The performance of German credit institutions in 2000

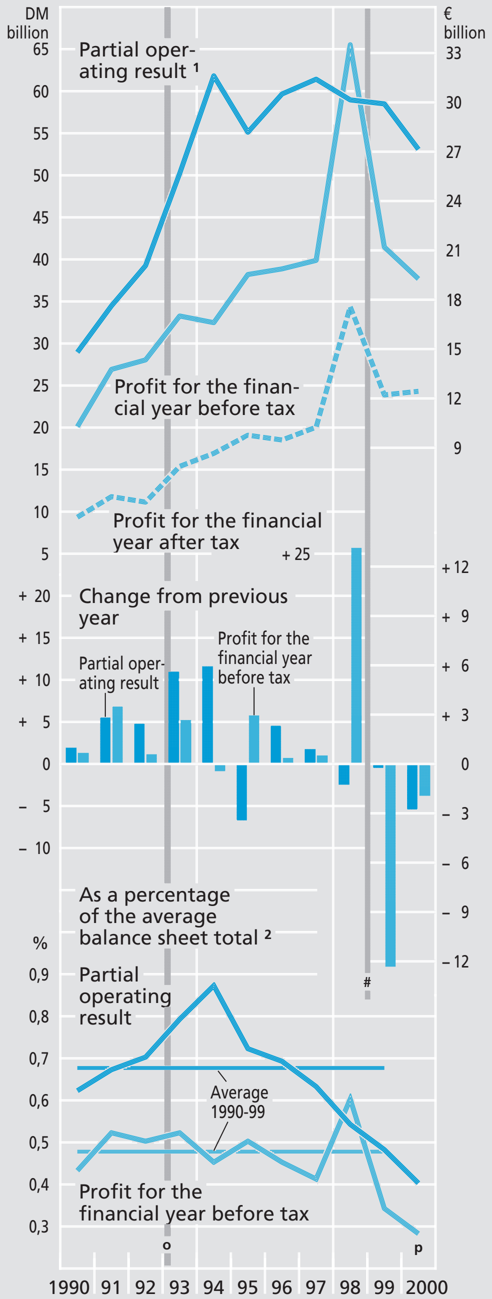
The performance of German credit institutions came under increased pressure in financial year 2000. Both their operating result and their annual profit before tax were down. This was mainly due to unsatisfactory interest business. Administrative costs and net charges from the valuation of assets were also higher. By contrast, the banks' earnings from commission business and own-account trading were very good. Lower extraordinary charges, further sales of participating interests and lower earnings-related taxes had a stabilising effect on the reported profit levels. There was a marked variation in performance in the different categories of banks. Following the results for the first half of the year, the price swings on the equity markets and the cyclical position are expected to lead to a further worsening of performance in the banking industry this year.

Overview

Underlying conditions

Performance trends in 2000 reflect the ongoing pressure on the result of interest business and the increased importance of investment banking, which implies greater dependence on developments on the financial markets. Earnings also came under pressure owing to large amounts being invested in reorganisation programmes and in enhancing competitiveness. Interest business was characterised by a marked increase in the balance

The performance of credit institutions*



* From financial year 1990 including Postbank. — 1 Before 1993 “Operating result”. — 2 Up to end-1998 as a percentage of the volume of business. — o From financial year 1993 including east German credit institutions and in accordance with the modified accounting regulations. — # From 1999 in euro.

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sheet total (+ 11 %), very restrained credit demand and a broad stagnation of customer deposits. In addition, the term structure was flattening out and competition in terms and prices was fierce. Against this background, net interest received fell by around € 0.9 billion to just under € 77 billion in the year under review. The interest margin[1] fell from 1.28 % to 1.15 %, which is the lowest level recorded to date. The slump in prices on the equity markets which began in the second quarter, particularly for technology shares, had no overall detrimental effect on the banks in that savers continued to show a preference for securitised forms of investment. The banks benefited particularly from the continued high public demand for investment fund certificates and high turnovers in equity business. Net commissions received rose by € 5 ½ billion or 25 % to a record € 28 billion.

Lower partial operating result

The € 4.7 billion increase in gross earnings from interest and commission business was not sufficient to offset administrative spending, which went up strongly by € 7.5 billion; the partial operating result therefore decreased. This means that administrative expenses have outstripped the net interest received. Last year staff costs went up by 9 %, while other administrative spending rose far more strongly by 12 ½ %, as in previous

1 Net interest received in relation to the average balance sheet total. Up to end-1998 the average volume of business was generally used instead of the balance sheet total as the benchmark for the individual items in the profit and loss account.

Performance of the various categories of banks in 2000 p

Category of bank	Partial operating result 1		Operating result 2		Profit for the financial year before tax 3		Memo item Balance sheet total 4
	€ million	% 5	€ million	% 5	€ million	% 5	% 5
All categories of banks	27,324	– 9.2	20,068	– 18.5	19,448	– 9.1	+ 10.9
Commercial banks	5,741	– 24.9	7,988	+ 16.3	6,423	– 7.2	+ 22.2
Big banks	1,609	– 55.4	3,691	+ 50.3	3,181	+ 9.8	+ 21.0
Regional banks and other commercial banks	4,225	+ 3.2	4,187	– 2.7	3,133	– 20.0	+ 26.0
Branches of foreign banks	– 93	+ 37.6	110	+ 4.8	109	+ 3.8	+ 7.1
Land banks	3,850	– 1.4	3,347	– 1.2	2,843	– 12.4	+ 11.0
Savings banks	8,248	– 7.2	4,100	– 47.6	5,069	– 6.2	+ 2.9
Regional institutions of credit cooperatives	997	+ 103.1	125	– 70.7	835	+ 139.9	+ 6.9
Credit cooperatives	3,934	– 7.1	1,911	– 32.5	2,152	– 14.3	+ 0.3
Mortgage banks	2,628	– 7.2	1,253	– 41.0	791	– 57.8	+ 10.9
Banks with special functions	1,926	– 8.2	1,344	+ 16.5	1,335	+ 23.0	– 4.0

1 Net interest and net commissions received less general administrative spending. — **2** Partial operating result plus net profit or net loss on financial operations, net other operating income or charges and net income or net charges from the valuation of assets (other than financial fixed assets). — **3** Operating result plus net other and extraordinary income or charges. — **4** Annual average. — **5** Change from previous year. Statistical changes have been eliminated.

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years. There were marked differences in the cost trends of individual categories of banks.[2]

Improved trading result but higher risk provisioning

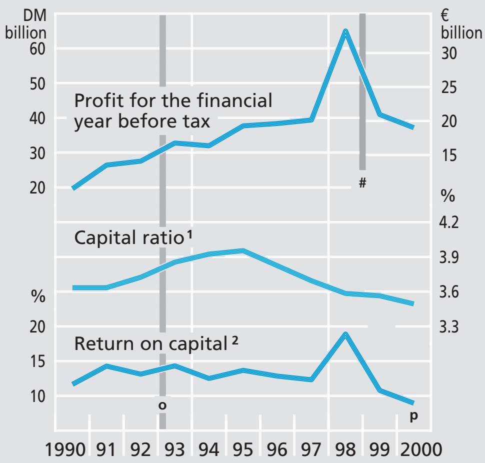
At € 6.4 billion, the net profit on financial operations reached a new record level. Year on year, this constituted an increase of around 80 %, achieved during a period of very high volatility on the financial markets and despite massive price slumps at the same time on the equity market. In other operating business the positive balance dipped slightly by € 0.3 billion to € 2.1 billion. By contrast, the net charges from the valuation of assets relating to loans and securities placed a considerable burden on performance. The negative balance rose by € 4.3 billion to € 15.8 billion. However, the reinstatement of original values and allocations provided for by law had had a positive impact on the net income or net charges from the valuation of assets in the preceding financial year. By far the greatest proportion of the net charges from the valuation of assets in 2000 was attributable to value adjustments in domestic lending business. At € 20 billion, the operating result, which indicates the success in business operations, fell by € 4½ billion and was thus just under one-fifth down on the previous year.

No change in annual profit after tax

By contrast, the performance of the credit institutions was helped by the reduction in the

2 Explicit reference is made to the very different evolution of specific items on the profit and loss accounts in the different categories of banks. A breakdown by category of bank is provided in the tables appended to this article on page 37 ff. However, the comparability of the results for the different categories is somewhat adversely affected by the reclassification of banks, particularly in 1999. See Deutsche Bundesbank, The performance of German credit institutions in 1999, Monthly Report, September 2000, page 65 ("Methodological note and restrictions").

Profit for the financial year and capital



1 Capital as a percentage of the balance sheet total, up to end-1998 as a percentage of the volume of business; annual average. — **2** Profit for the financial year before tax as a percentage of the capital. — **o** From financial year 1993 including east German credit institutions and in accordance with the modified accounting regulations. — # From 1999 in euro.

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negative net other and extraordinary income and charges, which decreased from – € 3.2 billion in the previous year to – € 0.6 billion. This was mainly due to the release of special reserves and the sale of participating interests. German credit institutions' aggregate net profit for the financial year fell by € 1.9 billion to € 19.4 billion in the year under review; as, however, there was a roughly proportionate decrease in earnings-related taxes (from € 9.0 billion to € 6.8 billion), the banks were able to hold their after-tax profits steady (at € 12.6 billion). Roughly one-third of these profits were transferred to their reserves and the remaining € 8.5 billion is recorded as balance sheet profit. The return on capital, defined as the ratio of the profit for the financial year before tax to the average capital as shown in the balance sheet,[3] amounted to 9.38 % in 2000, compared with 11.22 % in the previous year. After tax, the return on capital was 6.09 % (in 1999 it was still 6.51 %). The equity ratio (the capital shown in the balance sheet as a percentage of the non-risk-weighted balance sheet total) fell slightly to 3.52 % (1999: 3.59 %).[4]

Net interest received

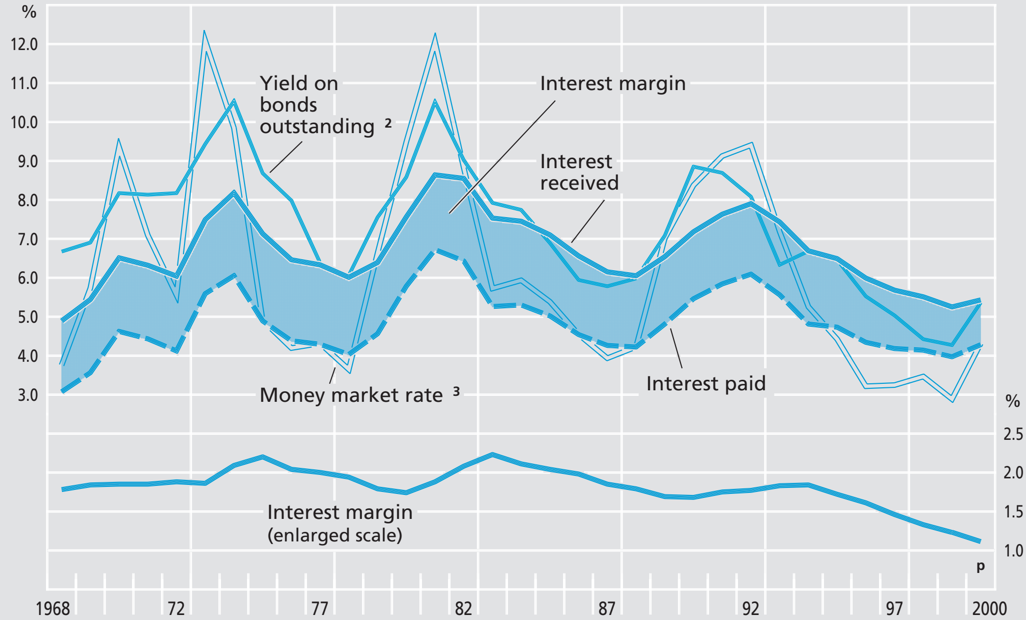
Even smaller interest margin

By and large, interest business stagnated in 2000. Net interest received fell by € 0.9 billion, or just over 1 %, to € 76.9 billion. It thus represented only just over two-thirds of the profits in operating business, whereas, as an average of all the banks, it was three-quarters in 1998. The interest margin, which relates the net interest received to the average balance sheet total, fell from 1.28 % to a new

3 Including the fund for general banking risks, but excluding participation rights capital.
4 The credit institutions' net profit for the financial year pursuant to the German Commercial Code, which they report to the Federal Banking Supervisory Office and the Deutsche Bundesbank each year, forms the basis for the analysis of the profit and loss account for 2000. For the first time, the annex contains a comparison between the aggregated annual accounts of the big banks as individual institutions pursuant to the German Commercial Code and their group annual accounts (see page 35 f). In this article, the data reported for the monthly balance sheet statistics by the credit institutions, including their branches abroad, are taken as the statistical basis. Branches of EU credit institutions, institutions in liquidation or those with a truncated financial year are excluded. Money market funds, building and loan associations and institutions which cannot be defined as "Monetary Financial Institutions" are not taken into account. The balance sheet total (up to end-1998: volume of business) is derived from the balance sheet statistics, with the balance sheet total for foreign branches being adjusted for their relationship to the parent institution in order to avoid duplication. The figures for 1999 are based on the approved annual accounts and may diverge from the data published in September 2000. The data for 2000 are based on non-approved annual accounts and are therefore provisional. In addition, the results of subsidiaries of German banks domiciled in Luxembourg are reviewed.

Interest received and interest paid in the interest cycle

As a percentage of the average balance sheet total [1]



1 Up to end-1998 as a percentage of the average volume of business. — 2 Overall yield on bonds outstanding. — 3 Money market rate for three-month funds in Frankfurt.

