

## Overall financial flows in 2000

The corporate sector, in particular, had a major impact on overall financial flows in Germany last year. Firstly, comparatively strong economic growth was accompanied by a significant expansion of industrial investment. Secondly, there arose a considerable need for funds for the acquisition of mobile telephone licences. Both of these factors resulted in a sharp rise in the volume of external financing. General government had a substantially easing impact in 2000. Owing to the large-scale proceeds from the auction of UMTS licences and its continuing consolidation efforts, this sector – which traditionally relies to a major extent on the capital market – was able to reduce its net level of debt for the first time in some while. Despite a continuing subdued propensity to save, households – which form the “classical” area of surplus in the flow of financing – significantly expanded their net supply of capital. Declining residential construction activity meant that the comparatively low level of demand for bank credit played a significant role in this respect. Nevertheless, in aggregate terms, an external financial deficit was again apparent. Despite notable successes in exports, the deterioration in the terms of trade has placed a strain on the German net external position.

## Basic pattern of the financial flows

*Need for funds  
due to higher  
investment*

Financial flows in 2000 were influenced by the quite dynamic pace of economic growth. The sharp expansion in exports also left its mark on domestic economic activity. Not least owing to moderate wage agreements and favourable terms of financing, there was a significant rise in net investment by both non-financial corporations (including quasi-corporate enterprises) and by self-employed persons and sole proprietors, who are now classified as belonging entirely to the household sector under the new ESA. Stockbuilding by producing enterprises likewise generated fairly strong stimuli. Government investment budgets, by contrast, showed a slight decline.

*Special factor  
of UMTS  
licences*

In 2000, there was an additional increase in enterprises' financing requirements due to the purchases of UMTS licences. Under ESA 95, which now forms the basis of the national accounts (and thus of the financial flows accounts) throughout the EU, such transactions are booked, from the point of view of the licensee<sup>1</sup>, as acquisitions less disposals of non-financial non-produced assets and are not recorded under investment; nevertheless, they do belong to the total aggregate of non-financial asset acquisition. As a result of the auction of UMTS licences to domestic and foreign enterprises, this item was of an unprecedented magnitude. Previously, transactions within this specific category had been confined to government sales of land to households and domestic enterprises, which had been on a limited scale in terms of the economy as a whole. In 2000, domestic non-financial corporations – above

all, those in the telecoms sector – invested DM 67 billion in the acquisition of land and mobile telephone licences. Together with households' purchases of land, expenditure amounted to just under DM 70 billion, thus raising the capital requirements of all the domestic sectors to around DM 380 billion, or slightly more than 11% of aggregate disposable income. Mirroring this, the government placed a large part of the auction proceeds in the short term with domestic and foreign banks. Despite other, countervailing items, the government sector's acquisition of financial assets was thus extremely high at DM 90 billion. Overall, the auction of UMTS licences led to a significant shift in the net financial assets position of enterprises and the public sector. The corporate sector incurred debt and the financial burden on government was eased. National saving remained unaffected by this, however.

If all the items of investment spending on non-financial asset acquisition which are relevant to financing are taken together, the rise in the financing requirements of the domestic sectors in 2000 was on a significant scale. Simultaneously, the supply of capital in the form of domestic savings declined slightly despite the favourable economic situation. The aggregate saving ratio, at 7.8% of disposable income of the domestic sectors, fell back almost to its low of 1996. This was around 1 percentage point down on the average of the nineties, which were already characterised by a decline in the propensity to

*Capital supply  
and net  
lending/net  
borrowing*

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<sup>1</sup> From the point of view of government as licensee, the disposal, or sale, of non-produced assets is tantamount to negative expenditure.

## National acquisition of non-financial assets, saving and net lending/net borrowing

DM billion

Position	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
<b>Acquisition of non-financial assets</b>								
Net Investment 1								
Households 2	132.1	157.6	150.9	141.4	139.8	142.3	142.7	138.3
Non-financial corporations	72.7	90.9	100.8	82.0	92.7	113.3	133.0	160.2
Fixed assets	93.6	89.6	94.1	87.0	88.7	96.4	103.5	114.1
Inventories	- 20.9	1.3	6.7	- 5.0	4.0	16.9	29.5	46.2
Financial sectors	10.1	8.1	9.3	8.2	8.3	8.2	7.2	7.8
General government	30.5	28.1	16.6	12.6	5.5	4.7	7.2	5.3
<b>Total</b>	<b>245.4</b>	<b>284.7</b>	<b>277.5</b>	<b>244.2</b>	<b>246.3</b>	<b>268.5</b>	<b>290.2</b>	<b>311.6</b>
Memo item								
Net investment in % 3	9.0	10.0	9.4	8.1	8.0	8.5	9.0	9.4
<b>Acquisitions less disposals of non-financial non-produced assets</b>								
Households 2	1.4	1.9	1.8	2.2	1.8	2.2	2.0	2.0
Non-financial corporations	1.3	1.3	1.2	1.2	0.9	1.0	0.9	67.2
General government	- 2.7	- 3.1	- 3.0	- 3.4	- 2.7	- 3.1	- 2.9	- 102.2
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>- 33.0</b>
<b>Saving 4</b>								
Households 2	275.2	260.8	263.7	264.3	264.5	273.7	277.2	282.0
Non-financial corporations 5	- 8.8	1.1	55.6	56.2	45.0	58.6	17.9	- 1.0
Financial sectors	33.0	35.3	28.2	22.6	29.7	6.4	14.6	14.5
General government 5	- 73.2	- 57.0	- 102.5	- 113.3	- 96.5	- 76.3	- 50.7	- 38.7
<b>Total</b>	<b>226.2</b>	<b>240.2</b>	<b>245.0</b>	<b>229.9</b>	<b>242.7</b>	<b>262.4</b>	<b>258.9</b>	<b>256.9</b>
Memo item								
Saving in % 3, 6	8.4	8.6	8.4	7.7	7.9	8.3	8.0	7.8
<b>Net lending/net borrowing</b>								
Households 2	141.7	101.4	111.1	120.7	122.9	129.3	132.5	141.7
Non-financial corporations 5	- 82.8	- 91.1	- 46.4	- 27.0	- 48.5	- 55.7	- 116.1	- 228.5
Financial sectors	22.9	27.2	19.0	14.4	21.4	- 1.8	7.3	6.8
General government 5	- 100.9	- 82.0	- 116.1	- 122.5	- 99.3	- 77.8	- 55.0	58.3
<b>Total</b>	<b>- 19.2</b>	<b>- 44.5</b>	<b>- 32.5</b>	<b>- 14.3</b>	<b>- 3.6</b>	<b>- 6.0</b>	<b>- 31.3</b>	<b>- 21.7</b>
Memo item								
Net lending/net borrowing in % 3								
Households 2	5.2	3.6	3.8	4.0	4.0	4.1	4.1	4.3
Non-financial corporations 5	- 3.0	- 3.2	- 1.6	- 0.9	- 1.6	- 1.8	- 3.6	- 6.9
Financial sectors	0.8	1.0	0.6	0.5	0.7	- 0.1	0.2	0.2
General government 5	- 3.7	- 2.9	- 3.9	- 4.1	- 3.2	- 2.5	- 1.7	1.8
<b>Total</b>	<b>- 0.7</b>	<b>- 1.6</b>	<b>- 1.1</b>	<b>- 0.5</b>	<b>- 0.1</b>	<b>- 0.2</b>	<b>- 1.0</b>	<b>- 0.7</b>

Sources: Official national accounts and Bundesbank calculations. — 1 Net capital formation in the form of fixed assets and changes in inventories. — 2 Including non-profit institutions serving households. — 3 As % of aggregate disposable income. — 4 Including capital transfers (net). —

5 In 1995 after eliminating the assumption of the Treuhand agency's debt and part of the old debt of the east German housing enterprises by the Redemption Fund for Inherited Liabilities amounting to around DM 205 billion and DM 30 billion, respectively. — 6 Excluding capital transfers (net).

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save. The gap between domestic non-financial asset acquisition and domestic saving was partially closed by German UMTS licences being purchased to the amount of just over DM 30 billion by foreign enterprises. The remaining external financing deficit was comparatively small, at ½ % of domestic incomes: the change in German net external assets was on the same scale.

### Domestic acquisition of non-financial assets

*Enterprises' larger inventories and higher investment in machinery and equipment*

In net terms, the domestic sectors' investment in non-financial assets and inventories last year reached a value of DM 312 billion, or 9½ % of aggregate disposable income. Investment expenditure was thus just over 7 % up on 1999 in nominal terms. The amount was, for the first time, greater than at the beginning of the early nineties, when investment activity had experienced a boom as a result of reunification. The net investment ratio at that time had, however, amounted to up to 12 %. The main reason for the dynamic growth in investment during the period under review was, firstly, the sharp increase in stockbuilding. At an amount of DM 46 billion, it was just over DM 15 billion higher than the previous 1999 record. Secondly, producing enterprises quite significantly stepped up their expenditure on machinery and equipment as well as other fixed assets, which mainly comprise newly acquired computer software or software developed in-house. This accounted for roughly one-tenth of equipment at the end of the period under review. Although there was a further decline in

investment in industrial and commercial construction, non-financial assets went up by 10 % overall on the year. The sectoral net investment ratio thus amounted to just under 5 % of aggregate disposable income last year.

In contrast to the producing enterprises, the other major sectors of the economy kept their investment budgets at a low level. Government spending on infrastructure – in net terms – was no more than roughly one-seventh of the 1992 figures. Households' construction activity, which makes up by far the largest item of private investment, was also cut back considerably at the end of the period under review. Business investment by self-employed persons and sole proprietors, by contrast, went up more or less as sharply as investment by non-financial corporations. Overall, private investment was stagnating during the past five years at a volume of some DM 140 billion. There was thus a further decline in households' net investment ratio to just over 4 % of aggregate disposable income.

*Declining government and private investment*

### National supply of savings

As mentioned earlier in this article, the trend in national saving in 2000 ran counter to the demand for capital and, less net capital transfers abroad, was marginally down, at DM 257 billion, on the figure for the preceding year. This meant that the supply of funds of all the domestic sectors amounted to just under 8 % of aggregate disposable income. This time, the main reason for the renewed decline was the unfavourable development in the case of

*Total funds in the private sector...*

non-financial corporations. Their saving in the form of net retained income showed a fall of around DM 20 billion on the year. Since capital transfers received, in which investment grants are also included, rose only marginally in net terms, aggregate available resources went slightly into minus figures. Added to that was the fact that, at present, households are not giving a high priority to building up assets by forgoing consumption.

