in German and in English.

The publications are available to interested parties free of charge from the Deutsche Bundesbank's Press and Public Relations Division. In addition, the Bundesbank issues at monthly intervals – against reimbursement of the cost – a magnetic tape of the published statistical time series, which is available from the Statistical Data Processing Division.

Please submit orders in writing, using the postal address given on the back of the title page or the fax number specified there.

### Annual Report

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### Monthly Report

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For information on the articles published between 1980 and 1996 see the index of articles attached to the January 1997 Monthly Report.

#### May 1996

- The lowering of the discount and lombard rates
- Overall financial flows in Germany in 1995
- The state of external adjustment after German unification

- Longer-term comparison of technological services in the balance of payments

#### June 1996

- The economic scene in Germany in spring 1996

#### July 1996

- The longer-term trends in and the determinants of private consumption in Germany
- Recent trends in Germany's economic links with central and east European countries in transition
- East German enterprises' profitability and financing in 1994

#### August 1996

- Review of the monetary target
- The profitability of German credit institutions in 1995
- Medium-term trend in financing patterns in the major industrial countries

#### September 1996

- The economic scene in Germany in summer 1996

#### October 1996

- The debate on public transfers in the wake of German reunification
- The response of money market rates and short-term bank interest rates to changes in central bank rates
- Lending trends, by group of borrowers and category of banks

#### November 1996

- Capital market rate movements since the beginning of the nineties

- West German enterprises' profitability and financing in 1995

#### December 1996

- The economic scene in Germany in autumn 1996

#### January 1997

- Strategy of monetary targeting in 1997-8
- Shares as financing and investment instruments
- Exchange rate and foreign trade

#### February 1997

- The economic scene in Germany around the turn of 1996-7

#### March 1997

- Trends in public sector debt since German unification
- Monetary policy and payment systems
- The German balance of payments in 1996

#### April 1997

- The role of the Deutsche Mark as an international investment and reserve currency
- Problems associated with calculating "structural" budget deficits
- The Bundesbank's technical central bank cooperation with countries in transition

#### May 1997

- Overall financial flows in 1996
- The longer-term trend in savings deposits and its implications for monetary targeting
- International capital links between enterprises from the end of 1993 to the end of 1995
- Problems of international comparisons of direct investment flows

### Statistical Supplements to the Monthly Report<sup>1</sup>

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- 1 Banking statistics (monthly)
- 2 Capital market statistics (monthly)
- 3 Balance of payments statistics (monthly)
- 4 Seasonally adjusted business statistics (monthly)
- 5 Exchange rate statistics (quarterly)

### Special Publications

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Internationale Organisationen und Gremien im Bereich von Wahrung und Wirtschaft, 4. Auflage, Juni 1992<sup>2</sup>

Makro- konometrisches Mehr-Lander-Modell, November 1996<sup>2</sup>

The market for German Federal securities, July 1995

The monetary policy of the Bundesbank, October 1995<sup>3</sup>

### Special Statistical Publications

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- 1 Banking statistics guidelines, December 1996<sup>4</sup>
- 2 Bankenstatistik Kundensystematik, May 1997<sup>5</sup>
- 3 Aufbau der bankstatistischen Tabellen, Januar 1996<sup>2</sup>

4 Ergebnisse der gesamtwirtschaftlichen Finanzierungsrechnung fur Westdeutschland 1960 bis 1992, November 1994<sup>2</sup>

4 Financial accounts for Germany 1990 to 1995, June 1996

5 Annual accounts of west German enterprises 1971 to 1991, October 1993<sup>1</sup>

6 Ratios from the annual accounts of west German enterprises for 1990, March 1994<sup>1</sup>

7 Erlauerungen zum Leistungsverzeichnis der Auenwirtschaftsverordnung, Marz 1994<sup>2</sup>

8 Balance of payments statistics of the Federal Republic of Germany, 2nd edition, February 1991

9 Wertpapierdepots, August 1996<sup>2</sup>

10 International capital links, May 1996<sup>1</sup>

11 Balance of payments by region, September 1996

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1 Only the headings and explanatory notes to the data contained in the German originals are available in English.

2 Available in German only.

3 Also available (in different editions) in French, Spanish and Russian.

4 Only the sections "Monthly Balance Sheet Statistics" and "External position" are available in English translation.

5 Only the sections "Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity" are available in English translation.

12 Technological services in the balance of payments, May 1996<sup>6</sup>

### Banking regulations

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2 Banking Act, October 1996

3 Monetary policy regulations, April 1997

7 Credit register for loans of 3 million Deutsche Mark or more, April 1996

### Publications on EMU

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Informationsbrief zur Europäischen Wirtschafts- und Währungsunion<sup>7</sup>

Nr. 1, September 1996

Nr. 2, Oktober 1996

Nr. 3, Januar 1997

Nr. 4, Februar 1997

Nr. 5, April 1997

Nr. 6, Mai 1997

Der Euro kommt. Wir sagen Ihnen, was dahinter steckt. (Faltblatt)<sup>7</sup>

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<sup>6</sup> Only the headings and explanatory notes to the data contained in the German originals are available in English.

<sup>7</sup> Available in German only.