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low of 1.15 %.[5] Interest paid once again rose at a distinctly faster pace – by 19½ % (or by € 48 billion to € 293 billion) – than net interest received, which went up by 14½ % (or by € 47.1 billion to € 370 billion). It is, however, worth noting that interest received thus grew more strongly than the balance sheet total (+ 10.9 %) for the first time since 1992. Correspondingly, the net interest received rose from 5.33 % to 5.51 % (see the above chart). The balance sheet figures tend to suggest that there is unlikely to have been a particularly strong increase in wide-margin assets in 2000. Rather, there are indications that interest movements caused a "cyclical price effect" to set in. Past experience shows that the interest margin follows the development of the capital market rate with a certain time lag (with differences in interest rate elasticities and different blocks of fixed interest rates in asset-side and liability-side business playing a role). The capital market rate had reached a temporary low in 1999.[6]

Faster rise in interest paid than in interest received

The reason why interest paid rose faster than interest received (up from 4.05 % to 4.36 % of the balance sheet total) is related, first, to these balance sheet factors and, second, to the ongoing increase in funding costs as a result of investors' shifts to securitised forms of investment at banks and elsewhere. If this is a fundamental change in investment behav-

5 In 2000 the credit institutions' net income received from the remuneration of minimum reserve holdings at the Bundesbank was € 1,408 million (1999: € 844 million). Excluding this income, the interest margin would have been 1.12 %.
6 See Deutsche Bundesbank, The performance of German credit institutions in 1998, Monthly Report, July 1999, page 27 ff.

Interest received by credit institutions

Item	1998	1999		2000 p
	DM billion		€ billion	
Interest received (total)	602.9	631.5	322.9	370.0
from lending and money market transactions	488.3	505.2	258.3	290.9
from debt securities and Debt Register claims	90.4	99.5	50.9	60.7
Current income (total)	22.6	24.5	12.6	17.0
from shares and other variable-yield securities	10.6	13.0	6.6	8.0
from participating interests 1	3.6	2.8	1.4	2.2
from shares in affiliated undertakings	8.3	8.8	4.5	6.8
Profits transferred under profit-pooling and profit transfer agreements	1.6	2.3	1.2	1.4
	Change from previous year in % 2			
	1998	1999	2000 p	
Interest received (total)	+ 8.8	+ 4.7	+ 14.6	
from lending and money market transactions	+ 8.0	+ 3.4	+ 12.6	
from debt securities and Debt Register claims	+ 9.2	+ 9.9	+ 19.3	
Current income (total)	+ 34.7	+ 8.2	+ 35.4	
from shares and other variable-yield securities	+ 28.0	+ 20.4	+ 19.9	
from participating interests 1	+ 25.1	– 23.1	+ 55.7	
from shares in affiliated undertakings	+ 49.9	+ 5.9	+ 51.9	
Profits transferred under profit-pooling and profit transfer agreements	– 24.9	+ 38.7	+ 18.8	
	Percentage of the average balance sheet total 3			
	1998	1999	2000 p	
Interest received (total)	5.59	5.33	5.51	
from lending and money market transactions	4.53	4.26	4.33	
from debt securities and Debt Register claims	0.84	0.84	0.90	
Current income (total)	0.21	0.21	0.25	
from shares and other variable-yield securities	0.10	0.11	0.12	
from participating interests 1	0.03	0.02	0.03	
from shares in affiliated undertakings	0.08	0.07	0.10	
Profits transferred under profit-pooling and profit transfer agreements	0.02	0.02	0.02	

1 In the case of cooperative societies, including amounts paid up on members' shares. — 2 Statistical changes have been eliminated. — 3 Up to end-1998 as a percentage of the volume of business.

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iour, it could prevent the interest margin from returning to previously experienced levels.

Asset-side business

The interest figures tended to be boosted by a strong increase in lending against securities and a somewhat higher demand for short-term loans. The loans granted by foreign branches to non-banks abroad are also important; these rose on average by around one-third in financial year 2000, amounting to € 480 billion at the end of the year. However, this was not enough to offset the negative factors in domestic business. In this area, overall loans to the private sector (up by 4½%) and particularly housing loans (+ 3½%), which had been in particular demand in the previous year because of the historically low rates of interest, increased only slightly.

"Adjusted" interest margin likewise narrower

In the year under review, interbank credit, with its comparatively narrow margins, increased somewhat more slowly than the balance sheet total, by just over 8%. If, in accordance with the concept of the "adjusted" interest margin,[7] the average balance sheet total for 2000 is "adjusted" for interbank business (2000: € 1,758.3 billion) which does not affect the aggregate net interest received, this results in a figure of 1.55% for the year under review if an aggregate of all banks is taken (from 1.76% in 1999).

Components of interest income

An analysis of the different components of the interest income confirms the data derived from the balance sheet statistics and borrow-

7 Deutsche Bundesbank, The performance of German credit institutions in 1998, Monthly Report, July 1999, page 32.

Relative significance of major income and cost items for individual categories of banks in 2000 p

Percentage of total surplus in operating business

Item	All categories of banks	Big banks	Regional banks	Land banks	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks
Net interest received	67.7	49.2	58.3	72.4	80.8	71.2	76.5	93.9
Net commissions received	24.7	35.4	33.5	16.8	19.0	19.5	21.3	– 1.1
Net profit or net loss on financial operations	5.7	16.5	2.3	5.9	0.6	8.6	0.1	0
Net other operating income or charges	1.9	– 1.1	5.9	4.9	– 0.4	0.7	2.1	7.2
Total surplus in operating business	100	100	100	100	100	100	100	100
General administrative spending	– 68.4	– 79.0	– 70.2	– 55.9	– 68.8	– 51.8	– 74.5	– 31.3
of which								
Staff costs	– 37.0	– 42.3	– 32.3	– 29.0	– 41.2	– 24.3	– 43.0	– 16.1
Other administrative spending	– 31.4	– 36.7	– 37.9	– 26.9	– 27.6	– 27.5	– 31.5	– 15.2
Net income or net charges from the valuation of assets	– 13.9	– 8.2	– 8.4	– 15.2	– 15.8	– 43.3	– 14.2	– 39.4
Net other and extraordinary income or charges	– 0.5	– 1.8	– 5.4	– 4.4	3.6	27.8	1.4	– 10.8
Memo item								
Profit for the financial year before tax	17.2	11.0	16.0	24.5	19.0	32.7	12.7	18.5
Taxes on income and earnings	– 6.0	1.5	– 5.8	– 11.8	– 10.5	– 10.4	– 6.8	– 10.8
Profit for the financial year after tax	11.2	12.5	10.2	12.7	8.5	22.3	5.9	7.7

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er statistics. All sources of interest income produced better results than in the previous year, with income from (fixed-interest) debt securities and Debt Register claims developing especially well. They rose by just under one-fifth to € 60 billion. Increasing by more than one-third, current income from shares, participating interests and shares in affiliated companies grew, relatively speaking, even more strongly. This income item, which includes income from subsidiary banks and other companies within the group as well as income from equities, thus grew by € 4½ billion to a total of € 17 billion. At 12½ %, the increase in income from lending business and money market transactions was somewhat less dramatic, although it was far stronger than in recent years. At € 290 billion or just under four-fifths, it is still the most important component in the interest rate result.

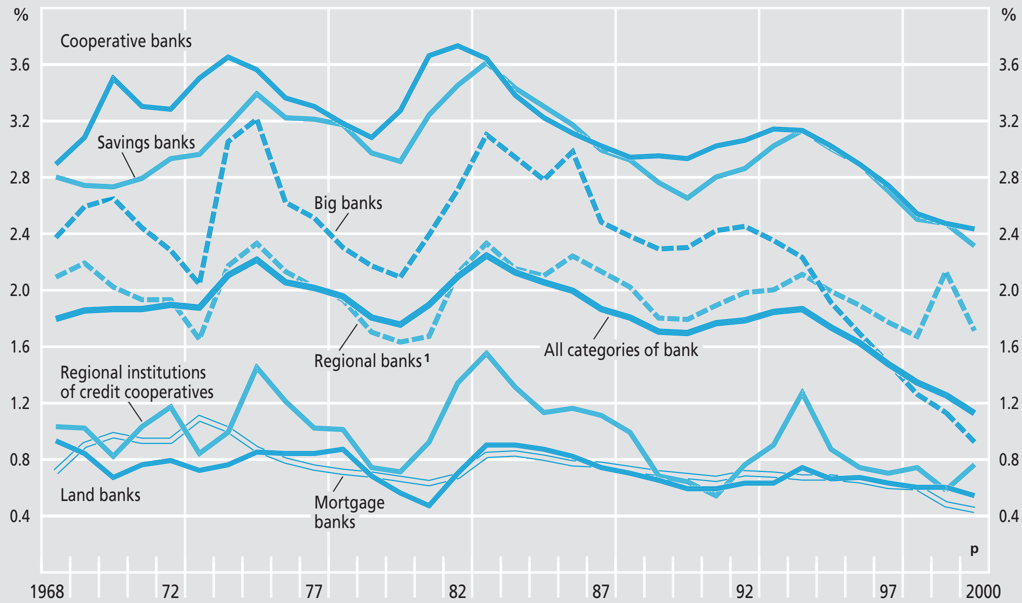
Flatter term structure

The rise in short-term interest rates had a negative effect on liability-side business owing to the higher share of floating-rate items. At the same time, the term structure flattened out and made it more difficult to obtain earnings from maturity transformation. The year-end difference between money market rates and the yield on bonds with a ten-year residual maturity was around 0.3 percentage point.

Reallocation by investors

In addition to these interest-rate-related factors, however, savers' continued preference for securitised forms of investment such as investment fund certificates was mainly responsible for raising refinancing costs in the bank-

Interest margins by category of bank *



* Net interest received as a percentage of the average balance sheet total, up to end-1998 as a percentage of the volume of business; annual data. — 1 Owing to fairly extensive reclassification of institutions, data for regional banks from 1998 onwards of limited informational value only.

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ing industry. Savings deposits with a three-month period of notice were reduced by some 10 % and had to be offset by more expensive interbank funds (+ just under 10 %) or bearer debt securities (+ 8 %). The strong increase (+ 11 %) in short-term time deposits which are remunerated in line with market rates had a similar effect. Overall, at the end of 2000 domestic customers' bank deposits accounted for just under 31½ % of the balance sheet total.

Interest margins, by category of bank

Closer examination of the interest margins reveals a downward trend over the longer term for all the categories of banks. It continued virtually everywhere last year. The decrease for the big banks and regional banks was particularly marked. In 1999 fairly extensive institutional shifts had already gone on in these two categories.[8] However, the decrease also affected the savings banks and credit cooperatives, which, on account of their business structure, both achieve the largest interest margins. Overall, they achieved 2.33 % and 2.45 % respectively in the year under review. The interest margins of the savings banks and credit cooperatives in eastern Germany were 2.73 % and 2.89 % respectively, i.e. 45 and 46 basis points more than in the equivalent categories in western Germany. The decisive factor here was the somewhat lower amount of interest paid. By comparison, the Land banks, the regional institutions of credit cooperatives and the mortgage banks have low interest margins owing to

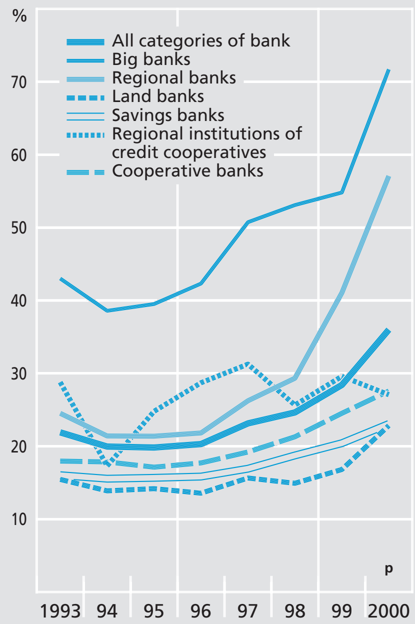
8 For example, in addition to other institutions, Hypo-Vereinsbank, Deutsche Bank 24 and Postbank were reclassified; see also footnote 2.

their typical interbank and wholesale banking business coupled, at the same time, with a high share in expensive securitised refinancing instruments. Regional institutions of credit cooperatives was the only category of bank to improve on its interest rate result (up from 0.60 % in 1999 to 0.78 %); this is particularly due to the strong increase in current earnings from shares in affiliated undertakings.

Still no offsetting by commission business

The German banking industry has already prepared itself for the change in investor behaviour by taking greater advantage of its opportunities to generate income from commission business. Nonetheless, at least as an average of all banks, this has not yet reached the point where it is able to offset the declining income from interest business.

Ratio of net commissions received to net interest received



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Net commissions received

Record result in commission business

In financial year 2000 the German credit institutions made splendid earnings from commission business. Net commissions received went up by € 5.6 billion (+ 25 %) to a new record level of € 28.1 billion. This increase was generated by the € 7 billion rise in commissions received, which more than offset the rise in commissions paid by € 1.4 billion. Net commissions received thus rose to 0.42 % of the average balance sheet total (1999: 0.37 %). The commercial banks, in particular, benefited from this, accounting for around three-fifths of the aggregate net commissions received (€ 16.8 billion) and three-quarters of the increased earnings in the year under review. The increased importance of commission business and the strong market position of the big banks likewise become clear if net commissions received is set against net interest received. In 2000 roughly one-quarter of all operating bank income came from commission business – more than one-third in the big banks.

Commissions received from equity and investment fund brokerage

The favourable commissions result was mainly due to a very lively demand for investment fund certificates and equities, which was reflected in sizeable securities commission and safe custody business. Although, after marked price rises, equity market sentiment became very gloomy from the second quarter onwards, the turnover of equities on the stock market went up in 2000 from € 2.96 trillion to more than € 4.62 trillion. At just under € 39 billion, the funds raised through share-based funds were more than twice the amount raised in the previous year. Overall, the investment funds also sold more share certificates than in 1999. The income from safe custody business is also likely to have increased perceptibly. As the securities deposits statistics show,[9] the number of safe custody accounts at credit institutions (including investment trusts) went up from 24 million in 1999 to 33.3 million at the end of 2000. Owing to falling prices on the equity markets, the increase in the market rates that are relevant to safe custody fees was smaller (from € 4.2 trillion to just over € 4.4 trillion). However, the margins are likely to have narrowed further, also as a result of the competition between direct banking facilities offered by all categories of banks and direct brokers. The revenue from initial public offerings (IPOs) was down on the previous year. Equity issues decreased from € 36 billion (market value) in 1999 to € 23 billion in the year under review, while the number of IPOs fell from 168 (1999) to 152.