*... and in  
general  
government*

On the other hand, a stabilising influence was exerted by the fact that, owing to the consolidation course pursued since 1997, government – unlike in previous years – no longer had to “dissave”. Instead, for the first time since 1991, general government last year recorded a surplus of current receipts over consumption expenditure and current transfer payments.<sup>2</sup> Given the fact that the taxes and social security ratio was rising only slightly, this was mainly due to subdued spending. In addition to the improved situation on the labour market, the low interest-rate level and the moderate pay agreement in the public sector had a positive impact in this respect. Besides that, the continuing reduction in staffing levels meant that there was hardly any increase in personnel costs. The improvement in “current saving” was not, however, sufficient to cover the significant capital transfers of around DM 43 billion net to households, enterprises and non-residents. This meant that general government – even excluding its investment expenditure – had a financing requirement to cover. Even so, obvious progress was apparent in this respect in comparison with previous years.

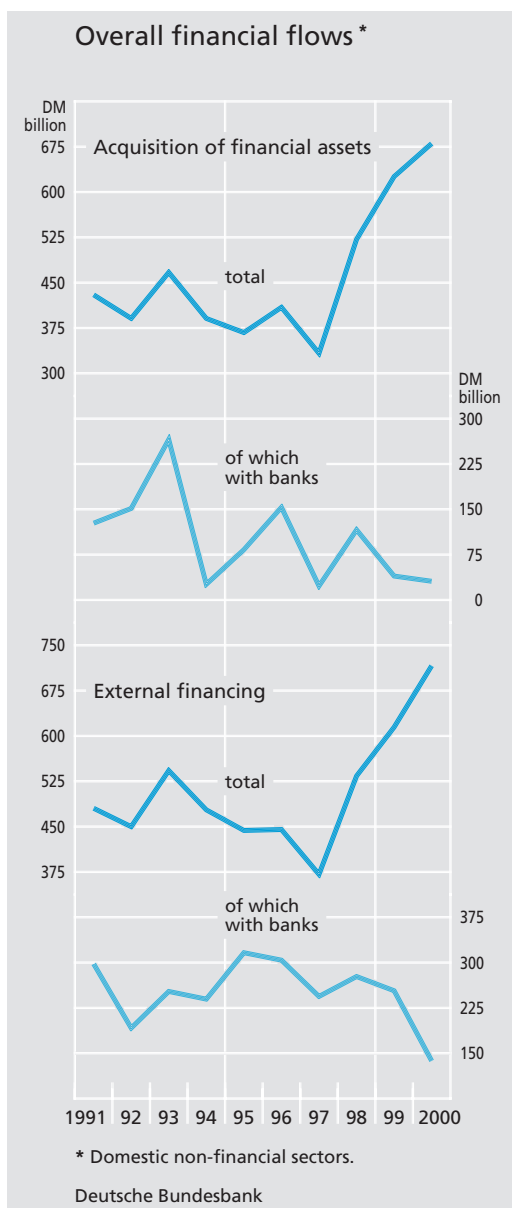
In the choice of investment and financing instruments, the trend towards disintermediation continued. Over the past few years, enterprises – above all, those which operate internationally – have been bypassing the credit institutions more and more and borrowing funds through their establishments or group headquarters abroad. Since the end of the nineties, equity financing has become increasingly important. On an average of the period from 1998 to 2000, it accounted for just under one-quarter of all funds raised by the non-financial sectors.

As in 1999, “classical” bank products suffered losses in terms of financial asset acquisition, too. Far fewer funds were placed in transferable deposits, and there were net withdrawals from savings deposits and net redemptions of bank savings bonds.

Only time deposits showed a sharp increase. As mentioned above, general government played a crucial part in this, although households, too, placed more funds in time deposits than in 1999. The rise in short-term interest rates was one factor that is likely to have led to many market players choosing investments with a commensurate maturity. Participating interests, in a broader sense, were by far the most favoured form of investment of the non-financial sectors, accounting for almost one-half of their acquisition of financial assets. In the early nineties, the comparable figure was no more than about one-

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<sup>2</sup> This does not include the special receipts from the auction of UMTS licences amounting to just under DM 100 billion. These were booked as negative expenditure in the item “acquisitions less disposals of non-financial non-produced assets”.



fifth. While government, in pursuing privatisation, continued to sell its participating interests, enterprises and households – despite the incipient weakness on the equity markets in spring – stepped up their positions over the year as a whole. Firstly, there were net direct purchases of shares, with the recorded overall buying of shares by the non-financial sectors being distorted upwards in connection with an international takeover in

the telecoms sector. Secondly, households were particularly active in the indirect acquisition of shares. The mutual funds shares which were purchased consisted mainly of units in share-based funds. There were net sales of shares in bond-based funds during 2000.

### Non-financial corporations' financing requirements and sources of funds

The crucial factor in the German economy's domestic financing requirement in 2000 was the sharp increase in asset acquisition by producing enterprises. Non-financial and financial asset acquisition combined went up by 18% to DM 935 billion gross. The main part of this expansion was accounted for by the real component, which showed a jump-rise – mainly as a result of the acquisition of UMTS licences for around DM 67 billion by German telecoms. By contrast, the increase in corporate non-financial assets, in the narrower sense, was no more than just under two-thirds as high. Gross investment rose by 8½% in nominal terms compared with 1999, its share of total uses of funds amounting to just over one-half. In particular, the extremely high level of stockbuilding played an important role. What cannot be ruled out, however, is the possibility that these figures are somewhat overstated owing to statistical errors and omissions, and that they will be adjusted downwards as part of the impending national accounts revision. The dynamic development in non-financial assets was mainly attributable to machinery and equipment, whereas industrial construction investment was cut back for the fifth year in suc-

*Expansion mainly in non-financial assets*

## Non-financial corporations' asset acquisition and financing

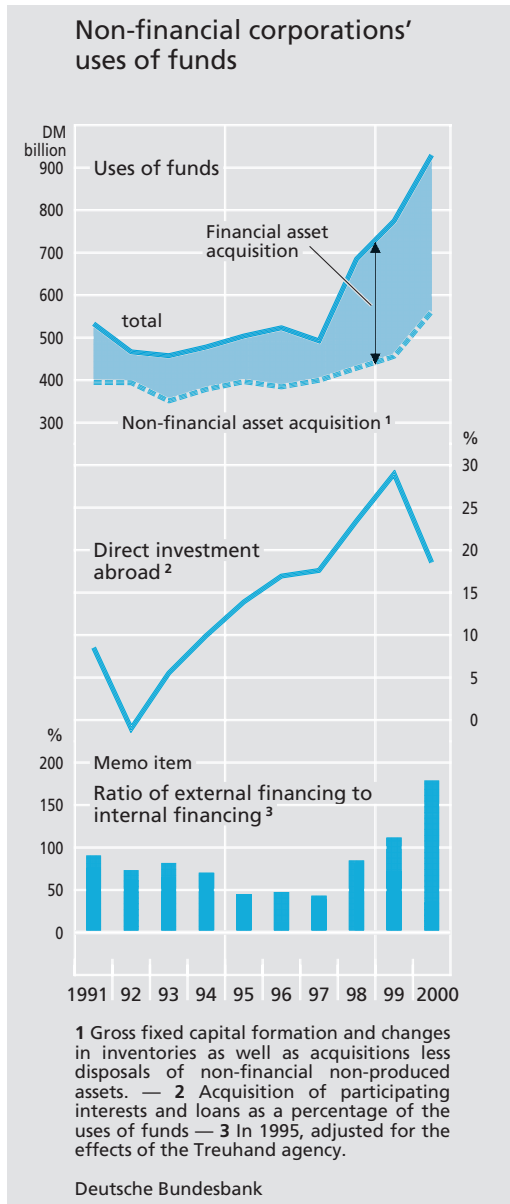
DM billion

Item	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
<b>Asset acquisition</b>								
Gross capital formation	355.3	382.8	400.9	388.6	404.5	432.8	460.5	499.5
Gross fixed capital formation	376.3	381.5	394.2	393.7	400.5	415.9	431.0	453.3
Changes in inventories	- 20.9	1.3	6.7	- 5.0	4.0	16.9	29.5	46.2
Acquisitions less disposals of non-financial non-produced assets	1.3	1.3	1.2	1.2	0.9	1.0	0.9	67.2
Acquisition of financial assets	106.7	99.7	89.5	139.1	92.8	257.0	319.1	368.6
Funds placed with banks <sup>1</sup>	48.8	33.9	20.5	55.1	- 29.0	21.8	5.4	3.9
Short-term	54.0	35.6	10.0	47.3	- 32.9	19.9	- 1.3	4.3
Longer-term	- 5.1	- 1.8	10.5	7.8	3.8	1.9	6.8	- 0.4
Securities <sup>2</sup>	8.0	50.0	- 7.7	- 12.8	7.4	32.6	80.0	95.2
Participating interests <sup>3</sup>	6.2	21.9	32.8	31.5	46.1	135.6	172.7	202.9
in Germany	- 15.8	- 5.1	- 17.1	- 15.8	- 4.2	17.0	18.6	131.0
abroad	22.0	27.0	49.9	47.3	50.3	118.6	154.1	71.9
Loans <sup>4</sup>	40.5	- 9.1	38.8	61.1	63.7	63.9	58.2	63.2
to residents <sup>5</sup>	35.5	- 31.6	16.3	17.3	24.9	18.6	- 16.2	- 41.0
to non-residents	5.0	22.4	22.4	43.8	38.8	45.3	74.4	104.2
Short-term	4.3	23.1	18.3	38.9	32.3	33.0	61.4	81.6
Longer-term	0.7	- 0.6	4.1	4.9	6.4	12.3	13.0	22.6
Funds placed with insurance corporations	3.2	3.0	5.1	4.1	4.7	3.1	2.8	3.3
<b>Total</b>	<b>463.3</b>	<b>483.8</b>	<b>491.5</b>	<b>528.9</b>	<b>498.2</b>	<b>690.8</b>	<b>780.5</b>	<b>935.4</b>
<b>Financing</b>								
Internal funds	273.8	293.0	355.7	362.9	356.8	378.1	345.3	338.3
Net retained income <sup>5, 6</sup>	- 8.8	1.1	55.6	56.2	45.0	58.6	17.9	- 1.0
Depreciation allowances	282.6	291.9	300.1	306.7	311.8	319.5	327.5	339.2
Memo item								
Internal financing ratio <sup>5, 7</sup>	59.1	60.6	72.4	68.6	71.6	54.7	44.2	36.2
External financing	223.2	206.0	160.6	173.3	154.3	320.5	385.4	604.4
from banks	71.7	33.6	89.4	99.7	85.4	130.5	123.7	81.3
Short-term	- 20.6	1.0	37.2	26.4	14.5	38.9	21.1	20.9
in Germany <sup>5</sup>	- 15.4	6.8	32.2	24.0	9.3	37.4	- 9.2	33.4
abroad	- 5.2	- 5.8	5.0	2.5	5.3	1.5	30.3	- 12.5
Longer-term	92.3	32.5	52.1	73.3	70.8	91.6	102.6	60.4
in Germany <sup>5</sup>	88.0	30.1	52.6	73.9	69.9	88.2	97.2	57.6
abroad	4.3	2.4	- 0.5	- 0.6	0.9	3.4	5.4	2.8
from other lenders	23.7	33.6	31.5	25.6	35.1	70.3	170.8	272.7
in Germany	15.2	13.2	9.4	- 6.0	3.0	17.7	44.6	6.1
Short-term	- 0.2	- 0.2	1.1	- 0.8	- 0.1	- 4.2	- 0.1	2.8
Longer-term	15.4	13.4	8.3	- 5.1	3.1	21.9	44.7	3.3
abroad	8.5	20.4	22.1	31.5	32.0	52.6	126.3	266.6
Short-term	1.5	16.9	11.8	27.7	24.4	13.8	77.6	141.8
Longer-term	7.0	3.5	10.3	3.8	7.7	38.8	48.7	124.7
in the securities market <sup>5, 8</sup>	91.8	90.5	- 6.4	- 8.6	- 5.8	- 7.3	2.9	16.9
in the form of participating interests <sup>3</sup>	27.7	37.7	32.3	49.6	32.7	118.3	79.2	224.7
in Germany	30.9	33.3	27.4	51.2	24.9	112.9	39.3	31.5
abroad	- 3.3	4.5	4.9	- 1.6	7.8	5.5	39.9	193.3
Pension fund provisions	8.3	10.6	13.9	7.0	7.0	8.8	8.8	8.8
<b>Total</b>	<b>497.0</b>	<b>499.0</b>	<b>516.3</b>	<b>536.1</b>	<b>511.1</b>	<b>698.6</b>	<b>730.7</b>	<b>942.7</b>
Net acquisition of financial assets	- 116.5	- 106.3	- 77.2	- 34.2	- 61.5	- 63.5	- 66.3	- 235.8
Statistical discrepancy <sup>9</sup>	- 33.7	- 15.2	- 24.8	- 7.2	- 12.9	- 7.8	49.7	- 7.3
Net borrowing <sup>10</sup>	- 82.8	- 91.1	- 50.3	- 27.0	- 48.5	- 55.7	- 116.1	- 228.5

<sup>1</sup> In Germany and abroad. — <sup>2</sup> Money market paper, bonds (including financial derivatives) and mutual funds shares. — <sup>3</sup> Shares and other equity. — <sup>4</sup> Including other claims. — <sup>5</sup> In 1995 after the elimination of transactions associated with the transfer of the Treuhand agency's debt to the Redemption Fund for Inherited Liabilities. — <sup>6</sup> Including net capital transfers received. — <sup>7</sup> Internal financing

as % of total asset formation. — <sup>8</sup> Through the sale of money market paper and bonds. — <sup>9</sup> Corresponds to the balancing item in the financial account with the rest of the world owing to unclassifiable payment transactions with non-residents. — <sup>10</sup> Internal financing less gross capital formation and acquisitions less disposals of non-financial non-produced assets.

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cession. Although the principal focus was on modernisation of the capital stock, capacity is also likely to have been expanded, not least on account of the favourable sales position, above all, in export-oriented manufacturing.

In terms of financial asset formation, domestic producing enterprises stepped up their acquisition of participatory instruments – as they had done in both 1998 and 1999. The

*Acquisition of participating interests ...*

overall figures were strongly affected by one large-scale transaction, however. Slightly more than one-fifth of aggregate asset formation in 2000 was accounted for by shares and other equities. In the years before 1998, when this period of external corporate growth started, the figure had been not even one-tenth. As shown by the aggregate flow of funds statement for the non-financial corporate sector, compared with the two preceding years there was a shift in purely statistical terms towards the acquisition of domestic participations in 2000. This contrasted with external growth being focused on other countries in 1998 and 1999. In a more detailed analysis, however, it becomes apparent that, to a large extent, the acquisition of domestic equity ultimately conceals large-scale cross-border transactions. Shares acquired by non-residents in the takeover of a German telecommunications enterprise were transferred to a newly established German “subsidiary”, a quasi-corporate enterprise. Thus, the statistical statement of direct share purchases by non-financial corporations is strongly overstated as a result of this special factor.

*... at home and abroad*

In addition to the direct acquisition of participations, intra-group lending also has to be included in connection with global corporate growth. In particular, the granting of trade and financial credit to affiliates abroad has been growing in importance for a number of years. At slightly more than DM 100 billion, or just over 10% of aggregate asset formation, the peak reached in 1999 was far exceeded. In 2000, the enterprises undertook considerable restructuring within the other

*High level of lending to non-residents*



forms of investment, although the precise motives are not always identifiable. For example, enterprises sold mutual funds shares on balance but acquired bonds. The higher interest rates meant that enterprises bought quite a large amount of money market paper, although interest-bearing time deposits were liquidated and transferable deposits were increased.

*Further decline  
in internal  
financing*

Only just over one-third of enterprises' financing needs was covered by internal funds last year. The internal financing ratio, at 36 %, thus reached its lowest level since the start of 1991. The main reason for this renewed decline was the sharp fall in retained profits. "Dissaving" reached a scale similar to that in the first half of the nineties, when the unfavourable development of the economy had depressed profits. The earnings position for 2000 is, of course, to be rated as much better. This means that the driving force behind the decline is more probably a change in the way in which profits are distributed in connection with the concept of shareholder value. Furthermore, the forthcoming tax reform is likely to have influenced profit-distribution behaviour.

*Equity  
financing also  
influenced by  
special factor*

The decrease in internal financing linked to the change in financing behaviour was more than offset in 2000 by the external procurement of additional equity capital. This was, however, overstated owing to the above-mentioned large-scale transaction. Domestically, the injection of equity capital was roughly on the multi-year average, albeit much lower than in 1999. Sales of shares were affected by this, despite overall buoyant issuing

activity (which, however, slackened during the course of the year). This is likely to be closely connected to developments on the stock exchanges, which also led to planned issues being deferred. The high level of non-residents' participation in German quasi-corporate enterprises is primarily due to the above-mentioned establishment of a branch of a foreign telecommunications enterprise. Since shares of the German enterprise that had been taken over were transferred to this "subsidiary", other participations, which are now held by non-residents, had to be booked accordingly on the liabilities side of the "subsidiary". Ultimately, this construction has led to a considerable "balance sheet extension".

Whereas equity financing was heavily affected by one special factor, there was a very expansionary development in credit financing via non-banks in line with the trend over the past few years. In total, trade and financial loans amounted to slightly more than DM 270 billion, i.e. just under 30 % of aggregate financing. In the early nineties, this form of funding had accounted for no more than roughly 5 %. The dynamic growth was reflected, above all, in loans from abroad. Since domestic lending was very subdued in 2000, borrowing from abroad grew almost as rapidly as the aggregate itself. This meant that these inflows more than doubled, as they had done in 1999. This large rise, especially in long-term borrowing, likewise has to be seen in the context of the acquisition of UMTS licences by domestic telecoms. A major factor in this respect is that funds were raised via financing subsidiaries on the capital markets

*Trade and  
financial loans  
from abroad*

abroad and passed on to Germany as financial loans.

*Change in enterprises' credit behaviour*

By contrast, "classical" loan financing via banks became much less important in the period under review. Last year, bank loans did not reach even one-third of the loans granted by other groups of lenders. In 1999, when – for the first time since 1991 – there had been less recourse to bank loans than other loans, its share amounted to just under three-quarters. Even though 2000 is somewhat distorted owing to the special circumstances caused by the UMTS licences, 1999 and 2000, taken together, show that the internationalisation of the economy also has lasting implications for enterprises' credit management.

*Shift in the balance sheet ratios*

Over the last ten years, it has been possible to identify changes in the balance sheet structures of the corporate sector. These changes indicate a transformation in the investment and financing habits of non-financial corporations. Up to and including 1997, gross investment in tangible fixed assets and inventories was by far the largest item. On average, financial asset acquisition amounted to a mere 20% of expenditure. Since 1998, this area of investment – driven by external corporate growth – has been perceptibly gaining in importance. Between 1998 and 2000, the acquisition of financial assets accounted for two-fifths of aggregate asset formation. In terms of the source of funds, there has been a sharp fall since 1998 in internally raised funds. Against that, equity capital from abroad and lending by non-banks, especially from abroad, have become more important

during roughly the same period. This is a reflection, firstly, of the fact that the concept of shareholder value is becoming more and more prevalent and, secondly, of the increasing international links of large German enterprises.

### Households' investment and borrowing behaviour

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While there was a sharp expansion in the sources and uses of funds in the corporate sector in 2000, these showed a decline in the case of households. The cause of this did not lie in developments in the real economy, i.e. saving and investment, but rather in financial transactions. "Contractionary" years of this kind are not at all untypical in the financial sector as financial flows are more volatile than saving and investment. This reflects the fact that financial asset acquisition and borrowing serve, to a certain extent, as buffers for adjusting to changes in underlying economic conditions.