Other components of net commissions received

Other components of net commissions received are likely to have contributed fairly limited earnings. This applies, for example, to payment transactions. The earnings from asset counselling and administration are likely to have declined somewhat on account of developments on the stock market as the year went on, although at some banks they increased distinctly. Merger counselling focuses on just a small number of institutions. By contrast, within financial groups, associations and cooperatives the intermediation linked to the bancassurance concept gained in general importance; in these enterprises financial products of third parties are clearly being sold more and more. Apart from investment funds, intermediation is related mainly to savings and loan contracts for building purposes, property financing business and insurance. The credit cooperatives appear to have benefited particularly from increasing revenue from this business sector.

Prospects for the commission business

Households' efforts to build up additional private capital-covered pensions – which will intensify in the future as a result of government's decision to encourage them – suggest that the demand for commission-yielding securities-related services of all kinds can be expected to increase further in the future. Initially, however, owing to the weakness of the equity markets and investors' lower risk propensity, fairly moderate growth should be expected.

Administrative expenditure

Overview of cost trends

In the year under review administrative expenditure increased comparatively strongly by € 7.5 billion, or 10.7 %, to € 77.7 billion. The increase outstripped the growth in commission business, with the partial operating result falling correspondingly by just under € 2.8 billion to 0.41 % of the average balance sheet total (1999: 0.50 %). The increase in administrative spending focused on the category of commercial banks, which accounted for around 80 % of the increased expenditure. In addition to other factors, this was, however, also due to the fact that employees from an-

9 Deutsche Bundesbank, Securities deposits, Special Statistical Publication 9, August 2001.

Structural data on German credit institutions

Category of bank	Number of institutions 1			Number of branches 1			Number of employees 2		
	1998	1999	2000 p	1998	1999	2000 p	1998	1999	2000 p
All categories of banks	3,232	2,993	2,733	42,037	41,243	39,617	730,000	732,950	735,550
Commercial banks	323	315	314	6,833	6,867	6,520	3 217,200	3 220,600	3 221,400
Big banks 4	3	4	4	4,353	3,114	2,873	.	.	.
Regional banks 4	238	223	223	2,405	3,681	3,567	.	.	.
Branches of foreign banks	82	88	87	75	72	80	.	.	.
Land banks 4	13	13	13	430	655	638	33,650	40,800	41,850
Savings banks 4	594	578	562	18,327	17,667	16,892	287,650	282,150	283,450
Regional institutions of credit cooperatives	4	4	3	26	24	25	7,300	7,400	7,300
Credit cooperatives 5	2,249	2,035	1,795	16,139	15,793	15,332	171,550	170,950	171,000
Mortgage banks	33	32	31	246	216	192	6 .	6 .	6 .
Banks with special functions	16	16	15	36	21	18	6 12,650	6 11,050	6 10,550
Memo item									
Building and loan associations 7	34	33	31	3,172	3,185	3,677	22,550	22,500	22,250
Postbank	1	1	1	14,702	14,103	13,629	.	.	.

1 Source: Statistics of bank offices, in: Deutsche Bundesbank, Banking statistics, Statistical Supplement to the Monthly Report 1, page 104 (German edition). The term "credit institution" as in the Banking Act, therefore divergences from data in "Balance sheet statistics" and "Statistics on the profit and loss account". — **2** Excluding Bundesbank and Postbank. Sources: Data provided by associations. Part-time employees are counted on a per capita basis. — **3** Employees in private banking, including mortgage banks established under private law. Figures for 1999 retroactively revised downwards by 1,300. — **4** Larger changes between 1998 and 1999 due to reclassifications and mergers. — **5** Only employees whose primary occupation is in banking. — **6** Employees in public mortgage banks (mortgage banks established under public law) and public banks with special functions. — **7** Only office-based employees.

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other institution in one of the financial groups classified under big banks were included in the parent institution's administrative costs for the first time. Given the largely stable cost trends at savings banks and credit cooperatives in 2000, the branch network did not play a major role, at least not in terms of rising costs.

Marked increase in staff costs

Staff costs rose by € 3.6 billion (+ 9.2 %), far more strongly than in previous years but at a slower pace than other administrative spending (+ 12.4 %). According to the available data, the number of persons in employment (part-time employees are also calculated on a per capita basis) rose slightly by 2,600 (see the above table). In view of the ongoing differentiation of branch operations (e. g. self-service, standardised banking products requiring little advice and financial services requiring extensive advice), the overall staffing capacities for standardised activities are now likely to be rather too high and to have led to increased part-time working. At the same time it would appear that the need for more highly qualified employees and specialists cannot always be met. This is also reflected in bonus payments and loyalty premiums mainly in investment banking and in the field of IT. At an annual average of 2.6 %, the rise in agreed rates of pay in the private banking sector was fairly moderate (1999: + 2.9 %).

Non-staff operating expenses again influenced by investment

Other administrative spending rose by € 3.9 billion to € 35.7 billion and accounted for around 46 % of total costs. As shown in the annual reports of enterprises and associations, investment in information and communications technology continued to be the main factor driving spending up. The credit institutions are endeavouring to establish standard electronic platforms, are extending electronic banking or are making increasing use of electronic networks to sell their services and products. For example, the number of online accounts in Germany rose by 5 million to 15 million in the period under review. Essentially, however, whether the growth of other administrative spending signals investment in future competitiveness or a streamlining of cost management can be assessed, if necessary, only at the level of the individual institutions. As well as IT-related spending, the costs of business premises and third-party services are likely to have gone up anyway in recent years; in the period under review, however, these increases appear to have been comparatively restrained.

Outsourcing, mergers and branch closures

The savings banks and credit cooperatives held the increase in their expenditure largely in check. Enhanced exploitation of cost synergies in individual areas within their respective financial associations (such as IT development and computer centres, securities trading, electronic banking, shared financial portals in the Internet and payment transactions) is likely to be playing just as important a role now as the outsourcing of functions to specialist enterprises within these financial associations coupled with concentration on core business. In the year under review, in addition to outsourcing and cooperative ventures, there were further mergers and branch closures, the main objective being to achieve more cost-effective operating sizes and to improve market positions. According to the statistics of bank offices, the number of credit institutions declined in the period under review from 2,993 (end-1999) – especially as a result of mergers – to 2,733; at a rate of – 8.7 %, the decrease thus accelerated slightly (1999: 7 ½ % decrease). The credit cooperatives accounted for 240 of a total of 260 closures.

Reference to statistical data on administrative spending

In view of the rather volatile earnings in recent years, the banking industry has focused increasingly on cost-cutting opportunities. Therefore the tables annexed to this article include, for the first time, a detailed survey of the cost structures of the different categories of banks and how they have developed since 1993 (Table: "Breakdown of general administrative spending by category of bank", pages 48 – 50). This shows, for instance, that the share of social security costs has developed relatively differently in the different categories of banks and that other administrative spending is, on average, already well above spending on wages and salaries. This is particularly noticeable at regional banks and branches of foreign banks.

Net profit or net loss on financial operations

Record own-account trading profits

In 2000 the credit institutions performed exceptionally well in own-account trading in securities held in the trading portfolio, foreign exchange, derivatives and precious metals, improving their trading results by four-fifths to more than € 6.4 billion in total. However, the increase was concentrated on the big banks, which accounted for more than 90 % of the growth and whose own-account trading con-

Operating result before net income or net charges from the valuation of assets *

Category of bank	1998		1999			2000 p	
	DM million	% 1	DM million	% 1	€ million	€ million	% 1
All categories of banks	71,587	0.66	70,659	0.60	36,127	35,867	0.53
Commercial banks	22,761	0.72	21,362	0.61	10,922	11,993	0.54
Big banks	7,782	0.47	10,628	0.44	5,434	6,043	0.40
Regional banks and other commercial banks	13,928	1.02	10,542	1.03	5,390	5,831	0.88
Branches of foreign banks	181	0.27	192	0.31	98	119	0.35
Land banks	10,116	0.46	9,568	0.36	4,892	5,103	0.34
Savings banks	17,754	1.03	18,359	1.05	9,387	8,298	0.90
Regional institutions of credit cooperatives	1,721	0.45	1,549	0.36	792	1,233	0.53
Credit cooperatives	8,841	0.89	9,541	0.93	4,878	4,308	0.82
Mortgage banks	6,303	0.44	5,715	0.37	2,922	2,934	0.33
Banks with special functions	4,091	0.45	4,565	0.50	2,334	1,998	0.45

***** Partial operating result plus net profit or net loss on financial operations and net other operating income or charges. — **1** Up to end-1998 as a percentage of the average volume of business; from 1999 as a percentage of the average balance sheet total.

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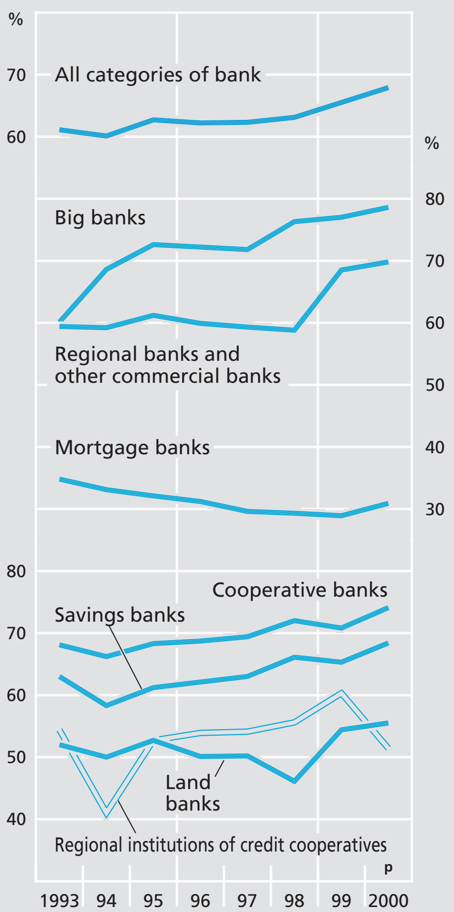
tributed far more strongly to the operating income (more than 16 % compared with an average share of all banks of just under 6 %). Apart from the big banks, own-account trading still has a certain significance for regional institutions of credit cooperatives, Land banks and the branches of foreign banks. At the latter, own-account trading figures almost matched the net interest received. In particular, in this business sector, the big banks coped successfully with the fall in prices on the equity markets from the second quarter, the upward trend of bond prices from the autumn and the downward movement in the external value of the euro. Derivatives also appear to have played an important role. The half-yearly reports indicate that a similarly favourable evolution of income cannot necessarily be expected this year. On average, the category of regional banks, which includes institutions trading relatively actively, made only a slight improvement in their performance in own-account trading in 2000.

Net other operating income or charges

Slight dip in positive balance

The positive balance of other operating income and charges went down slightly by € 0.3 billion (– 14 %) to € 2.1 billion in the year under review. The main factor here was the deterioration in other operating charges in the narrow sense (by – € 1.1 to – € 4.3 billion) as opposed to the growth of other operating income (by + € 0.8 to € 6.8 billion, see the table on page 46 f of the annex). The other taxes – unrelated to income – that are also reported here, the gross result of the credit coopera-

Credit institutions' cost/income ratios*



* General administrative spending in relation to the total profits from operating business (net interest and net commissions received, net profit or net loss on financial operations (= own-account trading) and net other operating income or charges).

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tives' transactions in goods and the income and depreciation in leasing business have scarcely changed. The balance also includes further items which cannot be allocated to the other items under operating business.[10] In 2000, in addition, higher contributions to deposit guarantee schemes and to the German business community's foundation "Remembrance, Responsibility and the Future" were referred to in the banks' annual reports.

Operating result before the valuation of assets and the cost/income ratio

Slight deterioration in operating result before valuation of assets

The operating result before net income or net charges from the valuation of assets (total net income from operating business after deducting administrative costs, but before risk provision) fell slightly by € 0.3 billion to just under € 35.9 billion (see the table on page 27). Set against the balance sheet total, almost all categories of banks recorded losses, the exceptions being regional institutions of credit cooperatives and the branches of foreign banks.

Further rise in the cost/income ratio

The cost/income ratio, which relates the general administrative spending to the net interest and commissions income or to the total net income in the operating business, calculated as an average of all banks, rose from 70 % (1999) to 74 % and from 66 % to 68 ½ % respectively. When using this figure to assess efficiency, however, the fact that IT expenditure can be considered broadly as investment and institutionally determined shifts in staff costs should also be taken into account. Since 1997 the cost/income ratio has shown an overall upward trend.

Net income or net charges from the valuation of assets

Considerable expansion of risk provisioning

In 2000 the cost of evaluating loans and advances, other assets and securities rose by € 4.3 billion – more than one-third – to € 15.8

10 This affects, for instance, real estate business (renting, leasing and sales), the increase or release of provisions unrelated to loan and securities business, services for group enterprises and damages paid.

billion. On the one hand, write-downs and value adjustments rose by € 2.3 billion to € 17.8 billion, while, on the other, the income from value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments fell by € 2 billion to € 2 billion. Within these items use has already been made of the cross-offsetting option permissible under section 340 (f) (3) of the German Commercial Code. The value adjustments had taken effect in the previous financial year on the basis of the legal rulings on the reinstatement of the original value of assets that had already been value-adjusted. This positive effect has lapsed in the review period.[11]

High valuation charges in domestic lending business

By far the largest proportion of the valuation expenditure is clearly accounted for by domestic lending business. In particular, in the case of housing loans there was evidently more need for value adjustments, this still being apparent at some institutions in spring 2001. To an extent, institutions had to fall back on deposit guarantee schemes. Loan losses also affected the construction industry, trade and companies associated with agriculture. Credit risk continued to be comparatively higher in eastern Germany. In addition, the economic slowdown was reflected in an increase of around 6 % in the number of insolvencies, bringing the total to 28,000 (including small businesses). Also owing to the new insolvency law which came into force in 1999,

11 In 1999, however, many banks allocated most of these “appreciation gains” to a reserve for reinstating original values which is part of the “extraordinary accounts”. They will then release those gains between 2000 and 2003 with a corresponding effect on earnings. This is also why – see below – there was a perceptible inverse improvement in net extraordinary income.