*Decline in financial transactions*

As in the three preceding years, households' savings, which are the main source of funds, showed only a slight increase last year in nominal terms, rising to DM 250 billion at the end of the period under review. This meant that the saving ratio, as measured by disposable income, reached a new low of 9.8%. Ten years before, the figure had been just over 3 percentage points higher. If the equivalent values for capital consumption are included in the calculation – in line with international practice – the (gross) saving ratio is much higher. At 15½% in 2000, it attained a

*Further decline in the saving ratio ...*

## Households' saving and asset acquisition \*

DM billion

Item	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
<b>Sources of funds</b>								
Disposable income	2,122.1	2,180.7	2,256.0	2,307.2	2,357.6	2,424.3	2,488.4	2,559.4
Household final consumption expenditure	1,858.8	1,927.3	2,003.9	2,057.5	2,112.3	2,177.9	2,241.1	2,309.1
Saving	263.3	253.4	252.1	249.7	245.3	246.4	247.3	250.3
<b>Memo item</b>								
Saving ratio <sup>1</sup>	12.4	11.6	11.2	10.8	10.4	10.2	9.9	9.8
Net capital transfers received	11.9	7.4	11.6	14.6	19.2	27.3	30.0	31.7
Own investible funds	275.2	260.8	263.7	264.3	264.5	273.7	277.2	282.0
Incurrence of liabilities <sup>2</sup>	169.3	188.8	148.3	154.2	125.6	147.0	145.0	84.8
<b>Total sources of funds</b>	<b>444.5</b>	<b>449.6</b>	<b>412.0</b>	<b>418.5</b>	<b>390.1</b>	<b>420.7</b>	<b>422.2</b>	<b>366.8</b>
<b>Uses of funds</b>								
Net capital formation <sup>3</sup>	132.1	157.6	150.9	141.4	139.8	142.3	142.7	138.3
Acquisitions less disposals of non-financial non-produced assets	1.4	1.9	1.8	2.2	1.8	2.2	2.0	2.0
Acquisition of financial assets	311.0	290.2	259.3	275.0	248.4	276.3	277.5	226.5
with banks <sup>4</sup>	193.2	8.3	67.5	102.0	56.0	89.6	21.0	- 60.9
Transferable deposits <sup>5</sup>	45.2	13.6	25.8	46.8	21.3	55.6	59.4	4.3
Time deposits <sup>6</sup>	66.8	- 83.9	- 72.3	- 47.8	- 15.3	6.1	- 10.7	17.3
Savings deposits <sup>6</sup>	96.0	87.0	107.1	105.7	47.2	31.7	- 8.4	- 77.6
Savings certificates	- 14.8	- 8.4	6.9	- 2.6	2.8	- 3.8	- 19.3	- 4.8
with insurance corporations <sup>7</sup>	86.9	97.2	103.6	112.6	118.1	122.9	129.1	120.4
in securities	20.7	172.5	72.8	51.8	65.9	53.4	116.9	156.5
Bonds <sup>8</sup>	- 30.4	66.2	46.8	11.3	9.2	- 26.6	1.8	10.3
Shares	6.6	12.0	- 3.4	10.5	8.0	8.0	27.0	23.0
Other equity	8.4	10.7	8.7	7.8	6.6	8.8	3.5	5.3
Mutual funds shares	36.1	83.6	20.7	22.2	42.0	63.2	84.5	118.0
Claims arising from company pension commitments	10.2	12.3	15.4	8.5	8.5	10.3	10.5	10.4
<b>Total uses of funds</b>	<b>444.5</b>	<b>449.7</b>	<b>412.0</b>	<b>418.6</b>	<b>390.1</b>	<b>420.8</b>	<b>422.2</b>	<b>366.8</b>

\* Including non-profit institutions serving households. — <sup>1</sup> As a percentage of disposable income. — <sup>2</sup> Including other liabilities. — <sup>3</sup> Including acquisitions less disposals of valuables. — <sup>4</sup> Domestic and foreign banks. — <sup>5</sup> Including currency. — <sup>6</sup> Up to 1998 deposits with savings and loan

associations are included under savings deposits and from 1999 (in accordance with the banking statistics) under time deposits. — <sup>7</sup> Including private pension funds, occupational pension schemes, supplementary pension funds and other claims. — <sup>8</sup> Including money market paper.

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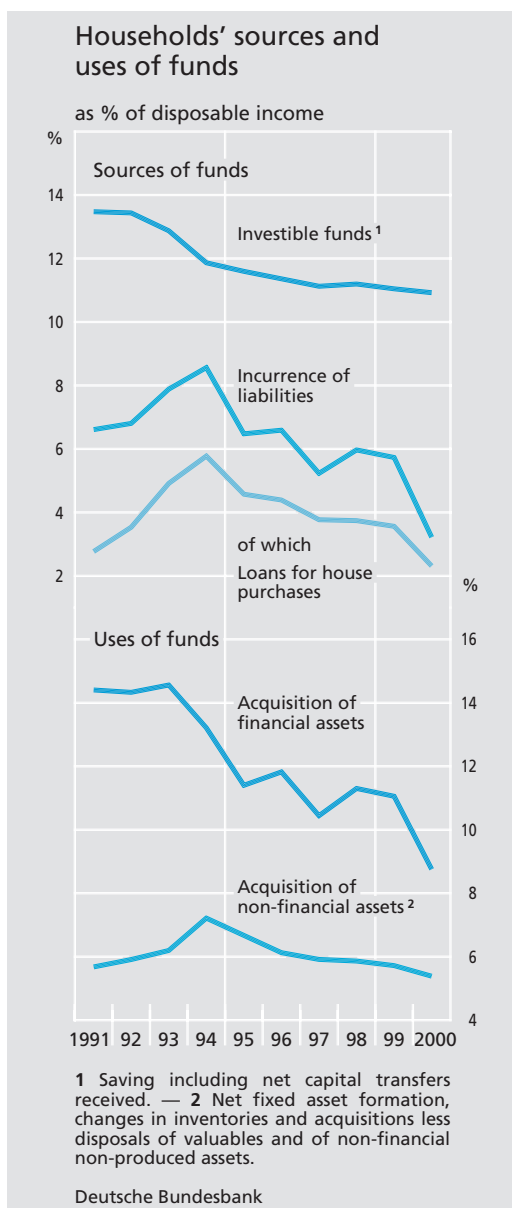


figure that is still notable by international standards. Nevertheless, this gross method of disclosure refers less to the concept of increase in net worth than to the internal financing potential. If the net capital transfers received (which now amount to not quite one-tenth of total funds from own sources) are added to (current) savings, own investible funds amounted to slightly more than DM 280 billion. This covered just over three-

quarters of the total financial requirement. The rest was obtained by households through loans from banks and insurance enterprises. The level of external funds was thus much lower than in the preceding years, when an annual average of DM 140 billion was raised in this way. Whereas there was even an expansion in the raising of short-term loans, there was an almost 50% drop in longer-term loans. Although a precise breakdown into mortgage loans, commercial loans or credit granted for consumption purposes is made more difficult by statistical recording problems, the slump in lending business is likely to have been due mainly to the lower demand for housing loans.

... and lower credit financing

In terms of the uses of funds, the cutbacks in households' spending on non-financial assets and inventories, as well as purchases of land from the government, remained limited in 2000, while much less was placed in financial asset acquisition than in 1999. Overall, asset acquisition was reduced to around DM 365 billion, having been DM 420 billion in the previous year. Developments in real assets were quite mixed, however. Construction activity was cut back considerably, which was due not only to the persistent imbalances on the east German housing markets but also to the low level of demand for owner-occupied housing in western Germany. This contrasted once again with a quite dynamic pace of growth in machinery, equipment and other fixed assets. Overall, households' net investment amounted to just under DM 140 billion, or 5½% of disposable income. In the first half of the nineties, households' investment ratio had been 7%.

Weak non-financial asset formation

*Fewer assets  
with banks and  
insurance  
enterprises*

The aforementioned decline in financial asset acquisition from just under DM 280 billion to DM 226 billion in 2000 – the lowest figure since 1991 – was primarily to the detriment of bank balances. Firstly, there was a dramatic cutback by almost DM 80 billion in savings deposits. Secondly, funds allocated to transferable deposits were DM 55 billion down on 1999. Time deposits were stepped up simultaneously. Higher short-term interest rates are likely to have been a major factor in this. For the first time since 1991, there was also a decline in the acquisition of financial assets with insurance enterprises last year. Households placed just under DM 10 billion less in insurance products. This was due, not least, to a certain “wait-and-see” attitude given the debate on introducing private capital-funded old-age pension provision as well as to anticipatory effects in 1999, when a future abolition of preferential tax treatment for life insurance products had been under discussion.

*Strong  
acquisition of  
assets with  
appreciation  
potential*

According to the available figures, the enthusiasm for shares, which had prevailed in the first few months of 2000 and which subsequently cooled gradually, was not reflected in an exceptionally high level of direct purchases of shares. At just over DM 20 billion, they were, in fact, down on the figure for 1999, although the level of direct acquisition was still much higher than in the years before that. This development – notwithstanding a number of large issues during the year that met with wide interest – may have been due to the fact that the desire to realise price gains or to avoid a further loss of capital owing to the mark-downs became greater in spring. On an annual average, however,

households continued to show a marked preference for acquiring shares indirectly by means of mutual funds shares. As an annual figure, households placed almost DM 120 billion in such certificates, which was two-fifths more than the already high level of sales in 1999.

Around DM 150 billion was thus placed in assets with an appreciation potential, i.e. more than 50 % of financial asset acquisition and, for the first time, more than was invested in non-financial assets. The marked preference for financial products of this kind is also revealed by the very heavy demand, according to the available data, for comparatively new products within bond acquisition which have a certain link to the equity markets, such as index-linked certificates or equity-linked bonds. Owing to statistical recording problems, this may also include purchases of warrants which, strictly speaking, ought to be booked with financial derivatives.

A long-term comparison of households' financial asset acquisition over the past five decades reveals a number of underlying trends that are also likely to be indicative of future investment behaviour in Germany. Since the sixties, aggregate financial asset acquisition has been moving within relatively narrow bounds of between 11% to 13½ % of disposable income. It was only in the fifties, owing to the short supply of financial resources in the years of reconstruction, that the inflows into financial assets were much lower. Nevertheless, there have been far-reaching changes in the structure of investment behaviour. When seen over a period of

*Long-term  
change in  
investor  
preferences*

### Long-term pattern of households' \* financial asset formation

in %

Investment	1950/59 <sup>1</sup>	1960/69 <sup>2</sup>	1970/79 <sup>2</sup>	1980/89 <sup>2</sup>	1991/2000 <sup>3</sup>
with banks <sup>4</sup>	67.0	65.1	61.3	39.9	26.4
Currency and transferable deposits	14.6	9.6	8.0	6.6	12.4
Time deposits <sup>5</sup>	1.9	1.0	4.9	8.5	- 0.3
Savings certificates	.	1.1	7.5	7.8	- 1.2
Savings deposits <sup>5</sup>	50.5	53.5	40.9	17.0	15.4
with insurance corporations <sup>6</sup>	14.4	15.9	16.9	27.6	35.9
in securities	6.7	13.7	14.6	23.2	31.6
Bonds <sup>7, 8</sup>	4.7	9.5	13.8	22.3	5.1
Shares <sup>7</sup>	2.0	4.1	0.8	0.9	3.6
Other equity	.	.	.	.	2.8
Mutual funds shares	.	.	.	.	20.1
Claims arising from company pension commitments <sup>9</sup>	11.9	5.3	7.2	9.3	6.1
Total	100	100	100	100	100
Financial asset formation as % of disposable income	8.1	11.1	13.5	11.4	12.1

\* Including non-profit institutions serving households. — <sup>1</sup> Western Germany excluding Saarland and West Berlin. — <sup>2</sup> Western Germany. — <sup>3</sup> Germany as a whole. — <sup>4</sup> In Germany and abroad. — <sup>5</sup> Up to 1998, deposits with savings and loan associations are included under savings deposits and from 1999 (in accordance with the banking statistics) under time deposits. — <sup>6</sup> Including private

pension funds as well as occupational pension schemes and, from 1991, also including supplementary pension funds. — <sup>7</sup> For western Germany, including indirect purchases of domestic and non-residents' mutual funds shares. — <sup>8</sup> Including money market paper. — <sup>9</sup> Including other claims.