Credit institutions’ cost/income ratios, by category of bank

%

Category of bank	General administrative spending as a percentage of		
	1998	1999	2000 p
	gross earnings 1		
All categories of banks	67.9	70.0	74.0
Commercial banks	73.7	80.4	86.5
Big banks	78.3	83.8	93.4
Regional banks and other commercial banks	68.1	75.0	76.4
Branches of foreign banks	147.1	129.3	137.7
Land banks	56.1	60.3	62.7
Savings banks	68.1	67.0	69.0
Regional institutions of credit cooperatives	59.6	71.4	57.0
Credit cooperatives	75.4	74.0	76.1
Mortgage banks	30.1	30.0	33.7
Banks with special functions	59.2	28.4	30.5
	income from banking business 2		
All categories of banks	63.6	66.0	68.4
Commercial banks	67.8	73.9	75.4
Big banks	76.7	77.4	79.0
Regional banks and other commercial banks	59.2	68.9	70.2
Branches of foreign banks	75.5	72.3	74.1
Land banks	46.5	54.8	55.9
Savings banks	66.5	65.7	68.8
Regional institutions of credit cooperatives	56.0	60.7	51.8
Credit cooperatives	72.4	71.2	74.5
Mortgage banks	29.7	29.3	31.3
Banks with special functions	55.8	27.3	29.7

1 Aggregate net interest and net commissions received. — 2 Gross earnings plus net profit or net loss on financial operations and net other operating income or charges.

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"consumer insolvencies" virtually tripled in 2000. By contrast, the write-downs on fixed-interest securities were, at around € 1.4 billion, fairly small in the year under review (in 1999 they were still € 4.8 billion), as the rise in bond prices in the course of the year limited the need for valuation considerably. Risk provisioning for foreign loans was also clearly reduced on balance, with the positive developments in eastern Europe, in particular, playing a decisive role.

Valuation expenditure by category of bank

The credit institutions made a slight reduction in their taxed hidden reserves, held in accordance with section 340 (f) of the German Commercial Code. The "Fund for general banking risks" (pursuant to section 340 (g) of the Commercial Code), the funds of which are included in the core capital, was topped up by around € 1.1 billion in the year under review.[12] With regard to the individual categories of banks, a disproportionate amount of evaluation expenditure was recorded at the regional institutions of credit cooperatives, mortgage banks and savings banks. The change in risk provisioning at the regional banks was in line with the average, while figures for the Land banks, credit cooperatives and especially the big banks were relatively good.

Lower operating result

Owing to increased risk provisioning and the discontinuance of the previous year's special income from the reinstatement of original values, the operating result fell by just under one-fifth to a total of € 20.1 billion in 2000. That was over € 4.5 billion less than in the previous year.

Net other and extraordinary income or charges

Improved "extraordinary accounts", end of special effects

Performance in the year under review was boosted by the "extraordinary accounts" (see the table on page 31). Their negative balance was reduced by € 2.6 billion to – € 0.6 billion. The most important reason for this was the ongoing evolution of "special reserves", which was the inverse of its trend in 1999. In 1999 considerable amounts of the special income from the reinstatement of original values required by law accrued to it and some of these have now been released again. The income thus generated was € 1.8 billion in the period under review, at the same time virtually no new transfers were made (in 1999 it was still € 4.3 billion). On balance, this effect, which had a particular impact on the savings banks, offset the rather negative changes in the other extraordinary account items. These came, on the one hand, from declining extraordinary income and smaller profits from the financial investment business. The credit institutions made use, as usual, of the option of netting income and charges permissible under section 340 (c) (2) of the German Commercial Code. Charges relating to mergers also played a role. The balance of the extraordinary accounts varied considerably across the different categories of bank. While it boosted the income account at the savings banks, the regional institutions of credit cooperatives and credit cooperatives, it put additional pressure on the income account at the big banks, regional banks and the Land banks.

12 According to balance sheet statistics, it contained € 6.7 billion in June 2001.

Breakdown of other and extraordinary income or charges

Item	1998	1999		2000 p
	DM million		€ million	
Net other and extraordinary income or charges	21,463	– 6,319	– 3,231	– 620
Income (total)	31,801	9,222	4,715	5,281
from value re-adjustments in respect of participating interests, shares in affiliated undertakings and transferable securities held as financial fixed assets	15,740	6,083	3,110	2,332
from the release of special reserves	298	319	163	1,827
from loss transfers	676	213	109	143
Extraordinary income	15,087	2,607	1,333	979
Charges (total)	– 10,338	– 15,541	– 7,946	– 5,901
Value adjustments in respect of participating interests, shares in affiliated undertakings and transferable securities held as financial fixed assets	– 545	– 1,078	– 551	– 1,745
Charges incurred through loss transfers	– 1,294	– 1,013	– 518	– 752
Transfers to special reserves	– 358	– 8,479	– 4,335	– 60
Extraordinary charges	– 6,395	– 3,237	– 1,655	– 2,233
Profits transferred under profit-pooling and profit transfer agreements	– 1,746	– 1,735	– 887	– 1,111

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Profit for the financial year and taxes on income and earnings

Profit for the year before tax

Owing to the more favourable "extraordinary accounts", the poorer operating result had only a mild effect on the profit for the financial year before tax; it fell by € 1.9 billion to just over € 19.4 billion. The big banks, the regional institutions of credit cooperatives and the banks with special functions performed better than in the previous year. Calculated as an average of all banks, the return on equity[13] fell from 11.22 % (1999) to 9.38 %.

Lower taxes on income and earnings

Taxes on income and earnings fell by just under € 2.2 billion to € 6.8 billion. The tax rate fell from 42 % (1999) to 35 %. For financial year 2000 the big banks recorded tax refunds amounting to € 0.4 billion in total in the annual accounts of their individual institutions. In 1998 the institutions in this category – in the course of transferring a large part of their share holdings to autonomous partnerships within the group – had recorded correspondingly high latent taxes in the form of

13 Balance sheet equity also includes "assets contributed by silent partners". These have a certain significance mainly at the Land banks. At least part of their remuneration is clearly included under interest paid and does not therefore have to be paid out of the profit for the financial year. Owing to this effect, return on equity is therefore likely to be underestimated somewhat. However, the "assets contributed by silent partners" can be seen only from banking supervision data and not from the balance sheet statistics. According to estimates, the average return on equity (before tax) of all banks was around 0.5 percentage point higher (as an average for the period from 1994 to 2000). As this instrument is used primarily by the Land banks, the effect was more marked there.

Return on capital of individual categories of banks *

%

Category of bank	1996		1997		1998		1999		2000 p	
All categories of banks	13.28	(6.39)	12.75	(6.47)	19.34	(10.20)	11.22	(6.51)	9.38	(6.09)
Commercial banks	10.77	(6.66)	9.68	(6.65)	27.36	(15.18)	9.69	(7.01)	8.21	(7.32)
of which										
Big banks	11.79	(7.79)	7.38	(5.44)	39.51	(19.24)	6.23	(5.48)	6.34	(7.23)
Regional banks and other commercial banks	10.15	(5.79)	11.52	(7.48)	16.75	(11.54)	16.51	(10.08)	11.63	(7.44)
Land banks	8.66	(5.44)	10.90	(5.89)	11.69	(6.34)	10.61	(5.92)	8.14	(4.22)
Savings banks	21.38	(7.42)	19.37	(6.66)	17.82	(6.52)	15.18	(6.12)	13.49	(6.05)
Regional institutions of credit cooperatives	14.80	(8.09)	12.00	(5.43)	28.57	(23.13)	5.74	(3.98)	12.95	(8.84)
Credit cooperatives	17.72	(6.52)	14.94	(5.82)	12.84	(5.05)	10.70	(4.74)	8.83	(4.09)
Mortgage banks	16.38	(10.07)	15.92	(8.93)	17.81	(10.42)	15.62	(8.87)	6.02	(2.50)

* Profit for the financial year before tax (in brackets: after tax) as a percentage of the average capital as shown in the balance sheet (including the fund for general banking risks, but excluding participation rights capital).

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provisions for taxation.[14] It was now possible to release some of these, which led, as they were higher than the current tax liabilities, to claims for a refund. The transfer was justified by reference to the "Tax Reduction Act"[15] which takes effect from 2001 and which lowers the rate of corporation tax to a standard 25 % (the rate was previously 40 % on retained profits and 30 % on distributed profits, excluding the solidarity surcharge). In addition, from 2002 the tax liability on profits from the sale of share holdings in incorporated enterprises will cease to apply.

Profit for the year after tax, distribution of profits

At € 12.6 billion, the profit for the financial year after tax was slightly higher than in the previous year (€ 12.4 billion). Of this amount, € 4.1 billion was transferred to reserves and € 8.5 billion recorded as balance sheet profit.

Performance of subsidiaries of German credit institutions in Luxembourg

Stable performance

The performance of subsidiaries of German credit institutions located in Luxembourg, the last review of which in the "Monthly Report" was for financial year 1997,[16] was similar to that of their parent institutions in Germany in financial years 1998, 1999 and 2000. In 1998 the Luxembourg subsidiaries also achieved particularly high profits for the financial year before and after tax; these profits were due

14 Deutsche Bundesbank, The performance of German credit institutions in 1998, Monthly Report, July 1999, pages 27-57. Because of the internal movements within the group, the group figures were not affected to the same extent.
15 "Act on the Reduction of Tax Rates and on the Reform of Corporate Taxation" of 23 October 2000.
16 Deutsche Bundesbank, The performance of German credit institutions in 1997, Monthly Report, August 1998, pages 43–45.

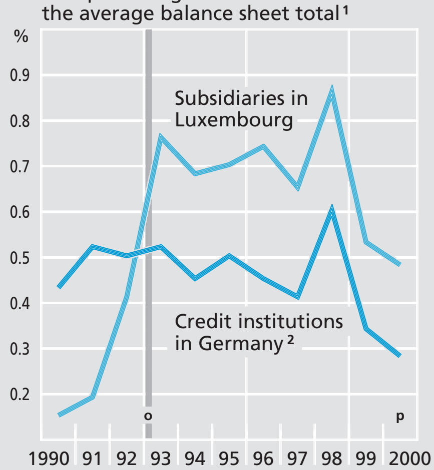
to non-recurrent special effects which took the form of sales of participating interests and then ceased. In 2000 the operating result and the profit for the financial year before tax were around € 1.1 billion (0.49 % of the balance sheet total in each case)[17]; after tax the result was € 0.8 billion (0.35 %). The results have barely changed since 1999. These performance figures show that, in terms of the average balance sheet total, the Luxembourg subsidiaries did better than the institutions located in Germany.[18]

Net interest and commissions received

In 2000 the balance sheet total of the Luxembourg subsidiaries rose as an annual average by 8.5 % to just over € 222 billion. The net interest received, the most important source of income, remained steady at just under € 1.1 billion. The interest margin, which, owing to the interest business which is largely restricted to banks and major customers, is traditionally lower than at the institutions located in Germany, has decreased continuously since 1997 (0.60 %) to 0.48 % in 2000. Compared with the 1993 figure, it has almost halved. In 2000 increases in revenue related to volume were absorbed by the increase in short-term interest rates and the flatter term structure. Net commissions received developed exceptionally well, rising by 45 % to just over € 0.6 billion. This corresponded to 0.29 % (1999: 0.22 %) of the average balance sheet total. The Luxembourg institutions benefited from the strong demand for investment fund certificates, as some of them act as custodian banks for investment funds, as well as from the demand for asset counselling and asset management.

Profits for the financial year of credit institutions and their subsidiaries in Luxembourg *

As a percentage of the average balance sheet total 1



* Before tax; from financial year 1990 including Postbank. — **1** Up to end-1998 as a percentage of the volume of business. — **2** Including foreign branches. — **o** From financial year 1993 including east German credit institutions and in accordance with the modified accounting regulations.

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Little change in own-account trading and risk provisioning, rise in administrative spending

The net profit or net loss on financial operations held steady at around € 0.1 billion. Net other operating income or charges, which is where the Luxembourg institutions record revenue from sales of participating interests, again fell to just under € 0.1 billion from its peak in 1998 (€ 0.6 billion). At – € 0.2 billion, the negative balance of the net income or net

17 Up to 1998 as a percentage of the volume of business. At the foreign subsidiaries the balance sheet total and volume of business are identical.
18 At the end of 2000 a total of 170 foreign subsidiaries majority-owned by German banks from 35 countries reported data for the monthly balance sheet statistics. At that time their balance sheet total was € 580.5 billion. Of this amount, 41.7 % was accounted for by the 31 Luxembourg subsidiaries. Measured against the balance sheet total of (dependent) foreign branches of German banks, whose income is included in the result of the domestic credit institutions, the overall importance of the 170 subsidiaries declined further (to 37.3 %, from 41.6 % in 1997, the financial year last reviewed). However, this is not the case in Luxembourg, where there is a distinct preference for the legal form of the subsidiary as opposed to that of the branch.

Comparison of the performance of German credit institutions and their subsidiaries in Luxembourg *

Percentage of the average balance sheet total o

Financial year	Net interest and net commissions received		Partial operating result or gross earnings		Operating result		Profit for the financial year before tax or profits before tax	
	Domestic credit institutions 1	Subsidiaries in Luxembourg 2	Domestic credit institutions 1	Subsidiaries in Luxembourg	Domestic credit institutions	Subsidiaries in Luxembourg	Domestic credit institutions 1	Subsidiaries in Luxembourg
1990	2.11	0.15	0.63	1.20	.	.	0.44	0.16
1991	2.17	0.21	0.68	0.78	.	.	0.53	0.20
1992	2.21	0.26	0.71	0.90	.	.	0.51	0.42
1993	2.29	1.03	0.80	0.81	0.55	0.76	0.53	0.77
1994	2.27	0.95	0.88	0.72	0.47	0.72	0.46	0.69
1995	2.12	0.88	0.73	0.66	0.54	0.71	0.51	0.71
1996	1.99	0.84	0.70	0.61	0.51	0.76	0.46	0.75
1997	1.86	0.81	0.64	0.57	0.46	0.67	0.42	0.66
1998	1.71	0.77	0.55	0.55	0.41	0.78	0.61	0.87
1999	1.66	0.75	0.50	0.53	0.41	0.59	0.35	0.54
2000 p	1.57	0.77	0.41	0.52	0.30	0.49	0.29	0.49

* From financial year 1993 including east German credit institutions and in accordance with the modified accounting regulations — **o** Up to end-1998 as a percentage of the volume of business; from 1999 as a percentage of the balance sheet total. — **1** From financial year 1990 including Deutsche Bundespost Postbank (from 1995: Deutsche Postbank AG). — **2** Up to 1992 excluding current income from securities and participating interests.

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charges from the valuation of assets, which includes risk provision in lending business and in financial investment business,[19] remained virtually unchanged. By contrast, in 2000 the negative effect of higher administrative spending on performance was felt more strongly than in the previous two financial years. Administrative spending went up by just under one-quarter to € 0.6 billion, with other administrative spending almost reaching the level of staff costs. The reasons for the strong increase were related, in particular, to the appointment of additional qualified staff and to continued high levels of investment in tangible fixed assets in the field of IT and to special expenditure related to mergers. Overall, performance growth in the Luxembourg subsidiaries and the institutions located in Germany seems to have moved much closer together, which signals further integration of the banking markets.

19 The Luxembourg institutions record the changes in the valuation of securities from the liquidity reserve under net profit or net loss on financial operations.

Annex

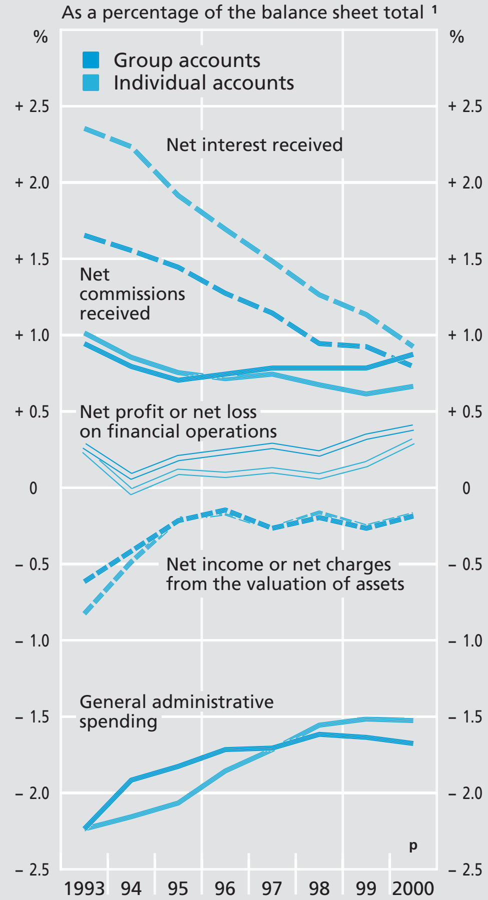
Comparison of the annual accounts of groups and individual institutions in the big bank category

Comparison of annual accounts of groups and individual institutions

This presentation and review of the performance of credit institutions is based on the individual annual accounts of the institutions pursuant to the German Commercial Code. Bank groups (in particular, commercial banks, Land banks and the regional institutions of credit cooperatives) also publish annual group accounts, primarily in accordance with the International Accounting Standards (IAS). The adjacent chart compares the most important income and expenditure items of the big banks[20] on the basis of their group data and their individual annual accounts pursuant to the German Commercial Code (1993 to 2000; up to 1998 three institutions, subsequently four). As an average of the aggregated figures, the individual institutions' balance sheet totals make up around 65 % of the group balance sheet totals. A large degree of convergence is evident. The comparison shows that using individual institutions' annual accounts does not lead to systemic or structural distortion. The differences are somewhat larger in terms of net interest received; they are smaller in terms of the trading result, where the evaluation in the group accounts is more market-oriented and also takes pending profits into account, and in net commissions received. In the group account, as a result of the inclusion of a large number of group enterprises with other business, net commissions received have already outstripped net interest received.

Comparison of big banks' group and individual annual accounts*

As a percentage of the balance sheet total [1]



* Individual accounts pursuant to the Commercial Code. — 1 For groups, year-end data averaged out; for individual institutions, up to end-1998 as a percentage of the volume of business, calculated as the average of month-end data.

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Individual accounts still appropriate and reasonable

For the purposes of analysing the performance of the German banking industry, it is advisable to continue to use individual accounts.

20 The data for the individual accounts are taken from the statistics published here, while group data were compiled, using the same format, from the annual reports. The value adjustment in respect of tangible and intangible assets was included in administrative spending. Net interest received contains no income from leasing and is captured before deduction of risk provisioning. The balance sheet total – averaged out over the year-end positions – was used as the reference variable.

This is the only way to enable a comparison also to be made with those banks which do not calculate and present their accounts in accordance with accounting regulations for financial groups. The group figures also contain data from credit institutions which are already included in other categories of bank. Adding the figures together would therefore lead to double counting, which could be avoided only by subtracting data for these institutions from the group result, which would be very costly. Whereas group annual accounts pursuant to IAS are intended to convey information which would be of assistance to investors in their investment decisions[21] and to make it easier to supervise financial conglomerates, the annual accounts pursuant to the German Commercial Code are more concerned with protecting creditors, are less susceptible to market price fluctuations and are also relevant to the tax balance sheet. In addition to preparing market comparability data, analysing the performance of the banks helps, in particular, to assess the stability of the financial system. The profitability of actual banking business needs to be analysed, but this would be virtually impossible if a number of group enterprises which conduct some bank-unrelated business were to be included. In 2000 at the four big banks the results of a total of 2,007 enterprises were included in the group accounts. Of these, 1,612 were foreign and 395 domestic enterprises (1999: 1,059 foreign and 342 domestic institutions).

21 Owing to the information they provide on risk and the segment, as it is, the very comprehensive annual reports contain data which are far more important for investors than aggregated group data.

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

Percentage of the average balance sheet total o

Financial year	All categories of banks	Commercial banks: Total	of which: Big banks	of which: Regional banks and other commercial banks	Land banks	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Banks with special functions
	Interest received									
1994	6.77	6.66	6.25	6.91	6.49	7.33	6.44	7.34	7.11	5.57
1995	6.57	6.38	6.07	6.66	6.32	7.08	5.61	7.10	6.90	5.90
1996	6.07	5.71	5.40	6.06	5.90	6.61	4.78	6.54	6.54	5.67
1997	5.76	5.34	4.94	5.82	5.70	6.28	4.64	6.20	6.39	5.30
1998	5.59	5.07	4.61	5.68	5.53	6.05	4.61	5.95	6.54	5.20
1999	5.33	5.00	4.85	5.45	5.28	5.71	4.11	5.60	6.04	5.11
2000 p	5.51	5.32	5.24	5.58	5.63	5.72	5.04	5.69	5.81	5.03
	Interest paid									
1994	4.89	4.50	4.00	4.78	5.73	4.18	5.15	4.19	6.42	4.64
1995	4.81	4.42	4.15	4.65	5.63	4.05	4.72	4.06	6.21	4.96
1996	4.42	3.91	3.69	4.15	5.21	3.70	4.02	3.63	5.88	4.76
1997	4.26	3.71	3.44	4.02	5.05	3.56	3.92	3.43	5.76	4.45
1998	4.22	3.61	3.33	3.99	4.91	3.54	3.86	3.40	5.92	4.37
1999	4.05	3.57	3.69	3.30	4.66	3.23	3.51	3.10	5.51	4.49
2000 p	4.36	4.15	4.30	3.85	5.07	3.39	4.26	3.24	5.35	4.46
	Excess of interest received over interest paid = net interest received									
1994	1.89	2.15	2.25	2.13	0.76	3.15	1.29	3.15	0.69	0.93
1995	1.76	1.95	1.93	2.01	0.68	3.02	0.89	3.04	0.69	0.95
1996	1.65	1.80	1.71	1.91	0.69	2.91	0.76	2.91	0.67	0.90
1997	1.50	1.62	1.50	1.79	0.65	2.72	0.72	2.76	0.63	0.85
1998	1.37	1.45	1.28	1.69	0.62	2.52	0.76	2.56	0.62	0.83
1999	1.28	1.43	1.15	2.15	0.62	2.48	0.60	2.49	0.52	0.62
2000 p	1.15	1.17	0.94	1.73	0.56	2.33	0.78	2.45	0.46	0.57
	Excess of commissions received over commissions paid = net commissions received									
1994	0.39	0.66	0.87	0.46	0.11	0.50	0.23	0.57	– 0.01	0.22
1995	0.36	0.60	0.77	0.44	0.10	0.49	0.22	0.53	0.00	0.21
1996	0.34	0.58	0.73	0.42	0.10	0.47	0.22	0.53	– 0.01	0.18
1997	0.35	0.63	0.76	0.48	0.10	0.47	0.23	0.54	– 0.01	0.17
1998	0.34	0.62	0.69	0.50	0.10	0.48	0.20	0.55	– 0.01	0.13
1999	0.37	0.70	0.63	0.89	0.11	0.52	0.18	0.62	– 0.01	0.05
2000 p	0.42	0.76	0.68	0.99	0.13	0.55	0.21	0.68	– 0.01	0.05

o Up to end-1998 as a percentage of the volume of business, from 1999 as a percentage of the balance sheet total. Excluding the balance sheet total/volume of business of the foreign branches of savings banks. Statistical increase in the volume of business owing to the inclusion of foreign branches: in 1994 regional institutions of credit cooperatives + DM 13.8 billion; in 1998 mortgage banks + DM 1.3 billion.

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

Percentage of the average balance sheet total o

Financial year	All categories of banks	Commercial banks: Total	of which: Big banks	of which: Regional banks and other commercial banks	Land banks	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Banks with special functions
	General administrative spending									
1994	1.39	1.84	2.14	1.59	0.45	2.14	0.66	2.54	0.22	0.77
1995	1.38	1.81	2.05	1.61	0.46	2.17	0.66	2.53	0.22	0.78
1996	1.29	1.67	1.84	1.50	0.43	2.11	0.60	2.44	0.20	0.69
1997	1.21	1.58	1.70	1.44	0.42	2.05	0.58	2.38	0.19	0.66
1998	1.16	1.53	1.54	1.49	0.40	2.04	0.57	2.34	0.18	0.57
1999	1.16	1.71	1.50	2.28	0.44	2.01	0.56	2.30	0.15	0.19
2000 p	1.16	1.67	1.51	2.08	0.43	1.99	0.56	2.39	0.15	0.19
	Partial operating result									
1994	0.88	0.97	0.98	1.00	0.41	1.52	0.86	1.18	0.46	0.39
1995	0.73	0.73	0.65	0.84	0.33	1.34	0.45	1.04	0.46	0.38
1996	0.70	0.71	0.60	0.84	0.35	1.28	0.39	1.00	0.45	0.39
1997	0.64	0.68	0.56	0.83	0.33	1.14	0.37	0.92	0.44	0.35
1998	0.55	0.54	0.43	0.70	0.32	0.96	0.39	0.77	0.43	0.39
1999	0.50	0.42	0.29	0.76	0.29	0.99	0.22	0.81	0.36	0.48
2000 p	0.41	0.26	0.11	0.64	0.26	0.89	0.43	0.75	0.30	0.43
	Net profit or net loss on financial operations									
1994	0.01	0.01	– 0.01	0.02	0.00	0.01	0.08	0.00	0.00	0.00
1995	0.06	0.11	0.12	0.10	0.05	0.05	0.12	0.03	0.00	0.01
1996	0.05	0.09	0.10	0.07	0.04	0.05	0.10	0.03	0.00	0.01
1997	0.06	0.10	0.13	0.06	0.05	0.06	0.10	0.02	0.00	0.02
1998	0.07	0.13	0.09	0.18	0.07	0.05	0.05	0.02	0.00	0.01
1999	0.06	0.15	0.17	0.07	0.03	0.03	0.12	0.01	–	0.00
2000 p	0.10	0.24	0.32	0.07	0.05	0.02	0.09	0.00	0.00	0.00
	Net income or net charges from the valuation of assets									
1994	– 0.44	– 0.49	– 0.47	– 0.51	– 0.19	– 0.73	– 0.73	– 0.55	– 0.19	– 0.23
1995	– 0.27	– 0.28	– 0.19	– 0.35	– 0.15	– 0.52	– 0.13	– 0.35	– 0.10	– 0.16
1996	– 0.26	– 0.28	– 0.15	– 0.41	– 0.15	– 0.47	– 0.04	– 0.37	– 0.08	– 0.21
1997	– 0.26	– 0.30	– 0.25	– 0.36	– 0.14	– 0.46	– 0.10	– 0.41	– 0.11	– 0.13
1998	– 0.25	– 0.25	– 0.15	– 0.37	– 0.27	– 0.34	– 0.19	– 0.36	– 0.08	– 0.23
1999	– 0.19	– 0.23	– 0.24	– 0.22	– 0.11	– 0.17	– 0.17	– 0.39	– 0.10	– 0.24
2000 p	– 0.24	– 0.18	– 0.16	– 0.25	– 0.12	– 0.46	– 0.47	– 0.46	– 0.19	– 0.15

o For footnotes see page 37.