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50 years, there has been an obvious trend towards assets with insurance enterprises and investment – either directly or indirectly – in securities. By contrast, interest-bearing bank deposits have been losing in importance over the same period. Significant ground has been lost, in particular, by savings deposits, which for more than 30 years had been the predominant form of bank deposits.

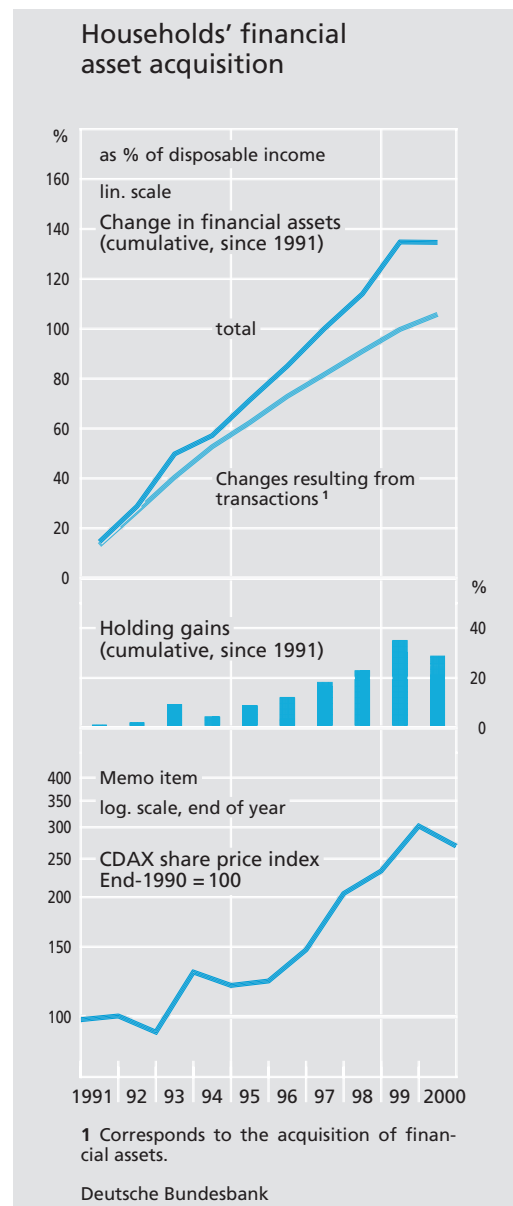
The direct acquisition of securities cannot be captured precisely in terms of numbers, since mutual funds shares were also shown here up to the end of the eighties. Even so, it is apparent that, for a long time, direct acquisition tended to be of secondary importance in comparison with bank deposits and insurance products. In the past ten years, however, purchases of shares – starting from a very low

level – have undergone a sharp upturn. Nevertheless, the percentage of shares in private financial asset acquisition was still somewhat higher in the sixties, due to extensive privatisation of public sector enterprises, than during the entire past decade. The “winners” in this regard are mutual funds shares and insurance investment. Taken together, these accounted for more than one-half of financial asset acquisition in the period from 1991 to 2000. The fact that mutual funds shares were much preferred to direct purchases of bonds and shares may be explained by relatively low transaction and information costs as well as an integrated risk diversification. Insurance investment (including elements of company pension schemes) has gained significant market shares only in the last 20 years, and now accounts for just over one-third of financial

asset acquisition. Apart from tax advantages, this development is likely to have been, not least, a reflection of an increase in private old-age pension provision as a result of the many years of discussion about inevitable limitations in payments in the statutory pension insurance scheme.

*Households' financial assets*

It is, however, not possible to draw direct conclusions from financial asset acquisition about the development of households' financial assets or, say, the financial assets accumulated for private old-age pension provision. Changes due to valuation adjustments have a considerable impact on the level of assets. This has been palpably demonstrated by the past two years, albeit in a different direction. While more than 50% of the increase in financial assets in 1999 was due to holding gains resulting from the rise in share prices, financial assets grew at a slower pace overall last year than the transaction-related increase. This was caused by price adjustments in the equity markets, which were ultimately reflected in the assets held. Valued at market prices, shares held by households thus declined by just under one-tenth, but were still significantly higher than the figure for 1998. Although there was an increase in the holding of mutual funds shares, this was not on the same scale as financial asset acquisition. Overall, financial assets at the end of 2000 amounted to approximately just over DM 7 trillion, which was virtually no higher than in the previous year. After deducting liabilities, households held net financial assets of slightly more than DM 4 trillion, which corresponded to the 1999 level.



In relation to nominal disposable income, which increased by 3% last year, financial assets have declined slightly, however. It is not yet possible to ascertain how this finding for Germany compares with conditions internationally. So far, comparable data on assets are available only up to 1999. These show that financial assets in other industrial countries – especially in the United Kingdom and the United States, owing to the large propor-

*Assets compared internationally*

### Households' financial assets and liabilities \*

Item	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
	in DM billion							
Financial assets								
with banks <sup>1</sup>	2,130	2,138	2,205	2,307	2,367	2,457	2,476	2,415
Short-term	1,487	1,480	1,529	1,644	1,715	1,821	1,883	1,801
Longer-term	643	659	676	663	652	636	593	614
with insurance corporations <sup>2, 3</sup>	937	1,024	1,121	1,227	1,337	1,450	1,575	1,696
in securities	1,396	1,479	1,664	1,793	2,010	2,192	2,624	2,637
Bonds <sup>4</sup>	600	597	715	721	706	703	708	717
Shares	337	334	366	433	575	665	896	816
Other equity	193	209	211	229	253	257	283	288
Mutual funds shares	266	340	372	410	477	567	737	816
arising from company pension commitments	270	282	298	313	328	344	359	379
<b>Total</b>	<b>4,733</b>	<b>4,923</b>	<b>5,288</b>	<b>5,641</b>	<b>6,043</b>	<b>6,443</b>	<b>7,034</b>	<b>7,127</b>
Liabilities								
to banks <sup>1</sup>	1,784	1,957	2,095	2,245	2,357	2,504	2,681	2,762
Short-term	194	196	203	207	202	214	216	221
Longer-term	1,590	1,761	1,893	2,038	2,155	2,290	2,465	2,541
to insurance corporations <sup>2, 5</sup>	132	144	154	157	160	161	164	167
<b>Total</b>	<b>1,916</b>	<b>2,101</b>	<b>2,249</b>	<b>2,402</b>	<b>2,517</b>	<b>2,665</b>	<b>2,844</b>	<b>2,929</b>
<b>Net financial assets</b>	<b>2,817</b>	<b>2,822</b>	<b>3,039</b>	<b>3,238</b>	<b>3,526</b>	<b>3,778</b>	<b>4,190</b>	<b>4,198</b>
Memo item	in DM per household							
Financial assets	130,600	134,200	143,200	151,300	161,300	171,700	186,100	187,600
Liabilities	52,900	57,300	60,900	64,400	67,200	71,000	75,300	77,100
	as % of disposable income							
Financial assets								
with banks	100.4	98.1	97.8	100.0	100.4	101.3	99.5	94.4
with insurance corporations <sup>2, 3</sup>	44.2	47.0	49.7	53.2	56.7	59.8	63.3	66.3
in securities	65.8	67.8	73.8	77.7	85.3	90.4	105.5	103.0
arising from company pension commitments	12.7	12.9	13.2	13.6	13.9	14.2	14.4	14.8
<b>Total</b>	<b>223.0</b>	<b>225.8</b>	<b>234.4</b>	<b>244.5</b>	<b>256.3</b>	<b>265.8</b>	<b>282.7</b>	<b>278.5</b>
Liabilities	90.3	96.4	99.7	104.1	106.8	109.9	114.3	114.5
<b>Net financial assets</b>	<b>132.7</b>	<b>129.4</b>	<b>134.7</b>	<b>140.4</b>	<b>149.5</b>	<b>155.8</b>	<b>168.4</b>	<b>164.0</b>

\* Including non-profit institutions serving households. — <sup>1</sup> In Germany and abroad. — <sup>2</sup> Including private pension funds as well as occupational pension schemes and supple-

mentary pension funds. — <sup>3</sup> Including other claims. — <sup>4</sup> Including money market paper. — <sup>5</sup> Including other liabilities.



tion of shares – are at a much higher level than in Germany. Conversely, non-financial assets (including durable goods) were relatively high in Germany owing to the stock of real estate<sup>3</sup>. In terms of net worth at just under six times disposable income, German households were thus able to narrow the gap considerably vis-à-vis the British and US level. Additionally, households in both of the countries used for comparison displayed only a weak propensity to save from current income. What a comparison of this kind does not take into account, however, is the fact that the methods of funding old-age pension provision in the countries in question have quite differing significance, and that the “implied” government debt in the shape of future demographic strains is a particular factor in Germany.

*Necessity of promoting old-age pension provision*

It is not possible to tell directly from the assets and liabilities statement what assets serve the purpose of old-age pension provision, but certain upper limits can be estimated using the available statistical data and by including the stock of real estate. Combining what may, in principle, be regarded as long-term

assets (which also include claims arising from company pension schemes), households again significantly increased their assets defined in this way in 2000 as a result of transactions. There is, admittedly, a considerable divergence among households in the ability and/or propensity to make adequate saving provision for retirement, as there is, above all, with regard to their assets<sup>4</sup>. This is revealed, in particular, by the latest Federal Statistical Office sample survey of income and expenditure for 1998. The latest decisions on promoting company and private capital-funded old-age pension provision favour lower and middle income earners to a greater extent and will therefore assist in the necessary strengthening of long-term financial asset acquisition, and thus contribute to the second and third pillar of old-age pension provision in Germany.

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<sup>3</sup> Quality aspects and the level of housing prices play a major role in this respect.

<sup>4</sup> What is important in this context – apart from the distinction between western and eastern Germany – is whether reference is being made to the distribution of net financial assets or to financial assets including real estate holding. In addition to income, age and occupational status (employee or self-employed) are also major determinants of households’ level of assets.

The tables accompanying this article appear on the following pages.

## Capital and financial accounts of the sectors in 2000 <sup>pe</sup>

DM billion

Item	Domestic non-financial sectors					
	Households and non-profit institutions serving households	Non-financial corporations	General government			Total
			Total	Central, state and local government	Social security funds	
Acquisition of non-financial assets and saving						
Net capital formation	138.30	160.24	5.30	5.07	0.23	303.84
Gross capital formation	308.37	499.48	70.85	69.22	1.63	878.70
Consumption of fixed capital	170.07	339.24	65.55	64.15	1.40	574.86
Acquisitions less disposals of non-financial non-produced assets	1.98	67.23	- 102.23	- 102.23	-	- 33.02
Saving and capital transfers	281.98	- 0.98	- 38.67	- 44.04	5.37	242.33
Saving	250.31	- 23.75	4.76	- 2.13	6.89	231.32
Capital transfers (net)	31.67	22.77	- 43.43	- 41.91	- 1.52	11.01
Net lending / net borrowing <sup>3</sup>	141.70	- 228.45	58.26	53.12	5.14	- 28.49
Statistical discrepancy <sup>4</sup>	.	- 7.31	.	.	.	- 7.31
Acquisition of financial assets						
Monetary gold and special drawing rights (SDRs)	.	.	.	.	.	.
Currency and deposits	- 60.85	3.92	92.82	90.81	2.01	35.88
Currency and transferable deposits	4.31	19.52	3.74	4.30	- 0.56	27.58
Time deposits <sup>5</sup>	17.26	- 15.42	89.88	86.86	3.02	91.71
Savings deposits	- 77.64	- 0.59	- 1.02	- 0.60	- 0.42	- 79.25
Savings certificates	- 4.79	0.41	0.22	0.26	- 0.04	- 4.16
Money market paper	0.24	18.76	0.52	0.52	.	19.51
Bonds	10.02	77.92	3.16	3.23	- 0.07	91.10
Financial derivatives	.	3.75	.	.	.	3.75
Shares	23.00	145.73	- 7.00	- 7.00	-	161.73
Other equity	5.27	57.17	- 1.99	- 1.99	.	60.45
Mutual funds shares	118.00	- 5.20	- 1.71	.	- 1.71	111.10
Loans	.	69.80	o 7.64	7.64	- 0.07	77.44
Short-term loans	.	60.85	- 7.31	- 7.31	.	53.54
Longer-term loans	.	8.95	o 14.95	14.95	- 0.07	23.90
Claims on insurance corporations <sup>2</sup>	114.66	3.34	0.32	0.32	.	118.32
Short-term claims	13.71	3.34	0.32	0.32	.	17.37
Long-term claims	100.95	.	.	.	.	100.95
Claims arising from company pension commitments	10.44	.	.	.	.	10.44
Other claims	5.69	- 6.56	- 3.55	- 7.97	4.43	- 4.41
<b>Total</b>	<b>226.48</b>	<b>368.65</b>	<b>o 90.21</b>	<b>85.55</b>	<b>4.58</b>	<b>685.33</b>
External financing						
Currency and deposits	.	.	.	.	.	.
Currency and transferable deposits	.	.	.	.	.	.
Time deposits <sup>5</sup>	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Savings certificates	.	.	.	.	.	.
Money market paper	.	10.33	- 0.44	- 0.44	.	9.89
Bonds	.	6.53	57.15	57.15	.	63.67
Financial derivatives	.	.	.	.	.	.
Shares	.	38.25	.	.	.	38.25
Other equity	.	186.48	0.00	0.00	.	186.48
Mutual funds shares	.	.	.	.	.	.
Loans	82.69	331.80	o - 24.76	- 24.76	- 0.56	389.73
Short-term loans	5.20	139.76	- 4.00	- 3.54	- 0.46	140.96
Longer-term loans	77.49	192.04	o - 20.76	- 20.73	- 0.10	248.77
Claims on insurance corporations <sup>2</sup>	.	.	.	.	.	.
Short-term claims	.	.	.	.	.	.
Long-term claims	.	.	.	.	.	.
Claims arising from company pension commitments	.	8.79	.	.	.	8.79
Other liabilities	2.09	22.24	.	.	.	24.33
<b>Total</b>	<b>84.78</b>	<b>604.41</b>	<b>o 31.95</b>	<b>32.43</b>	<b>- 0.56</b>	<b>721.13</b>
Net acquisition of financial assets <sup>6</sup>	141.70	- 235.76	58.26	53.12	5.14	- 35.80

1 Credit institutions including the Deutsche Bundesbank, savings and loan associations and money market funds. — 2 Including private pension funds as well as occupational pension schemes and supple-

mentary pension funds. — 3 Saving and capital transfers (net) less net capital formation and acquisitions less disposals of non-financial non-

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Domestic financial sectors				Rest of the world	All sectors	Item
Monetary financial institutes (MFIs) <sup>1</sup>	Other financial intermediaries	Insurance corporations <sup>2</sup>	Total			
6.11	0.05	1.59	7.75	.	311.59	Acquisition of non-financial assets and saving
16.69	0.16	5.86	22.71	.	901.41	Net capital formation
10.58	0.11	4.27	14.96	.	589.82	Gross capital formation
						Consumption of fixed capital
-	-	-	-	33.02	-	Acquisitions less disposals of non-financial non-produced assets
15.85	-	- 1.33	14.52	54.74	311.59	Saving and capital transfers
15.85	-	11.97	27.82	52.45	311.59	Saving
-	-	- 13.30	- 13.30	2.29	-	Capital transfers (net)
9.74	- 0.05	- 2.92	6.77	21.72	-	Net lending / net borrowing <sup>3</sup>
.	.	.	.	7.31	-	Statistical discrepancy <sup>4</sup>
- 0.28	.	.	- 0.28	0.28	-	Acquisition of financial assets
101.76	18.48	36.60	156.84	222.46	415.18	Monetary gold and special drawing rights (SDRs)
29.69	13.98	1.21	44.88	114.49	186.94	Currency and deposits
72.07	4.53	34.81	111.40	106.09	309.20	Currency and transferable deposits
.	- 0.01	0.09	0.09	- 0.38	- 79.54	Time deposits <sup>5</sup>
.	- 0.02	0.50	0.48	2.26	- 1.42	Savings deposits
8.87	- 0.57	.	8.30	6.83	34.64	Savings certificates
172.22	27.52	- 14.34	185.39	135.02	411.51	Money market paper
3.76	.	.	3.76	.	7.51	Bonds
47.51	108.81	25.30	181.62	- 43.33	300.03	Financial derivatives
15.92	13.61	6.35	35.87	167.35	263.68	Shares
28.27	5.37	62.97	96.61	21.16	228.87	Other equity
150.85	- 3.05	5.45	153.26	234.26	464.96	Mutual funds shares
- 18.09	.	.	- 18.09	106.83	142.28	Loans
168.95	- 3.05	5.45	171.35	127.43	322.67	Short-term loans
.	.	.	.	9.14	127.47	Longer-term loans
.	.	.	.	9.15	26.52	Claims on insurance corporations <sup>2</sup>
.	.	.	.	- 0.01	100.95	Short-term claims
.	.	.	.	.	10.44	Long-term claims
.	.	.	.	.	114.12	Claims arising from company pension commitments
76.09	- 0.05	7.68	83.71	34.81	114.12	Other claims
604.95	170.10	130.02	905.07	788.00	2,378.40	Total
301.85	.	.	301.85	113.33	415.18	External financing
157.25	.	.	157.25	29.69	186.94	Currency and deposits
225.56	.	.	225.56	83.64	309.20	Currency and transferable deposits
- 79.54	.	.	- 79.54	.	- 79.54	Time deposits <sup>5</sup>
- 1.42	.	.	- 1.42	.	- 1.42	Savings deposits
27.99	.	.	27.99	- 3.23	34.64	Savings certificates
208.66	.	0.00	208.66	139.18	411.51	Money market paper
.	.	.	.	7.51	7.51	Bonds
10.31	.	0.46	10.77	251.01	300.03	Financial derivatives
4.44	.	.	4.44	72.76	263.68	Shares
- 4.33	170.89	.	166.55	62.32	228.87	Other equity
.	- 0.73	- 0.59	- 1.32	76.55	464.96	Mutual funds shares
.	- 3.52	- 0.26	- 3.27	4.59	464.96	Loans
.	2.79	- 0.85	1.94	71.96	142.28	Short-term loans
.	.	127.50	127.50	- 0.03	322.67	Longer-term loans
.	.	26.52	26.52	.	127.47	Claims on insurance corporations <sup>2</sup>
.	.	100.97	100.97	- 0.03	26.52	Short-term claims
1.25	.	0.40	1.65	.	100.95	Long-term claims
45.04	.	5.17	50.21	39.58	10.44	Claims arising from company pension commitments
595.21	170.15	132.94	898.30	758.97	114.12	Other liabilities
9.74	- 0.05	- 2.92	6.77	29.03	-	Total
						Net acquisition of financial assets <sup>6</sup>

produced assets. — <sup>4</sup> Net acquisition of financial assets less net lending. — <sup>5</sup> Including deposits with savings and loan associations. —

<sup>6</sup> Acquisition of financial assets less external financing. — <sup>o</sup> Sum-totals do not include intra-sectoral flows.