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

Percentage of the average balance sheet total o

Financial year	All categories of banks	Commercial banks: Total	of which: Big banks	of which: Regional banks and other commercial banks	Land banks	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Banks with special functions
	Operating result									
1994	0.47	0.52	0.49	0.57	0.25	0.77	0.20	0.73	0.26	0.19
1995	0.54	0.60	0.57	0.65	0.26	0.84	0.45	0.80	0.36	0.27
1996	0.51	0.55	0.54	0.58	0.28	0.80	0.46	0.72	0.36	0.26
1997	0.46	0.50	0.40	0.61	0.26	0.72	0.38	0.62	0.33	0.29
1998	0.41	0.47	0.32	0.65	0.20	0.69	0.26	0.54	0.36	0.22
1999	0.41	0.38	0.20	0.81	0.25	0.87	0.19	0.54	0.27	0.27
2000 p	0.30	0.36	0.24	0.63	0.22	0.44	0.05	0.36	0.14	0.30
	Net other and extraordinary income or charges									
1994	– 0.01	0.02	0.09	– 0.05	– 0.05	– 0.06	0.27	– 0.03	0.01	0.03
1995	– 0.03	– 0.09	– 0.10	– 0.10	– 0.03	0.02	– 0.03	0.02	– 0.03	– 0.01
1996	– 0.05	– 0.07	– 0.04	– 0.10	– 0.07	0.01	– 0.02	0.03	– 0.03	– 0.22
1997	– 0.04	– 0.10	– 0.12	– 0.10	– 0.02	0.02	– 0.05	0.03	– 0.03	– 0.11
1998	0.20	0.58	1.03	0.09	0.06	0.01	0.46	0.03	– 0.04	0.01
1999	– 0.05	0.00	0.04	– 0.07	– 0.01	– 0.27	– 0.04	– 0.06	– 0.03	– 0.02
2000 p	– 0.01	– 0.07	– 0.03	– 0.16	– 0.03	0.11	0.30	0.05	– 0.05	0.00
	Profit for the financial year before tax									
1994	0.46	0.54	0.58	0.52	0.20	0.71	0.47	0.70	0.27	0.21
1995	0.51	0.51	0.47	0.55	0.23	0.86	0.42	0.81	0.33	0.26
1996	0.46	0.49	0.50	0.48	0.21	0.82	0.43	0.76	0.33	0.03
1997	0.42	0.40	0.28	0.51	0.25	0.75	0.33	0.65	0.29	0.18
1998	0.61	1.06	1.35	0.74	0.26	0.70	0.72	0.57	0.31	0.22
1999	0.35	0.38	0.23	0.74	0.24	0.60	0.16	0.48	0.24	0.25
2000 p	0.29	0.29	0.21	0.47	0.19	0.55	0.36	0.41	0.09	0.30
	Profit for the financial year after tax									
1994	0.24	0.34	0.38	0.31	0.11	0.30	0.24	0.31	0.17	0.14
1995	0.26	0.34	0.37	0.31	0.12	0.30	0.21	0.31	0.21	0.20
1996	0.22	0.30	0.33	0.27	0.13	0.28	0.24	0.28	0.20	– 0.01
1997	0.21	0.27	0.21	0.33	0.13	0.26	0.15	0.25	0.17	0.15
1998	0.32	0.59	0.66	0.51	0.14	0.26	0.58	0.22	0.18	0.19
1999	0.20	0.28	0.20	0.45	0.13	0.24	0.11	0.21	0.13	0.22
2000 p	0.19	0.26	0.24	0.30	0.10	0.25	0.24	0.19	0.04	0.28

o For footnotes see page 37.

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Credit institutions' profit and loss accounts

Financial year	Interest business			Non-interest business			General administrative spending			Partial operating result (col. 1 plus col. 4 less col. 7)
	Net interest received (col. 2 less col. 3)	Interest received	Interest paid	Net commissions received (col. 5 less col. 6)	Commissions received	Commissions paid	Total (col. 8 plus col. 9)	Staff costs	Total other administrative spending 1	
	1	2	3	4	5	6	7	8	9	10
	DM billion									
1993	118.9	477.2	358.4	26.6	29.7	3.1	94.9	57.2	37.7	50.6
1994	133.7	479.9	346.2	27.3	30.5	3.2	98.8	59.0	39.7	62.2
1995	133.6	498.9	365.4	27.1	30.4	3.3	105.2	62.8	42.3	55.5
1996	140.8	518.3	377.5	29.2	33.3	4.1	110.0	64.4	45.6	60.0
1997	144.6	554.5	409.9	34.1	39.1	5.0	116.9	67.1	49.8	61.8
1998	147.5	602.9	455.3	37.0	43.6	6.6	125.2	70.1	55.1	59.3
1999	152.2	631.5	479.3	43.9	52.3	8.4	137.3	75.2	62.1	58.9
	€ billion									
1999	77.8	322.9	245.0	22.5	26.8	4.3	70.2	38.4	31.8	30.1
2000 p	76.9	370.0	293.0	28.1	33.8	5.7	77.7	42.0	35.7	27.3
	Change from the previous year in % 4									
1994	+ 11.3	– 1.5	– 5.7	+ 2.2	+ 2.5	+ 5.6	+ 3.8	+ 2.9	+ 5.3	+ 20.4
1995	+ 0.0	+ 4.3	+ 6.0	– 0.5	– 0.0	+ 3.7	+ 6.7	+ 6.7	+ 6.9	– 10.8
1996	+ 5.5	+ 3.9	+ 3.3	+ 7.9	+ 9.7	+ 24.4	+ 4.6	+ 2.6	+ 7.7	+ 8.2
1997	+ 2.8	+ 7.0	+ 8.5	+ 16.9	+ 17.5	+ 21.4	+ 6.4	+ 4.3	+ 9.4	+ 3.1
1998	+ 2.2	+ 8.8	+ 11.2	+ 8.5	+ 11.7	+ 33.0	+ 7.2	+ 4.6	+ 10.8	– 3.9
1999	+ 3.0	+ 4.7	+ 5.2	+ 18.7	+ 19.9	+ 26.4	+ 9.6	+ 7.2	+ 12.8	– 1.1
2000 p	– 1.2	+ 14.6	+ 19.6	+ 25.0	+ 26.2	+ 32.6	+ 10.7	+ 9.2	+ 12.4	– 9.2
	Percentage of the average balance sheet total									
1993	1.87	7.51	5.64	0.42	0.47	0.05	1.49	0.90	0.59	0.80
1994	1.89	6.77	4.89	0.39	0.43	0.05	1.39	0.83	0.56	0.88
1995	1.76	6.57	4.81	0.36	0.40	0.04	1.38	0.83	0.56	0.73
1996	1.65	6.07	4.42	0.34	0.39	0.05	1.29	0.75	0.53	0.70
1997	1.50	5.76	4.26	0.35	0.41	0.05	1.21	0.70	0.52	0.64
1998	1.37	5.59	4.22	0.34	0.40	0.06	1.16	0.65	0.51	0.55
1999	1.28	5.33	4.05	0.37	0.44	0.07	1.16	0.63	0.52	0.50
2000 p	1.15	5.51	4.36	0.42	0.50	0.08	1.16	0.63	0.53	0.41

1 Including depreciation of and adjustments for tangible and intangible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — **2** Up to end-1998 volume of business, from 1999 balance sheet total. — **3** Excluding the volume of business/balance sheet total of the foreign branches of savings banks. Statistical increase in the volume of business due to the inclusion

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Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col. 10 to col. 13)	Net other and extra-ordinary income or charges	Profit for the financial year before tax (from 1993: col. 14 plus col. 15)	Taxes on income and earnings	Profit or loss (–) for the financial year after tax (col. 16 less col. 17)	Memo item Balance sheet total 2, 3	Financial year
11	12	13	14	15	16	17	18	19	
								DM billion	
6.8	1.7	– 24.0	35.1	– 1.5	33.6	17.9	15.7	6,354.1	1993
0.5	1.5	– 30.9	33.3	– 0.5	32.8	15.5	17.3	7,085.3	1994
4.4	1.4	– 20.5	40.8	– 2.2	38.6	19.1	19.5	7,592.9	1995
4.1	1.4	– 22.1	43.5	– 4.3	39.2	20.3	18.9	8,545.9	1996
5.3	2.2	– 25.1	44.2	– 4.0	40.2	19.8	20.4	9,625.1	1997
7.1	5.2	– 27.2	44.4	21.5	65.9	31.1	34.7	10,778.2	1998
7.0	4.8	– 22.5	48.1	– 6.3	41.8	17.6	24.2	11,845.3	1999
								€ billion	
3.6	2.4	– 11.5	24.6	– 3.2	21.4	9.0	12.4	6,056.4	1999
6.4	2.1	– 15.8	20.1	– 0.6	19.4	6.8	12.6	6,716.3	2000 p
								Change from the previous year in % 4	
– 92.8	– 17.0	– 27.9	– 7.7	+ 74.7	– 4.0	– 13.1	+ 6.1	+ 9.2	1994
+ 946.4	– 6.7	+ 33.4	+ 22.3	– 364.2	+ 17.4	+ 23.0	+ 12.3	+ 7.4	1995
– 6.0	+ 0.9	– 7.4	+ 6.8	– 96.2	+ 1.7	+ 6.5	– 2.9	+ 12.6	1996
+ 24.3	+ 58.2	– 13.6	+ 1.7	+ 6.9	+ 2.7	– 2.5	+ 8.3	+ 12.6	1997
+ 34.0	+ 148.6	– 8.3	+ 0.9	.	+ 64.2	+ 58.0	+ 70.1	+ 12.1	1998
+ 1.7	– 7.7	+ 17.1	+ 8.3	.	– 36.5	– 43.6	– 30.2	+ 9.9	1999
+ 79.5	– 14.1	– 37.3	– 18.5	+ 80.8	– 9.1	– 24.0	+ 1.8	+ 10.9	2000 p
								Percentage of the average balance sheet total	
0.11	0.03	– 0.38	0.55	– 0.02	0.53	0.28	0.25	.	1993
0.01	0.02	– 0.44	0.47	– 0.01	0.46	0.22	0.24	.	1994
0.06	0.02	– 0.27	0.54	– 0.03	0.51	0.25	0.26	.	1995
0.05	0.02	– 0.26	0.51	– 0.05	0.46	0.24	0.22	.	1996
0.06	0.02	– 0.26	0.46	– 0.04	0.42	0.21	0.21	.	1997
0.07	0.05	– 0.25	0.41	0.20	0.61	0.29	0.32	.	1998
0.06	0.04	– 0.19	0.41	– 0.05	0.35	0.15	0.20	.	1999
0.10	0.03	– 0.24	0.30	– 0.01	0.29	0.10	0.19	.	2000 p

of the foreign branches: in 1994 regional institutions of credit cooperatives + DM 13.8 billion; in 1998 mortgage banks + DM 1.3 billion. — **4** Statistical changes have been eliminated, including breaks caused by the inclusion of east German credit institutions in 1993.

Credit institutions' profit and loss accounts *

Financial year	Number of reporting institutions	Interest business: Net interest received (col. 3 less col. 4)	Interest received	Interest paid	Non-interest business: Net commissions received (col. 6 less col. 7)	Commissions received	Commissions paid	General administrative spending: Total (col. 9 plus col. 10)	Staff costs	Total other administrative spending [1]	Partial operating result (col. 2 plus col. 5 less col. 8)
	1	2	3	4	5	6	7	8	9	10	11
	All categories of banks										
		DM million									
1997	3,359	144,560	554,474	409,914	34,096	39,056	4,960	116,867	67,097	49,770	61,789
1998	3,167	147,515	602,854	455,339	37,010	43,603	6,593	125,201	70,123	55,078	59,324
1999	2,897	152,209	631,467	479,258	43,930	52,338	8,408	137,284	75,174	62,109	58,855
		€ million									
1999	2,897	77,823	322,864	245,041	22,461	26,760	4,299	70,192	38,436	31,756	30,092
2000 p	2,636	76,925	369,959	293,034	28,081	33,780	5,699	77,682	41,992	35,690	27,324
	Commercial banks										
		DM million									
1997	272	44,354	145,824	101,470	17,273	19,826	2,553	43,082	24,191	18,891	18,545
1998	258	45,727	159,303	113,576	19,341	22,932	3,591	47,941	25,937	22,004	17,127
1999	224	50,410	176,093	125,684	24,681	28,469	3,788	60,361	30,943	29,418	14,729
		€ million									
1999	224	25,774	90,035	64,261	12,619	14,556	1,937	30,862	15,821	15,041	7,531
2000 p	224	25,744	117,226	91,482	16,811	19,606	2,795	36,814	18,569	18,245	5,741
	Big banks										
		DM million									
1997	3	20,037	66,201	46,164	10,224	11,092	868	22,773	13,357	9,416	7,488
1998	3	21,381	76,785	55,404	11,414	13,114	1,700	25,664	14,766	10,898	7,131
1999	4	28,068	118,111	90,042	15,467	17,346	1,880	36,480	19,654	16,826	7,055
		€ million									
1999	4	14,351	60,389	46,038	7,908	8,869	961	18,652	10,049	8,603	3,607
2000 p	4	14,174	79,073	64,899	10,205	11,251	1,046	22,770	12,182	10,588	1,609
	Regional banks and other commercial banks										
		DM million									
1997	181	22,914	74,305	51,391	6,088	7,623	1,535	18,393	9,831	8,562	10,609
1998	174	22,909	77,151	54,242	6,794	8,504	1,710	20,217	10,188	10,029	9,486
1999	192	22,046	55,804	33,758	9,122	10,964	1,842	23,380	11,127	12,253	7,788
		€ million									
1999	192	11,272	28,532	17,260	4,664	5,606	942	11,954	5,689	6,265	3,982
2000 p	193	11,390	36,814	25,424	6,539	8,280	1,741	13,704	6,303	7,401	4,225
	Branches of foreign banks										
		DM million									
1997	30	261	2,623	2,362	118	146	28	470	181	289	– 91
1998	26	275	2,588	2,313	105	147	42	559	157	402	– 179
1999	28	295	2,179	1,883	92	158	66	501	162	338	– 113
		€ million									
1999	28	151	1,114	963	47	81	34	256	83	173	– 58
2000 p	27	180	1,339	1,159	67	75	8	340	84	256	– 93
	Land banks										
		DM million									
1997	13	12,429	109,605	97,176	1,985	2,617	632	8,057	4,434	3,623	6,357
1998	13	13,615	120,670	107,055	2,076	2,872	796	8,796	4,640	4,156	6,895
1999	13	16,411	140,200	123,788	2,812	4,755	1,942	11,588	5,912	5,676	7,636
		€ million									
1999	13	8,391	71,683	63,292	1,438	2,431	993	5,925	3,023	2,902	3,904
2000 p	13	8,386	84,761	76,375	1,943	3,185	1,242	6,479	3,364	3,115	3,850

* For footnotes see pages 44–45.