## Capital and financial accounts of the sectors in 1999 <sup>P</sup>

DM billion

Item	Domestic non-financial sectors					
	Households and non-profit institutions serving households	Non-financial corporations	General government			Total
			Total	Central, state and local government	Social security funds	
Acquisition of non-financial assets and saving						
Net capital formation	142.73	133.04	7.21	6.86	0.35	282.98
Gross capital formation	306.74	460.49	71.44	69.76	1.68	838.67
Consumption of fixed capital	164.01	327.45	64.23	62.90	1.33	555.69
Acquisitions less disposals of non-financial non-produced assets	1.98	0.88	- 2.86	- 2.86	-	-
Saving and capital transfers	277.20	17.87	- 50.69	- 61.83	11.14	244.38
Saving	247.25	- 3.13	- 13.40	- 25.72	12.32	230.72
Capital transfers (net)	29.95	21.00	- 37.29	- 36.11	- 1.18	13.66
Net lending/net borrowing <sup>3</sup>	132.49	- 116.05	- 55.04	- 65.83	10.79	- 38.60
Statistical discrepancy <sup>4</sup>	.	49.74	.	.	.	49.74
Acquisition of financial assets						
Monetary gold and special drawing rights (SDRs)	.	.	.	.	.	.
Currency and deposits	20.96	5.45	18.07	11.34	6.73	44.47
Currency and transferable deposits	59.41	3.31	- 0.41	- 1.33	0.91	62.31
Time deposits	- 10.71	2.55	20.86	11.94	8.91	12.70
Savings deposits <sup>5</sup>	- 8.43	- 0.47	- 0.02	0.62	- 0.64	- 8.93
Savings certificates	- 19.31	0.06	- 2.35	0.11	- 2.46	- 21.61
Money market paper	- 0.77	0.25	0.45	0.45	.	- 0.06
Bonds	2.60	55.80	- 1.77	4.23	- 6.00	56.64
Financial derivatives	.	1.09	.	.	.	1.09
Shares	27.00	98.03	- 13.45	- 13.45	.	111.58
Other equity	3.54	74.65	- 5.27	- 5.27	.	72.91
Mutual funds shares	84.50	22.76	3.51	.	3.51	110.76
Loans	.	60.78	0	2.04	0.00	62.82
Short-term loans	.	50.28	- 8.24	- 8.24	.	42.04
Longer-term loans	.	10.50	0	10.28	0.00	20.78
Claims on insurance corporations <sup>2</sup>	123.00	2.76	0.26	0.26	.	126.02
Short-term claims	12.52	2.76	0.26	0.26	.	15.54
Long-term claims	110.48	.	.	.	.	110.48
Claims arising from company pension commitments	10.49	.	.	.	.	10.49
Other claims	6.15	- 2.56	30.24	22.52	7.72	33.82
Total	277.46	319.08	0	34.08	22.13	630.62
External financing						
Currency and deposits	.	.	.	.	.	.
Currency and transferable deposits	.	.	.	.	.	.
Time deposits <sup>5</sup>	.	.	.	.	.	.
Savings deposits	.	.	.	.	.	.
Savings certificates	.	.	.	.	.	.
Money market paper	.	9.07	- 0.84	- 0.84	.	8.22
Bonds	.	- 6.18	87.68	87.68	.	81.50
Financial derivatives	.	.	.	.	.	.
Shares	.	56.61	.	.	.	56.61
Other equity	.	22.58	- 0.01	- 0.01	.	22.57
Mutual funds shares	.	.	.	.	.	.
Loans	142.62	252.60	0	2.29	1.16	397.52
Short-term loans	- 2.10	86.91	- 2.92	- 3.95	1.04	81.89
Longer-term loans	144.72	165.70	0	5.08	0.12	315.62
Claims on insurance corporations <sup>2</sup>	.	.	.	.	.	.
Short-term claims	.	.	.	.	.	.
Long-term claims	.	.	.	.	.	.
Claims arising from company pension commitments	.	8.79	.	.	.	8.79
Other liabilities	2.34	41.94	.	.	.	44.28
Total	144.97	385.40	0	89.12	1.16	619.49
Net acquisition of financial assets <sup>6</sup>	132.49	- 66.32	- 55.04	- 65.83	10.79	11.13

1 Credit institutions including the Deutsche Bundesbank, savings and loan associations and money market funds. — 2 Including private pension funds as well as occupational pension schemes and supple-

mentary pension funds. — 3 Saving and capital transfers (net) less net capital formation and acquisitions less disposals of non-financial non-

Deutsche Bundesbank

Domestic financial sectors				Rest of the world	All sectors	Item
Monetary financial institutes (MFIs) 1	Other financial intermediaries	Insurance corporations 2	Total			
5.99	0.05	1.20	7.24	.	290.22	Acquisition of non-financial assets and saving
16.18	0.16	5.40	21.74	.	860.41	Net capital formation
10.19	0.11	4.20	14.50	.	570.19	Gross capital formation
						Consumption of fixed capital
-	-	-	-	-	-	Acquisitions less disposals of non-financial non-produced assets
14.09	-	0.46	14.55	31.29	290.22	Saving and capital transfers
14.09	-	13.31	27.40	32.10	290.22	Saving
-	-	- 12.85	- 12.85	- 0.81	-	Capital transfers (net)
8.10	- 0.05	- 0.74	7.31	31.29	-	Net lending/net borrowing 3
.	.	.	.	- 49.74	-	Statistical discrepancy 4
						Acquisition of financial assets
- 3.64	.	.	- 3.64	3.64	-	Monetary gold and special drawing rights (SDRs)
7.48	- 1.22	60.67	66.93	188.50	299.91	Currency and deposits
2.67	5.52	5.21	13.39	- 7.63	68.07	Currency and transferable deposits
4.81	- 6.41	52.74	51.14	193.92	257.76	Time deposits
.	0.03	0.14	0.17	0.10	- 8.66	Savings deposits 5
.	- 0.35	2.59	2.24	2.11	- 17.26	Savings certificates
33.12	- 0.33	.	32.78	74.77	107.49	Money market paper
137.27	124.17	- 15.07	246.38	211.56	514.57	Bonds
1.09	.	.	1.09	.	2.17	Financial derivatives
56.70	47.27	13.93	117.90	96.28	325.76	Shares
19.44	14.42	7.11	40.97	- 12.38	101.51	Other equity
38.85	2.71	54.00	95.56	11.27	217.59	Mutual funds shares
438.58	3.73	2.61	444.92	125.24	632.98	Loans
100.27	.	.	100.27	86.80	229.11	Short-term loans
338.31	3.73	2.61	344.66	38.43	403.87	Longer-term loans
.	.	.	.	10.37	136.38	Claims on insurance corporations 2
.	.	.	.	10.36	25.89	Short-term claims
.	.	.	.	0.01	110.49	Long-term claims
.	.	.	.	.	10.49	Claims arising from company pension commitments
43.46	- 0.05	8.05	51.46	5.85	91.13	Other claims
772.34	190.70	131.30	1,094.35	715.00	2,439.98	Total
						External financing
329.56	.	.	329.56	- 29.66	299.91	Currency and deposits
65.40	.	.	65.40	2.67	68.07	Currency and transferable deposits
290.08	.	.	290.08	- 32.32	257.76	Time deposits 5
- 8.66	.	.	- 8.66	.	- 8.66	Savings deposits
- 17.26	.	.	- 17.26	.	- 17.26	Savings certificates
96.38	.	.	96.38	2.89	107.49	Money market paper
266.39	.	0.00	266.39	166.68	514.57	Bonds
.	.	.	.	2.17	2.17	Financial derivatives
15.31	.	2.76	18.07	251.08	325.76	Shares
6.11	.	.	6.11	72.83	101.51	Other equity
6.55	183.55	.	190.10	27.49	217.59	Mutual funds shares
.	7.20	0.79	7.99	227.47	632.98	Loans
.	2.57	- 0.16	2.41	144.80	229.11	Short-term loans
.	4.63	0.95	5.58	82.67	403.87	Longer-term loans
.	.	136.38	136.38	0.00	136.38	Claims on insurance corporations 2
.	.	25.89	25.89	.	25.89	Short-term claims
.	.	110.49	110.49	0.00	110.49	Long-term claims
.	.	.	.	.	10.49	Claims arising from company pension commitments
1.30	.	0.40	1.70	.	91.13	Other liabilities
42.65	.	- 8.29	34.35	12.50		
764.24	190.75	132.04	1,087.04	733.45	2,439.98	Total
8.10	- 0.05	- 0.74	7.31	- 18.45	-	Net acquisition of financial assets 6

produced assets. — 4 Net acquisition of financial assets less net lending. — 5 Including deposits with savings and loan associations. —

6 Acquisition of financial assets less external financing. — o Sum-totals do not include intra-sectoral flows.

## Issues and purchases of bonds

Item	1993	1994	1995	1996	1997	1998 p	1999 pe	2000 pe
<b>Issuers</b>	<b>DM billion</b>							
Non-financial corporations <sup>1</sup>	96.94	96.30	-161.70	- 8.70	- 7.93	- 6.06	- 6.18	6.53
General government <sup>1</sup>	134.55	60.59	202.16	50.88	73.70	59.89	87.68	57.15
<b>Non-financial sectors</b>	<b>231.49</b>	<b>156.89</b>	<b>40.46</b>	<b>42.18</b>	<b>65.78</b>	<b>53.83</b>	<b>81.50</b>	<b>63.67</b>
Financial sectors	143.48	116.88	158.04	197.51	189.88	230.52	266.39	208.66
Rest of the world	- 13.23	28.39	33.82	25.44	75.46	133.90	166.68	139.18
<b>Total</b>	<b>361.74</b>	<b>302.17</b>	<b>232.32</b>	<b>265.13</b>	<b>331.12</b>	<b>418.26</b>	<b>514.57</b>	<b>411.51</b>
<b>Purchasers</b>								
Households	- 29.47	71.16	50.47	11.67	10.30	- 26.27	2.60	10.02
Non-financial corporations	1.03	41.30	- 16.41	- 19.87	- 17.87	8.07	55.80	77.92
General government	0.28	3.25	0.73	- 3.90	0.63	- 3.14	- 1.77	3.16
<b>Non-financial sectors</b>	<b>- 28.16</b>	<b>115.72</b>	<b>34.80</b>	<b>- 12.10</b>	<b>- 6.95</b>	<b>- 21.34</b>	<b>56.64</b>	<b>91.10</b>
Monetary Financial Institutions (MFIs)	137.60	114.26	80.43	122.38	135.41	230.39	137.27	172.22
Other financial intermediaries	31.19	46.97	24.08	57.08	78.51	55.04	124.17	27.52
Insurance corporations	9.73	2.62	6.99	- 4.36	1.64	0.14	- 15.07	- 14.34
<b>Financial sectors</b>	<b>178.52</b>	<b>163.85</b>	<b>111.50</b>	<b>175.09</b>	<b>215.57</b>	<b>285.57</b>	<b>246.38</b>	<b>185.39</b>
Rest of the world	211.38	22.60	86.03	102.13	122.50	154.03	211.56	135.02
<b>Total</b>	<b>361.74</b>	<b>302.17</b>	<b>232.32</b>	<b>265.13</b>	<b>331.12</b>	<b>418.26</b>	<b>514.57</b>	<b>411.51</b>
<b>Issuers</b>	<b>Percentage share</b>							
Non-financial corporations <sup>1</sup>	26.8	31.9	- 69.6	- 3.3	- 2.4	- 1.4	- 1.2	1.6
General government <sup>1</sup>	37.2	20.1	87.0	19.2	22.3	14.3	17.0	13.9
<b>Non-financial sectors</b>	<b>64.0</b>	<b>51.9</b>	<b>17.4</b>	<b>15.9</b>	<b>19.9</b>	<b>12.9</b>	<b>15.8</b>	<b>15.5</b>
Financial sectors	39.7	38.7	68.0	74.5	57.3	55.1	51.8	50.7
Rest of the world	- 3.7	9.4	14.6	9.6	22.8	32.0	32.4	33.8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Purchasers</b>								
Households	- 8.1	23.6	21.7	4.4	3.1	- 6.3	0.5	2.4
Non-financial corporations	0.3	13.7	- 7.1	- 7.5	- 5.4	1.9	10.8	18.9
General government	0.1	1.1	0.3	- 1.5	0.2	- 0.8	- 0.3	0.8
<b>Non-financial sectors</b>	<b>- 7.8</b>	<b>38.3</b>	<b>15.0</b>	<b>- 4.6</b>	<b>- 2.1</b>	<b>- 5.1</b>	<b>11.0</b>	<b>22.1</b>
Monetary Financial Institutions (MFIs)	38.0	37.8	34.6	46.2	40.9	55.1	26.7	41.9
Other financial intermediaries	8.6	15.5	10.4	21.5	23.7	13.2	24.1	6.7
Insurance corporations	2.7	0.9	3.0	- 1.6	0.5	0.0	- 2.9	- 3.5
<b>Financial sectors</b>	<b>49.4</b>	<b>54.2</b>	<b>48.0</b>	<b>66.0</b>	<b>65.1</b>	<b>68.3</b>	<b>47.9</b>	<b>45.1</b>
Rest of the world	58.4	7.5	37.0	38.5	37.0	36.8	41.1	32.8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>1</sup> In 1995 including the assumption of the Treuhand agency's securitised debt by the Redemption Fund for Inherited Liabilities (DM 155.5 billion).

Deutsche Bundesbank

## Issues and purchases of mutual funds shares

Item	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
<b>Issuers</b>	<b>DM billion</b>							
Domestic funds	61.67	108.91	54.07	79.11	138.95	169.75	190.10	166.55
Funds open to the general public	20.79	63.26	16.78	16.52	31.50	39.00	73.70	77.67
Money market funds	–	31.18	6.15	– 4.71	– 5.00	5.77	6.55	– 4.28
Securities-based funds	6.07	24.39	3.71	7.27	30.07	27.81	45.51	72.01
Real-estate funds	14.72	7.70	6.92	13.95	6.44	4.69	14.46	– 5.52
Other funds 1	–	–	–	–	–	0.72	7.18	15.46
Specialised funds	40.88	45.65	37.29	62.59	107.45	130.75	116.40	88.89
Foreign funds	18.59	22.08	1.18	4.27	6.86	17.89	27.49	62.32
<b>Total</b>	<b>80.26</b>	<b>131.00</b>	<b>55.25</b>	<b>83.38</b>	<b>145.81</b>	<b>187.64</b>	<b>217.59</b>	<b>228.87</b>
<b>Purchasers</b>								
Households	36.13	83.58	20.72	22.16	42.01	63.23	84.50	118.00
Non-financial corporations	2.66	16.07	5.88	9.12	18.82	17.21	22.76	– 5.20
General government	0.98	– 0.21	0.31	0.46	2.62	2.81	3.51	– 1.71
<b>Non-financial sectors</b>	<b>39.77</b>	<b>99.43</b>	<b>26.92</b>	<b>31.74</b>	<b>63.45</b>	<b>83.25</b>	<b>110.76</b>	<b>111.10</b>
Monetary Financial Institutions (MFIs)	16.98	9.85	12.17	19.92	35.92	44.19	38.85	28.27
Other financial intermediaries	–	–	–	–	–	0.05	2.71	5.37
Insurance corporations	19.51	16.66	17.21	34.04	50.60	62.93	54.00	62.97
<b>Financial sectors</b>	<b>36.49</b>	<b>26.51</b>	<b>29.38</b>	<b>53.97</b>	<b>86.53</b>	<b>107.17</b>	<b>95.56</b>	<b>96.61</b>
Rest of the world	4.00	5.05	– 1.05	– 2.32	– 4.17	– 2.78	11.27	21.16
<b>Total</b>	<b>80.26</b>	<b>131.00</b>	<b>55.25</b>	<b>83.38</b>	<b>145.81</b>	<b>187.64</b>	<b>217.59</b>	<b>228.87</b>
<b>Issuers</b>	<b>Percentage share</b>							
Domestic funds	76.8	83.1	97.9	94.9	95.3	90.5	87.4	72.8
Funds open to the general public	25.9	48.3	30.4	19.8	21.6	20.8	33.9	33.9
Money market funds	–	23.8	11.1	– 5.6	– 3.4	3.1	3.0	– 1.9
Securities-based funds	7.6	18.6	6.7	8.7	20.6	14.8	20.9	31.5
Real-estate funds	18.3	5.9	12.5	16.7	4.4	2.5	6.6	– 2.4
Other funds 1	–	–	–	–	–	0.4	3.3	6.8
Specialised funds	50.9	34.8	67.5	75.1	73.7	69.7	53.5	38.8
Foreign funds	23.2	16.9	2.1	5.1	4.7	9.5	12.6	27.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Purchasers</b>								
Households	45.0	63.8	37.5	26.6	28.8	33.7	38.8	51.6
Non-financial corporations	3.3	12.3	10.7	10.9	12.9	9.2	10.5	– 2.3
General government	1.2	– 0.2	0.6	0.6	1.8	1.5	1.6	– 0.7
<b>Non-financial sectors</b>	<b>49.5</b>	<b>75.9</b>	<b>48.7</b>	<b>38.1</b>	<b>43.5</b>	<b>44.4</b>	<b>50.9</b>	<b>48.5</b>
Monetary Financial Institutions (MFI's)	21.2	7.5	22.0	23.9	24.6	23.5	17.9	12.4
Other financial intermediaries	–	–	–	–	–	0.0	1.2	2.3
Insurance corporations	24.3	12.7	31.1	40.8	34.7	33.5	24.8	27.5
<b>Financial sectors</b>	<b>45.5</b>	<b>20.2</b>	<b>53.2</b>	<b>64.7</b>	<b>59.3</b>	<b>57.1</b>	<b>43.9</b>	<b>42.2</b>
Rest of the world	5.0	3.9	– 1.9	– 2.8	– 2.9	– 1.5	5.2	9.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

1 Including dedicated pension funds and funds of funds.

Deutsche Bundesbank

## Issues and purchases of shares

Item	1993	1994	1995	1996	1997	1998 p	1999 p	2000 pe
<b>Issuers</b>	<b>DM billion</b>							
Non-financial corporations	11.12	20.03	23.14	31.01	4.58	89.19	56.61	38.25
Monetary Financial Institutions (MFIs)	10.66	14.30	9.05	8.23	19.72	12.00	15.31	10.31
Insurance corporations	3.11	4.98	7.78	1.29	6.89	6.49	2.76	0.46
<b>Financial sectors</b>	<b>13.78</b>	<b>19.28</b>	<b>16.83</b>	<b>9.52</b>	<b>26.61</b>	<b>18.49</b>	<b>18.07</b>	<b>10.77</b>
Rest of the world	21.24	27.97	25.53	45.22	101.45	206.34	251.08	251.01
<b>Total</b>	<b>46.13</b>	<b>67.28</b>	<b>65.50</b>	<b>85.75</b>	<b>132.64</b>	<b>314.01</b>	<b>325.76</b>	<b>300.03</b>
<b>Purchasers</b>								
Households	6.61	12.00	- 3.40	10.50	8.00	8.00	27.00	23.00
Non-financial corporations	2.27	8.18	27.08	21.23	25.75	93.49	98.03	145.73
General government	1.13	5.91	10.81	0.22	- 10.40	- 19.79	- 13.45	- 7.00
<b>Non-financial sectors</b>	<b>10.01</b>	<b>26.08</b>	<b>34.49</b>	<b>31.95</b>	<b>23.35</b>	<b>81.70</b>	<b>111.58</b>	<b>161.73</b>
Monetary Financial Institutions (MFIs)	12.30	8.85	13.94	18.06	13.99	19.78	56.70	47.51
Other financial intermediaries	8.81	23.40	14.99	12.36	41.88	84.67	47.27	108.81
Insurance corporations	6.28	8.21	5.34	11.64	32.28	27.45	13.93	25.30
<b>Financial sectors</b>	<b>27.39</b>	<b>40.45</b>	<b>34.27</b>	<b>42.06</b>	<b>88.16</b>	<b>131.90</b>	<b>117.90</b>	<b>181.62</b>
Rest of the world	8.74	0.74	- 3.26	11.74	21.13	100.41	96.28	- 43.33
<b>Total</b>	<b>46.13</b>	<b>67.28</b>	<b>65.50</b>	<b>85.75</b>	<b>132.64</b>	<b>314.01</b>	<b>325.76</b>	<b>300.03</b>
<b>Issuers</b>	<b>Percentage share</b>							
Non-financial corporations	24.1	29.8	35.3	36.2	3.5	28.4	17.4	12.7
Monetary Financial Institutions (MFIs)	23.1	21.3	13.8	9.6	14.9	3.8	4.7	3.4
Insurance corporations	6.7	7.4	11.9	1.5	5.2	2.1	0.8	0.2
<b>Financial sectors</b>	<b>29.9</b>	<b>28.7</b>	<b>25.7</b>	<b>11.1</b>	<b>20.1</b>	<b>5.9</b>	<b>5.5</b>	<b>3.6</b>
Rest of the world	46.0	41.6	39.0	52.7	76.5	65.7	77.1	83.7
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Purchasers</b>								
Households	14.3	17.8	- 5.2	12.2	6.0	2.5	8.3	7.7
Non-financial corporations	4.9	12.2	41.3	24.8	19.4	29.8	30.1	48.6
General government	2.4	8.8	16.5	0.3	- 7.8	- 6.3	- 4.1	- 2.3
<b>Non-financial sectors</b>	<b>21.7</b>	<b>38.8</b>	<b>52.7</b>	<b>37.3</b>	<b>17.6</b>	<b>26.0</b>	<b>34.3</b>	<b>53.9</b>
Monetary Financial Institutions (MFIs)	26.7	13.1	21.3	21.1	10.6	6.3	17.4	15.8
Other financial intermediaries	19.1	34.8	22.9	14.4	31.6	27.0	14.5	36.3
Insurance corporations	13.6	12.2	8.1	13.6	24.3	8.7	4.3	8.4
<b>Financial sectors</b>	<b>59.4</b>	<b>60.1</b>	<b>52.3</b>	<b>49.0</b>	<b>66.5</b>	<b>42.0</b>	<b>36.2</b>	<b>60.5</b>
Rest of the world	18.9	1.1	- 5.0	13.7	15.9	32.0	29.6	- 14.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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