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Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col. 11 to col. 14)	Net other and extraordinary income or charges [2]	Profit for the financial year before tax (col. 15 plus col. 16)	Taxes on income and earnings [3]	Profit or loss (–) for the financial year after tax (col. 17 less col. 18)	Withdrawals from or transfers to (–) reserves and participation rights capital [4]	Balance sheet profit or loss (–) (col. 19 plus col. 20)	Memo item Average annual balance sheet total [5, 6]	
12	13	14	15	16	17	18	19	20	21	22	Financial year
										All categories of banks	
										DM million	
5,306	2,237	– 25,091	44,241	– 4,000	40,241	19,838	20,403	– 7,395	13,008	9,625,073	1997
7,079	5,184	– 27,164	44,423	21,463	65,886	31,148	34,738	– 16,553	18,185	10,778,199	1998
7,016	4,788	– 22,514	48,145	– 6,319	41,825	17,579	24,246	– 8,263	15,983	11,845,257	1999
										€ million	
3,587	2,448	– 11,511	24,616	– 3,231	21,385	8,988	12,397	– 4,225	8,172	6,056,385	1999
6,440	2,103	– 15,799	20,068	– 620	19,448	6,833	12,615	– 4,091	8,524	6,716,341	2000 p
										Commercial banks	
										DM million	
2,603	809	– 8,199	13,758	– 2,863	10,895	3,406	7,489	– 1,598	5,891	2,732,361	1997
4,237	1,397	– 7,882	14,879	18,371	33,250	14,802	18,448	– 8,742	9,706	3,143,441	1998
5,169	1,463	– 8,105	13,257	162	13,419	3,704	9,715	– 2,345	7,370	3,523,421	1999
										€ million	
2,643	748	– 4,144	6,778	83	6,861	1,894	4,967	– 1,199	3,768	1,801,497	1999
5,371	881	– 4,005	7,988	– 1,565	6,423	698	5,725	– 1,161	4,564	2,201,783	2000 p
										Big banks	
										DM million	
1,713	– 437	– 3,400	5,364	– 1,560	3,804	998	2,806	– 400	2,406	1,340,110	1997
1,465	– 814	– 2,523	5,259	17,163	22,422	11,504	10,918	– 5,486	5,432	1,665,557	1998
4,207	– 634	– 5,824	4,804	863	5,666	685	4,981	– 1,177	3,804	2,437,024	1999
										€ million	
2,151	– 324	– 2,978	2,456	441	2,897	350	2,547	– 602	1,945	1,246,031	1999
4,761	– 327	– 2,352	3,691	– 510	3,181	– 443	3,624	– 1,325	2,299	1,508,019	2000 p
										Regional banks and other commercial banks	
										DM million	
713	1,074	– 4,582	7,814	– 1,305	6,509	2,282	4,227	– 1,135	3,092	1,277,328	1997
2,409	2,033	– 5,060	8,868	1,184	10,052	3,127	6,925	– 3,216	3,709	1,359,340	1998
704	2,050	– 2,282	8,259	– 700	7,559	2,944	4,616	– 1,158	3,458	1,024,243	1999
										€ million	
360	1,048	– 1,167	4,223	– 358	3,865	1,505	2,360	– 592	1,768	523,687	1999
442	1,164	– 1,644	4,187	– 1,054	3,133	1,127	2,006	172	2,178	659,720	2000 p
										Branches of foreign banks	
										DM million	
86	124	– 32	87	– 22	65	51	14	–	14	65,857	1997
252	108	– 54	127	22	149	55	94	– 7	87	68,061	1998
258	47	2	194	–	194	76	117	– 10	108	62,154	1999
										€ million	
132	24	1	99	–	99	39	60	– 5	55	31,779	1999
168	44	– 9	110	– 1	109	14	95	– 8	87	34,044	2000 p
										Land banks	
										DM million	
1,051	450	– 2,784	5,074	– 330	4,744	2,180	2,564	– 1,703	861	1,923,358	1997
1,427	1,794	– 5,845	4,271	1,410	5,681	2,597	3,084	– 1,700	1,384	2,180,454	1998
751	1,181	– 2,945	6,622	– 278	6,345	2,807	3,538	– 1,872	1,666	2,656,093	1999
										€ million	
384	604	– 1,506	3,386	– 142	3,244	1,435	1,809	– 957	852	1,358,039	1999
680	573	– 1,756	3,347	– 504	2,843	1,371	1,472	– 629	843	1,506,853	2000 p

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

Financial year	Number of reporting institutions	Interest business: Net interest received (col. 3 less col. 4)	Interest business: Interest received	Interest business: Interest paid	Non-interest business: Net commissions received (col. 6 less col. 7)	Non-interest business: Commissions received	Non-interest business: Commissions paid	General administrative spending: Total (col. 9 plus col. 10)	General administrative spending: Staff costs	General administrative spending: Total other administrative spending 1	Partial operating result (col. 2 plus col. 5 less col. 8)
	1	2	3	4	5	6	7	8	9	10	11
	Savings banks										
		DM million									
1997	598	44,414	102,629	58,215	7,696	8,026	330	33,504	20,113	13,391	18,606
1998	594	43,430	104,410	60,980	8,317	8,701	384	35,247	21,118	14,129	16,500
1999	578	43,543	100,193	56,651	9,069	9,521	452	35,228	21,092	14,137	17,383
		€ million									
1999	578	22,263	51,228	28,965	4,637	4,868	231	18,012	10,784	7,228	8,888
2000 p	561	21,521	52,763	31,242	5,051	5,353	302	18,324	10,984	7,340	8,248
	Regional institutions of credit cooperatives										
		DM million									
1997	4	2,406	15,556	13,150	760	1,012	252	1,931	958	973	1,235
1998	4	2,921	17,814	14,893	759	1,117	358	2,192	1,022	1,170	1,488
1999	4	2,582	17,618	15,036	773	1,389	616	2,394	1,101	1,293	960
		€ million									
1999	4	1,320	9,008	7,688	395	710	315	1,224	563	661	491
2000 p	3	1,821	11,800	9,979	499	979	480	1,323	621	702	997
	Credit cooperatives										
		DM million									
1997	2,420	26,180	58,681	32,501	5,115	5,547	432	22,544	13,349	9,195	8,751
1998	2,248	25,297	58,919	33,622	5,472	6,016	544	23,196	13,501	9,695	7,573
1999	2,032	25,555	57,366	31,812	6,351	7,002	651	23,623	13,812	9,810	8,283
		€ million									
1999	2,032	13,066	29,331	16,265	3,247	3,580	333	12,078	7,062	5,016	4,235
2000 p	1,791	12,894	29,930	17,036	3,599	3,988	389	12,559	7,249	5,310	3,934
	Mortgage banks										
		DM million									
1997	34	7,744	78,334	70,590	– 109	338	447	2,271	1,303	968	5,364
1998	32	9,004	94,571	85,567	– 153	369	522	2,664	1,534	1,130	6,187
1999	32	8,087	93,676	85,589	– 176	327	503	2,372	1,262	1,111	5,539
		€ million									
1999	32	4,135	47,896	43,761	– 90	167	257	1,213	645	568	2,832
2000 p	31	4,012	51,095	47,083	– 47	187	234	1,337	689	648	2,628
	Banks with special functions										
		DM million									
1997	18	7,033	43,845	36,812	1,376	1,690	314	5,478	2,749	2,729	2,931
1998	18	7,521	47,167	39,646	1,198	1,596	398	5,165	2,371	2,794	3,554
1999	14	5,621	46,320	40,699	421	876	456	1,717	1,052	665	4,324
		€ million									
1999	14	2,874	23,683	20,809	215	448	233	878	538	340	2,211
2000 p	13	2,547	22,384	19,837	225	482	257	846	516	330	1,926
	Memo item: Banks majority-owned by foreign banks 7										
		DM million									
1997	76	5,609	13,923	8,314	2,020	2,455	435	5,090	2,564	2,526	2,539
1998	68	4,970	13,209	8,239	2,309	2,758	449	5,160	2,505	2,655	2,119
1999	60	5,197	13,004	7,808	2,548	3,123	575	5,457	2,625	2,832	2,288
		€ million									
1999	60	2,657	6,649	3,992	1,303	1,597	294	2,790	1,342	1,448	1,170
2000 p	55	2,517	7,105	4,588	1,262	2,049	787	2,841	1,382	1,459	938

* Excluding building and loan associations, institutions in liquidation and institutions with a truncated financial year. — 1 Including depreciation of and adjustments for tangible and intangible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — 2 Excess of charges over income: –. — 3 In part, including taxes paid by legally dependent building and loan associations affiliated to Land banks. — 4 Including profit or loss brought forward and withdrawals from or transfers to the fund for general

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Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col. 11 to col. 14)	Net other and extraordinary income or charges 2	Profit for the financial year before tax (col. 15 plus col. 16)	Taxes on income and earnings 3	Profit or loss (–) for the financial year after tax (col. 17 less col. 18)	Withdrawals from or transfers to (–) reserves and participation rights capital 4	Balance sheet profit or loss (–) (col. 19 plus col. 20)	Memo item Average annual balance sheet total 5, 6	
12	13	14	15	16	17	18	19	20	21	22	Financial year
										Savings banks	
										DM million	
958	– 207	– 7,561	11,796	407	12,203	8,010	4,193	– 1,640	2,553	1,634,968	1997
916	338	– 5,889	11,865	152	12,017	7,619	4,398	– 1,820	2,578	1,724,574	1998
462	514	– 3,049	15,310	– 4,739	10,571	6,311	4,260	– 1,707	2,552	1,753,403	1999
										€ million	
236	263	– 1,559	7,828	– 2,423	5,405	3,227	2,178	– 873	1,305	896,501	1999
148	– 98	– 4,198	4,100	969	5,069	2,795	2,274	– 980	1,294	922,381	2000 p
										Regional institutions of credit cooperatives	
										DM million	
344	31	– 337	1,273	– 175	1,098	601	497	– 187	310	335,243	1997
186	47	– 728	993	1,785	2,778	529	2,249	– 2,015	234	386,145	1998
501	88	– 714	835	– 155	681	209	471	– 201	270	428,417	1999
										€ million	
256	45	– 365	427	– 79	348	107	241	– 103	138	219,046	1999
219	17	– 1,108	125	710	835	265	570	– 465	105	234,249	2000 p
										Credit cooperatives	
										DM million	
208	810	– 3,864	5,905	287	6,192	3,781	2,411	– 593	1,818	946,917	1997
185	1,083	– 3,546	5,295	341	5,636	3,419	2,217	– 498	1,719	989,676	1998
96	1,162	– 4,002	5,539	– 628	4,911	2,736	2,175	– 399	1,776	1,024,894	1999
										€ million	
49	594	– 2,046	2,832	– 321	2,511	1,399	1,112	– 204	908	524,020	1999
16	358	– 2,397	1,911	241	2,152	1,154	998	11	1,009	525,687	2000 p
										Mortgage banks	
										DM million	
17	– 74	– 1,287	4,020	– 410	3,610	1,585	2,025	– 782	1,243	1,225,246	1997
15	101	– 1,165	5,138	– 645	4,493	1,864	2,629	– 618	2,011	1,446,545	1998
–	176	– 1,563	4,152	– 487	3,665	1,584	2,081	– 68	2,013	1,552,201	1999
										€ million	
–	90	– 799	2,123	– 249	1,874	810	1,064	– 35	1,029	793,628	1999
1	305	– 1,681	1,253	– 462	791	463	328	164	492	880,137	2000 p
										Banks with special functions	
										DM million	
125	418	– 1,059	2,415	– 916	1,499	275	1,224	– 892	332	826,980	1997
113	424	– 2,109	1,982	49	2,031	318	1,713	– 1,160	553	907,364	1998
37	203	– 2,136	2,429	– 196	2,234	227	2,007	– 1,670	336	906,828	1999
										€ million	
19	104	– 1,092	1,242	– 100	1,142	116	1,026	– 854	172	463,654	1999
5	67	– 654	1,344	– 9	1,335	87	1,248	– 1,031	217	445,251	2000 p
										Memo item: Banks majority-owned by foreign banks 7	
										DM million	
22	440	– 844	2,157	– 549	1,608	502	1,106	– 472	634	255,458	1997
237	576	– 720	2,212	– 80	2,132	693	1,439	– 518	921	256,528	1998
– 23	579	– 972	1,872	– 853	1,019	632	387	542	929	253,890	1999
										€ million	
– 12	296	– 497	957	– 436	521	323	198	277	475	129,812	1999
– 116	455	– 322	955	22	977	252	725	229	954	126,022	2000 p

banking risks. — **5** Up to end-1998 volume of business, from 1999 balance sheet total. — **6** Excluding the balance sheet total/volume of business of the foreign branches of savings banks. — **7** Separate presentation of the (legally independent) credit institutions majority-owned by foreign banks and included in the categories “Regional banks and other commercial banks” and “Mortgage banks”.

Credit institutions' charge and income items

Financial year	Number of reporting institutions	Charges: Total	Interest paid	Commissions paid	Net loss on financial operations	Gross loss on transactions in goods and subsidiary transactions	General administrative spending: Total	Staff costs: Total	Wages and salaries	Social security costs and costs relating to pensions and other benefits: Total	of which Pensions	Other administrative spending 1
		DM million										
1993	3,845	508,554	358,371	3,071	37	–	86,507	57,221	44,968	12,253	4,801	29,286
1994	3,675	508,019	346,224	3,217	1,209	–	90,147	59,039	46,378	12,661	4,557	31,108
1995	3,571	527,936	365,373	3,308	207	–	95,834	62,814	48,713	14,101	5,702	33,020
1996	3,458	553,979	377,496	4,115	383	–	100,398	64,434	50,018	14,416	5,549	35,964
1997	3,359	597,592	409,914	4,960	625	–	106,781	67,097	52,182	14,915	5,563	39,684
1998	3,167	666,066	455,339	6,593	289	–	114,367	70,123	53,679	16,444	6,524	44,244
1999	2,897	696,747	479,258	8,408	1,048	–	126,395	75,174	58,217	16,957	6,902	51,221
		€ million										
1999	2,897	356,241	245,041	4,299	536	–	64,625	38,436	29,766	8,670	3,529	26,189
2000 p	2,636	412,225	293,034	5,699	378	–	71,843	41,992	32,774	9,218	3,834	29,851

1 Spending item does not include depreciation of and adjustments for tangible and intangible assets, shown net of depreciation of assets leased ("narrow" definition). All other tables are based on a broad definition of "other administrative spending". — **2** In part, including

Financial year	Income: Total	Interest received: Total	from lending and money market transactions	from debt securities and Debt Register claims	Current income: Total	from shares and other variable-yield securities	from participating interests 1	from shares in affiliated undertakings	Profits transferred under profit-pooling and profit transfer agreements	Commissions received
	DM million									
1993	524,301	467,357	398,413	68,944	9,032	3,698	1,955	3,379	845	29,659
1994	525,311	465,862	390,532	75,330	12,755	4,407	3,356	4,992	1,271	30,503
1995	547,389	486,795	409,177	77,618	10,865	4,628	2,255	3,982	1,265	30,394
1996	572,862	503,250	424,031	79,219	13,081	6,150	2,155	4,776	1,998	33,339
1997	617,995	535,553	452,798	82,755	16,737	8,301	2,900	5,536	2,184	39,056
1998	700,804	578,663	488,258	90,405	22,551	10,627	3,628	8,296	1,640	43,603
1999	720,993	604,647	505,191	99,456	24,546	12,969	2,789	8,788	2,275	52,338
	€ million									
1999	368,638	309,151	258,300	50,851	12,550	6,631	1,426	4,493	1,163	26,760
2000 p	424,840	351,582	290,927	60,655	16,995	7,951	2,220	6,824	1,382	33,780

1 In the case of cooperative societies, including amounts paid up on members' shares.

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Value adjustments in respect of tangible and intangible assets: Total	Value adjustments in respect of tangible and intangible assets: of which Assets leased	Other operating charges	Value adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value adjustments in respect of participating interests, shares in affiliated undertakings and transferable securities held as financial fixed assets	Charges incurred through loss transfers	Transfers to special reserves	Extraordinary charges	Taxes on income and earnings 2	Other taxes	Profits transferred under profit-pooling and profit transfer agreements	Financial year
										DM million	
8,765	397	3,224	25,250	326	743	651	933	17,883	2,063	730	1993
8,925	312	3,078	31,566	1,569	882	638	1,426	15,543	2,505	1,090	1994
9,707	382	4,750	23,421	521	949	171	983	19,111	2,198	1,403	1995
10,073	439	5,294	25,061	571	2,105	388	2,921	20,347	2,838	1,989	1996
10,564	478	6,022	28,655	596	909	609	4,258	19,838	2,016	1,845	1997
11,328	494	6,362	30,059	545	1,294	358	6,395	31,148	243	1,746	1998
11,680	792	6,122	30,339	1,078	1,013	8,479	3,237	17,579	376	1,735	1999
										€ million	
5,972	405	3,130	15,512	551	518	4,335	1,655	8,988	192	887	1999
6,262	423	4,267	17,828	1,745	752	60	2,233	6,833	180	1,111	2000 p

taxes paid by legally dependent building and loan associations affiliated to Land banks.

Net profit on financial operations	Gross profit on transactions in goods and subsidiary transactions	Value re-adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value re-adjustments in respect of participating interests, shares in affiliated undertakings and transferable securities held as financial fixed assets	Other operating income: Total	Other operating income: of which from leasing business	Income from the release of special reserves	Extraordinary income	Income from loss transfers	Financial year
								DM million	
6,827	667	1,271	815	6,747	464	342	684	55	1993
1,698	605	670	2,996	6,830	365	371	1,607	143	1994
4,602	570	2,878	851	8,184	1,594	413	455	117	1995
4,513	548	2,993	1,174	9,461	1,668	342	972	1,191	1996
5,931	507	3,564	2,264	10,246	1,841	822	820	311	1997
7,368	457	2,895	15,740	11,826	988	298	15,087	676	1998
8,064	432	7,825	6,083	11,645	1,021	319	2,607	213	1999
								€ million	
4,123	221	4,001	3,110	5,954	522	163	1,333	109	1999
6,818	201	2,029	2,332	6,772	536	1,827	979	143	2000 p

Breakdown of "general administrative spending" by category of bank

Financial year	Number of reporting institu- tions	General administrative spending: Total	Staff costs: Total	Staff costs: Wages and salaries	Social security costs: Total	Social security costs: of which Pensions	Other administrative spending: Total	Other administrative spending: of which Deprecia- tion of tangible assets 1
	All categories of bank							
		DM million	Percentage of "general administrative spending"					
1993	3,845	94,875	60.31	47.40	12.91	5.06	39.69	8.82
1994	3,675	98,760	59.78	46.96	12.82	4.61	40.22	8.72
1995	3,571	105,159	59.73	46.32	13.41	5.42	40.27	8.87
1996	3,458	110,032	58.56	45.46	13.10	5.04	41.44	8.76
1997	3,359	116,867	57.41	44.65	12.76	4.76	42.59	8.63
1998	3,167	125,201	56.01	42.87	13.13	5.21	43.99	8.65
		€ million						
1999	2,897	70,192	54.76	42.41	12.35	5.03	45.24	7.93
2000 p	2,636	77,682	54.06	42.19	11.87	4.94	45.94	7.52
	Commercial banks							
		DM million						
1993	300	33,360	61.80	48.51	13.29	5.63	38.20	6.70
1994	294	34,968	60.39	47.27	13.12	5.11	39.61	6.64
1995	290	36,884	59.97	46.67	13.30	5.49	40.03	6.84
1996	277	39,342	58.29	45.40	12.89	5.14	41.71	6.76
1997	272	43,082	56.15	43.78	12.37	4.90	43.85	7.08
1998	258	47,941	54.10	42.03	12.07	5.01	45.90	7.22
		€ million						
1999	224	30,862	51.26	39.98	11.28	4.98	48.74	5.91
2000 p	224	36,814	50.44	40.06	10.38	4.64	49.56	5.60
	Big banks							
		DM million						
1993	3	17,075	65.04	50.06	14.98	6.51	34.96	6.69
1994	3	17,780	63.63	48.87	14.76	5.97	36.37	6.76
1995	3	18,657	63.39	48.12	15.28	6.69	36.61	7.03
1996	3	20,187	61.61	46.93	14.68	6.15	38.39	7.01
1997	3	22,773	58.65	45.01	13.64	5.62	41.35	7.78
1998	3	25,664	57.54	43.96	13.58	5.86	42.46	6.53
		€ million						
1999	4	18,652	53.88	42.10	11.77	5.11	46.12	6.20
2000 p	4	22,770	53.50	42.46	11.04	5.02	46.50	5.68
	Regional banks and other commercial banks							
		DM million						
1993	190	14,325	58.65	46.84	11.81	4.91	41.35	6.60
1994	187	15,216	57.05	45.45	11.60	4.34	42.95	6.62
1995	190	16,384	56.62	45.14	11.47	4.39	43.38	6.69
1996	184	17,222	55.11	43.87	11.24	4.20	44.89	6.57
1997	181	18,393	53.45	42.35	11.10	4.18	46.55	6.39
1998	174	20,217	50.39	39.89	10.51	4.11	49.61	8.27
		€ million						
1999	192	11,954	47.59	36.95	10.64	4.84	52.41	5.49
2000 p	193	13,704	45.99	36.54	9.45	4.07	54.01	5.56

1 Value adjustments in respect of tangible and intangible assets, excluding depreciation of assets leased.

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Breakdown of "general administrative spending" by category of bank (cont'd)

Financial year	Number of reporting institu-tions	General administrative spending: Total	Staff costs: Total	Staff costs: Wages and salaries	Social security costs: Total	Social security costs: of which Pensions	Other administrative spending: Total	Other administrative spending: of which Depreciation of tangible assets [1]
	Branches of foreign banks							
		DM million	Percentage of "general administrative spending"					
1993	34	334	49.70	42.81	6.89	1.80	50.30	3.89
1994	33	341	49.56	42.23	7.33	2.05	50.44	3.81
1995	33	393	46.31	39.44	6.87	2.29	53.69	5.09
1996	31	483	36.02	30.64	5.38	1.66	63.98	4.55
1997	30	470	38.51	31.49	7.02	1.91	61.49	3.40
1998	26	559	28.09	23.43	4.65	1.61	71.91	3.58
		€ million						
1999	28	256	32.42	26.95	5.47	1.95	67.58	4.69
2000 p	27	340	24.71	20.59	4.12	1.47	75.29	2.06
	Private bankers [2]							
		DM million						
1993	73	1,626	58.12	48.22	9.90	3.44	41.88	8.12
1994	71	1,631	58.37	47.88	10.48	3.43	41.63	6.13
1995	64	1,450	57.59	47.38	10.21	3.38	42.41	6.55
1996	59	1,450	57.24	47.24	10.00	3.24	42.76	6.21
1997	58	1,446	56.85	46.40	10.44	3.60	43.15	6.09
1998	55	1,501	55.03	44.90	10.13	3.86	44.97	6.13
		€ million						
1999	–	–	–	–	–	–	–	–
2000 p	–	–	–	–	–	–	–	–
	Land banks							
		DM million						
1993	13	5,524	61.57	46.02	15.55	8.76	38.43	8.53
1994	13	5,970	58.39	44.56	13.84	7.27	41.61	7.64
1995	13	6,583	59.06	43.10	15.97	9.66	40.94	6.70
1996	13	7,227	57.73	42.65	15.08	8.81	42.27	6.84
1997	13	8,057	55.03	41.23	13.80	7.77	44.97	6.83
1998	13	8,796	52.75	38.67	14.09	8.55	47.25	6.46
		€ million						
1999	13	5,925	51.02	37.92	13.10	7.92	48.98	7.19
2000 p	13	6,479	51.92	38.63	13.29	7.81	48.08	6.74
	Savings banks							
		DM million						
1993	703	28,638	61.90	48.71	13.19	4.57	38.10	11.93
1994	655	29,237	62.55	49.15	13.39	4.28	37.45	10.96
1995	624	31,280	61.67	48.02	13.65	4.72	38.33	12.38
1996	607	32,435	61.01	47.22	13.78	4.74	38.99	11.96
1997	598	33,504	60.03	46.35	13.68	4.39	39.97	11.46
1998	594	35,247	59.91	45.22	14.69	5.21	40.09	11.35
		€ million						
1999	578	18,012	59.87	45.72	14.15	5.07	40.13	10.59
2000 p	561	18,324	59.94	45.59	14.35	5.36	40.06	10.22

1 Value adjustments in respect of tangible and intangible assets, excluding depreciation of assets leased. — **2** From 1999 included in "Regional banks and other commercial banks".

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Breakdown of “general administrative spending” by category of bank (cont’d)

Financial year	Number of reporting institutions	General administrative spending						
		Total	Staff costs				Other administrative spending	
			Total	Wages and salaries	Social security costs		Total	of which Depreciation of tangible assets 1
					Total	of which Pensions		
	Regional institutions of credit cooperatives							
		DM million	Percentage of “general administrative spending”					
1993	4	1,457	52.78	40.08	12.70	6.52	47.22	6.04
1994	4	1,527	52.46	39.36	13.10	6.61	47.54	5.37
1995	4	1,633	51.87	38.82	13.04	6.98	48.13	5.33
1996	4	1,734	49.54	37.83	11.71	5.59	50.46	5.59
1997	4	1,931	49.61	37.60	12.01	5.96	50.39	6.47
1998	4	2,192	46.62	36.91	9.72	4.11	53.38	7.66
		€ million						
1999	4	1,224	46.00	36.68	9.31	4.00	54.00	8.74
2000 p	3	1,323	46.94	37.26	9.67	4.46	53.06	8.77
	Credit cooperatives							
		DM million						
1993	2,774	19,183	60.46	49.44	11.02	2.76	39.54	9.70
1994	2,659	20,075	60.52	49.16	11.36	2.56	39.48	9.61
1995	2,591	21,302	60.18	48.72	11.46	2.79	39.82	9.63
1996	2,506	21,980	59.65	48.15	11.51	2.65	40.35	9.80
1997	2,420	22,544	59.21	47.45	11.76	2.71	40.79	9.70
1998	2,248	23,196	58.20	46.45	11.75	2.89	41.80	9.71
		€ million						
1999	2,032	12,078	58.47	46.47	12.00	3.32	41.53	9.39
2000 p	1,791	12,559	57.72	45.89	11.83	3.42	42.28	9.18
	Mortgage banks							
		DM million						
1993	33	1,717	60.40	46.48	13.92	7.22	39.60	8.68
1994	33	1,808	60.34	46.90	13.44	5.97	39.66	8.68
1995	32	1,997	58.89	44.67	14.22	7.16	41.11	10.02
1996	34	2,135	58.55	44.73	13.82	6.56	41.45	8.57
1997	34	2,271	57.38	43.68	13.69	6.34	42.62	7.71
1998	32	2,664	57.58	39.68	17.91	7.85	42.42	7.36
		€ million						
1999	32	1,213	53.17	40.64	12.53	6.27	46.83	7.83
2000 p	31	1,337	51.53	39.72	11.82	5.91	48.47	9.27
	Banks with special functions							
		DM million						
1993	18	4,996	41.41	28.50	12.91	7.63	58.59	2.96
1994	17	5,175	40.75	28.99	11.77	7.01	59.25	8.91
1995	17	5,480	48.78	31.68	17.10	13.05	51.22	2.77
1996	17	5,179	44.82	30.16	14.66	10.33	55.18	3.21
1997	18	5,478	50.18	37.51	12.67	8.91	49.82	2.88
1998	18	5,165	45.91	29.97	15.93	10.90	54.09	3.70
		€ million						
1999	14	878	61.28	44.42	16.86	9.57	38.72	8.31
2000 p	13	846	60.99	45.39	15.60	8.39	39.01	8.63
	Memo item: Banks majority-owned by foreign banks							
		DM million						
1993	86	4,369	52.87	43.35	9.52	3.69	47.13	7.19
1994	88	4,649	52.87	42.70	10.17	3.83	47.13	6.63
1995	88	4,852	52.14	42.15	9.99	3.92	47.86	6.37
1996	78	5,010	51.36	41.26	10.10	4.03	48.64	6.27
1997	76	5,090	50.37	40.00	10.37	4.28	49.63	6.39
1998	68	5,160	48.55	38.64	9.90	4.26	51.45	6.28
		€ million						
1999	60	2,790	48.10	38.96	9.14	3.84	51.90	6.56
2000 p	55	2,841	48.64	40.09	8.55	3.63	51.36	5.39

1 Value adjustments in respect of tangible and intangible assets, excluding depreciation of assets leased.

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